

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2020



**12700 SW 72nd Ave.
Tigard, OR 97223**

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

2019-2020 FINANCIAL REPORT

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SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

2019-2020 FINANCIAL REPORT

Board of Directors

Mark Truax, Chair	June 30, 2023
Brian Taylor, Vice-Chair	June 30, 2021
Sondra Gomez	June 30, 2023
Dr. Hugh Stelson	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

Sheila Roley
Superintendent

Justine Hill
Business Manager
2600 Spruce Drive, Suite 100
Seaside, OR 97138

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SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

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CLATSOP COUNTY, OREGON

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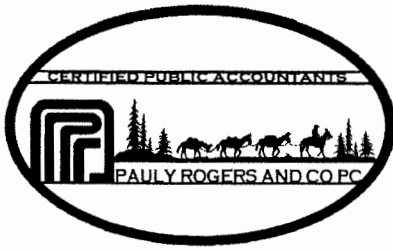
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PAULY, ROGERS, AND CO., P.C.
12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcocpas.com

November 18, 2020

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, 2020, 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 and contributions for PERS, or Management's Discussion and Analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance on them.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the basic financial statements. The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information 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 dated November 18, 2020 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. The reports are an integral part of an audit performed in accordance with Government Auditing Standards in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 18, 2020, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



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

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**SEASIDE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year ended June 30, 2020**

The Management's Discussion and Analysis of Seaside School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the District's financial statements, which follow the Management's Discussion and Analysis. The discussion and analysis is designed to:

- 1) Assist the reader in focusing on significant financial issues;
- 2) Provide an overview of the District's financial activities;
- 3) Identify changes in the District's financial position;
- 4) Identify any material deviations from the adopted financial plan (budget); and,
- 5) Identify specific issues related to individual funds and the economic factors affecting the District.

The District's annual financial report consists of several sections. Taken together they provide a comprehensive view of the District's finances.

FINANCIAL HIGHLIGHTS

- On June 30, 2020, the District's Net Position was \$(4,187,954).
- The District's governmental funds report a combined ending fund balance of \$12,890,071 which is a decrease of \$62,368,142 in comparison with the prior year. Approximately \$3,539,008 is available for spending at the District's discretion.
- At the end of the fiscal year, the General Fund balance was \$3,548,206 (unassigned or *unreserved* \$3,539,008 non-spendable \$9,198) or about 18% of total General Fund expenditures and transfers of \$19,298,152.
- Budgeted transfers out of the General Fund of \$289,521 were made to the Food Service Fund [\$29,003], Equity Fund [\$830] and the Capital Maintenance Reserve Fund [\$259,688].
- 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. This is the fourth fiscal year of bond expenditures.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Basic Financial Statements: The basic financial statements include three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to basic financial statements.

- **Government-Wide Financial Statements:** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. These statements include:
 - *The Statement of Net Position:* The statement of net position presents information on all of the assets and liabilities of the District as of the date on the statement. Net position is what remains after the liabilities have been paid off or otherwise satisfied. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
 - *The Statement of Activities:* The statement of activities presents information showing how the net position of the District changed over the most recent fiscal year by tracking revenues,

expenses, and other transactions that increase or reduce net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flow. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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

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

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 governmental-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between government funds and government-wide financial statements.

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Seaside School District, liabilities exceeded assets creating a negative net position of \$(4,187,954) on June 30, 2020. Due to the implementation of GASB Statements 73, beginning net position was restated as of July 1, 2016 to account for the net pension liability and pension related deferred outflows as of the beginning of

the year based on the actuarial data provided by Milliman (Actuarial Provider) for the prior measurement date. Due to the implementation of GASB Statement 75 for net other post-employment benefit obligations, a restatement of the prior year net position was again required effective with the 2018 audit.

Capital assets, which consist of the land, buildings, building improvements, vehicles, and equipment, represent about 83% of the District's total assets. The contribution to prepaid pension costs represents 5% of the District's total assets and the remaining 12% of assets consist mainly of investments, cash, grants, and property taxes receivable.

Seaside School District 10			
Net Position			
	Governmental Activities		Increase (Decrease) from Fiscal 2019
	2020	2019	
Current and Other Assets	\$ 15,234,416	\$ 85,924,729	\$ (70,690,313)
Capital Assets	\$ 106,613,078	\$ 7,776,014	\$ 98,837,064
Net Pension Related Deferrals	\$ 6,192,830	\$ 6,605,548	\$ (412,718)
Total Assets/Pension Deferrals	\$ 128,040,324	\$ 100,306,291	\$ 27,734,033
Current Liabilities	\$ 4,095,567	\$ 12,031,379	\$ (7,935,812)
Long-Term Debt	\$ 126,510,376	\$ 128,279,062	\$ (1,768,686)
Net Pension Related Deferrals	\$ 1,622,335	\$ 1,329,565	\$ 292,770
Total Liabilities/Pension Deferrals	\$ 132,228,278	\$ 141,640,006	\$ (9,411,728)
Total Net Position	\$ (4,187,954)	\$ (41,333,715)	\$ 37,145,761
Invested in Capital Assets, Net of Related Debt	\$ 1,454,170	\$ (99,273,985)	\$ 100,728,155
Restricted	\$ 1,163,439	\$ 906,699	\$ 256,740
Unrestricted	\$ (6,805,563)	\$ 57,033,571	\$ (63,839,134)
Total Net Position	\$ (4,187,954)	\$ (41,333,715)	\$ 37,145,761

The District's largest liabilities [97%] are for the repayment of net pension (PERS), other post employment benefit (OPEB) obligations, and the general obligation (GO) bonds for construction. The 2005 PERS Unfunded Actuarial Liability Pension bond will be paid off in 2028. The 2017 GO bonds will be paid off in 2047. Other liabilities combined, representing about 3% of the District's total liabilities, consist almost entirely of payables on accounts, short-term debt, employee benefits, and accrued compensated absences. During the current fiscal year, the District's net position was \$(4,187,954).

Governmental activities: The key elements of the change in the District's net position for the year ended June 30, 2020 are as follows:

- State timber revenue increased by \$348,151.
- Property tax revenues increased by \$948,711 (general purposes \$801,293; debt service \$147,418).
- Expenses decreased by \$32,740,147.

**Seaside School District 10
Changes in Net Position**

	<u>Government Activities</u>		Increase (Decrease) from Fiscal 2019
	<u>2020</u>	<u>2019</u>	
Revenues			
Program Revenues			
Charges for Services	\$ 72,307	\$ 110,715	\$ (38,408)
Operating Grants and Contributions	5,755,711	1,507,754	4,247,957
General Revenues			
Property taxes	22,075,307	21,126,596	948,711
Timber Revenue	1,787,395	1,439,244	348,151
State and Local Sources	433,195	873,135	(439,940)
Intermediate Sources	135,624	82,304	53,320
State Revenue Sharing	153,224	156,265	(3,041)
Other State Sources	-	-	-
Earnings on Investments	1,270,600	1,844,653	(574,053)
Unrealized Gain (Loss) on Investments	131,570	782,479	(650,909)
Gain (Loss) on Disposal	403,055	(39,000)	442,055
Miscellaneous	-	-	-
Total Revenues	<u>32,217,988</u>	<u>27,884,145</u>	<u>4,333,843</u>
Expenses			
Instruction	14,767,893	13,892,506	875,387
Support Services	7,692,249	7,269,493	422,756
Enterprise and Community Services	713,490	735,702	(22,212)
Facilities Acquisition	3,938,397	37,860,275	(33,921,878)
Interest on Long-Term Debt	2,288,502	2,382,702	(94,200)
Total Expenses	<u>29,400,531</u>	<u>62,140,678</u>	<u>(32,740,147)</u>
(Decrease) Increase in Net Position	2,817,457	(34,256,533)	37,073,990
Net Position July 1	<u>(41,333,715)</u>	<u>(7,077,182) **</u>	<u>(34,256,533)</u>
Prior Period Adjustment	<u>34,328,304 ***</u>	<u>-</u>	<u>-</u>
Net Position June 30	<u>\$ (4,187,954)</u>	<u>\$ (41,333,715)</u>	<u>\$ 2,817,457</u>

** Beginning as restated for GASB 75.

*** Correcting construction in progress balance.

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, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year. On June 30, 2020, the District's governmental funds reported combined ending fund balances of \$12,890,071 which is a decrease of \$62,368,142 in comparison with the prior year.

General Fund: The General Fund is the chief operating fund of the District. As of June 30, 2020, the total fund

balance was \$3,548,206 (unassigned or *unreserved* \$3,539,008; non-spendable \$9,198).

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 \$630,688.

Debt Service Fund: The Debt Service Fund had a total fund balance of \$532,751.

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 \$8,178,426.

General Fund Budgetary Highlights: There were minor changes made to the General Fund adopted budget for the fiscal year ended June 30, 2020.

The Seaside School District passed a ballot measure in November 2015 to renew a local option tax to help fund operations for an additional five years. This levy is a temporary property tax that is used to fund school district operations. It provided an additional \$1,461,290 in current and prior local option tax revenue. This levy costs property tax payers \$0.52 per thousand of assessed value each year for five years and does not exceed the Measure 5 limit of \$5 per thousand of real market value.

Three (3) transfers were allocated from the General Fund. A transfer of \$29,003 was needed to support the District's food service program and eliminate the negative fund balance in that account. A transfer of \$830 was allocated to Equity in Education because it requires District contributions. A transfer of \$259,688 was allocated to continue accumulating resources to ensure that the District is able to adequately maintain our new school facilities. All transfers were approved in the budgeting process.

Despite the COVID-19 pandemic, the District's financial situation remains strong. The District has realized short-term savings of approximately \$200,000 due to the Governor's order (on March 23, 2020) to close schools through the end of the year which reduced contract, supplies and materials costs.

Long-Term Debt: At the end of the current fiscal year, the District had total long-term liabilities of \$126,510,376.

The District's Measure 5 Real Market Value for 2020 is \$5,173,993,896. State statute (ORS 328.245) establishes the limit on bonded indebtedness for K-12 school districts at 7.95% of Measure 5 Real Market Value. As of 2020, the District's limit on bonded indebtedness is \$411,332,515.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Local property taxes collected coupled with State timber monies continue to be the most significant revenue factors for the District. For the year ended June 30, 2020, the taxes provided 81% of the District's program resources (including debt service obligations). State timber revenue provided 5% on the modified accrual basis. 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 our future years operating budgets because they do equate to increased revenues that are not being infused into the District's revenue stream.

In November 2020, the District will seek 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. This is an important revenue resource.

Seaside School District has not been receiving any State School Fund monies due to the fact that the local revenues applicable to the State School Fund formula are too high. Based on current Oregon Department of Education (ODE) revenue projections for educational entities, the District will be very close to meeting the threshold of receiving funds from the State School Fund formula. If timber revenue decreases, property tax collections weaken, student enrollment significantly increase, and/or assessed value growth rates stagnate; the District may be forced to rely on the State School Fund Grant.

The District receives the majority of revenue (property taxes) in November and relies on an ending/beginning fund balance that is able to cover operating costs from July through October. Our fund balance has not been sufficient which has required us to participate in a short-term operating loan program through Oregon School Boards Association.

In March 2020, the District approved a three (3) year renewal with the Cannon Beach Academy (CBA) charter school. For each school year, and subject to any increased per student funding formula used by the District due to its funding through sources other than the State School Fund, the District shall provide funding to CBA in accordance with ORS 338.155(2), as that formula may be changed from time to time. Until the law is changed, the funding shall be 80% of the District's "Charter School Rate," as determined by the State of Oregon Department of Education; multiplied by CBA's ADMw.

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. Because the District did not issue the full \$99.7 million, but will need additional funds to complete the K-12 construction project, it will be selling the remaining \$2.205 million and also exploring options for a Full Faith and Credit Obligation (not to exceed \$10,000,000).

The District is actively trying to dispose of the vacated schools. All available vacated school properties have been listed with a real estate broker and the Cannon Beach Elementary property has sold.

The Capital Maintenance Reserve Fund. The objective of this fund is to start accumulating resources to ensure that the District is able to adequately maintain our new school facilities. The purpose of the allocation is to cover substantial maintenance projects. The resources will not be used for regular, operating maintenance and supplies. Revenue for this fund will come from a budgeted transfer from the General Fund.

Allocations [\$138,000] for the purchase of a new vehicle have been appropriated as part of a regular vehicle replacement schedule.

General Fund transfers have been budgeted as follows: the Food Service program [\$145,960]; Equity in Education [\$80,432]; Wellness Grant [\$26,000]; Capital Maintenance Reserve Fund [\$75,000]; and the 2017 GO Bond Project [\$887,416]. The District's elementary schools are participating in a Universal Lunch and School Breakfast Program. All students enrolled at either of the elementary schools may participate in the breakfast and lunch program at no charge to them, but they will be required to take a reimbursable meal. This program has decreased food service revenues and the feasibility will need to be evaluated if it continues to require General Fund dollars to support it. The Equity in Education is a grant through the Meyer Memorial Trust. The goal of the grant is "through equitable education, transform our District to improve college and career readiness for English Learners and students in poverty." This grant requires a District contribution. For budgetary purposes, all required allocations have been transferred to the grant; however, all of these funds may not be needed because some of the District's contributions may be done in-kind or with other grant funding. The Wellness Grant is from the Oregon Education Association Choice Trust. This grant will be used to support the well-being of all of our District employees. The grant requires a District contribution. As the construction

project gets close to completion, although the budget has been closely monitored, the District will need additional funds. An allocation allows for the ability to transfer if needed.

Capital Projects Fund interfund transfers have been budgeted from general Capital Projects [\$466,979] and the Capital Maintenance Reserve Fund [\$917,746] to 2017 General Obligation Bond Project. These transfers will only occur if the resources are needed to complete the scope of the K-12 construction relocation project requirements.

All employee groups' contracts have been settled for one year (July 1, 2020 and expire June 30, 2021). For the next year, Licensed, Administrative, Classified and Confidential employee groups have agreed to a 2.50% salary increase. All employee groups have the same insurance cap amount of \$1,650.

Public Employees Retirement System (PERS) rates are set in a biennial cycle and the next scheduled rate increase will be July 1, 2021.

Seaside School District's enrollment for 2020-2021 is projected to be the same or similar.


As a result of the COVID-19 pandemic, the District is estimated to receive additional federal funding of \$316,436 from the CARES Act Elementary and Secondary School Emergency Relief Fund (ESSER Fund) and \$112,640 in Comprehensive Distance Learning (CDL) Grant Program funds for K-12 School Districts.

At this point, it is unclear if COVID-19 will have any significant impact or have a material adverse impact upon the District's revenues. The District cannot predict the effects of such events.

As a reminder, in May 2012, the long-standing tax appeals between Georgia Pacific Wauna Mill and Clatsop County was settled. The terms of the settlement include a refund to Georgia Pacific in the amount of \$2,500,000 and establishing the Real Market Value for 2011-2012 at \$291,000,000. Because the settlement is over \$1 million, as per the collaborative taxing districts' intergovernmental agreement with the County regarding repayment, the District is looking at an estimated yearly tax revenue reduction for the next 10 years. The reduction amount in 2019-2020 was \$70,696.37.

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.



Justine N. Hill
Business Manager

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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, 2020

ASSETS:	
Cash and Investments	\$ 12,004,839
Property Taxes Receivable	1,243,434
Accounts Receivable	1,976,945
Prepaid Expense	9,198
Capital Assets:	
Non-depreciable	103,000,373
Depreciable, Net of Depreciation	3,612,705
Total Assets	121,847,494
DEFERRED OUTFLOWS OF RESOURCES:	
Pension Related Deferrals - PERS	5,860,706
OPEB Related Deferrals - Health Insurance	217,863
OPEB Related Deferrals - Stipends	114,261
Total Deferred Outflows:	6,192,830
TOTAL ASSETS AND PENSION RELATED DEFERRALS	128,040,324
LIABILITIES:	
Current:	
Accounts Payable	151,332
Accrued Payroll, Taxes, and Employee Withholdings	405,430
Accrued Compensated Absences	245,282
Accrued Interest	130,118
Short -Term Debt	846,250
Long-term Liabilities Due within One Year	2,317,155
Noncurrent:	
Long-term Liabilities Due in More Than One Year	98,691,306
Bond Premium	10,520,447
Net Pension Liability - PERS	15,254,028
OPEB Liability - Health Insurance	1,520,415
OPEB Liability - Stipends	524,180
Total Liabilities	130,605,943
DEFERRED INFLOWS OF RESOURCES:	
Pension Related Deferrals - PERS	1,524,509
OPEB Related Deferrals - Health Insurance	69,725
OPEB Related Deferrals - Stipends	28,101
Total Deferred Inflows:	1,622,335
TOTAL LIABILITIES AND PENSION RELATED DEFERRALS	132,228,278
NET POSITION:	
Net Investment in Capital Assets	1,454,170
Restricted:	
Debt Service	532,751
Special Revenue	630,688
Unrestricted	(6,805,563)
Total Net Position	\$ (4,187,954)

See accompanying notes to the basic financial statements.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

FUNCTIONS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Instruction	\$ 14,767,893	\$ 7,700	\$ 3,040,220	\$ (11,719,973)
Support Services	7,692,249	32,033	1,563,174	(6,097,042)
Community Services	713,490	32,574	1,152,317	471,401
Facilities Expense	3,938,397	-	-	(3,938,397)
Interest on Long-Term Debt	2,288,502	-	-	(2,288,502)
Total Governmental Activities	\$ 29,400,531	\$ 72,307	\$ 5,755,711	(23,572,513)

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes	17,182,986
Property Taxes, Levied for Debt Service	4,892,321
Timber Harvest Tax Revenue	1,787,395
Income Not Restricted to Specific Programs:	
Local Sources	433,195
Intermediate Sources	135,624
Common School Fund	153,224
Interest and Investment Earnings	1,270,600
Unrealized Gain (Loss) on Investments	131,570
Gain (Loss) on Disposal	403,055

Total General Revenues	<u>26,389,970</u>
Changes in Net Position	2,817,457
Net Position – Beginning	(41,333,715)
Prior Period Adjustment	<u>34,328,304</u>
Net Position – Ending	<u>\$ (4,187,954)</u>

See accompanying notes to the basic financial statements

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2020

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS
ASSETS:					
Cash and Investments	\$ 5,519,556	\$ -	\$ -	\$ 6,485,283	\$ 12,004,839
Receivables:					
Taxes	971,987	-	271,447	-	1,243,434
Accounts	603,085	975,805	-	398,055	1,976,945
Due from Other Funds	-	-	465,322	1,295,088	1,760,410
Prepaid Expenses	9,198	-	-	-	9,198
Total Assets	\$ 7,103,826	\$ 975,805	\$ 736,769	\$ 8,178,426	\$ 16,994,826
LIABILITIES:					
Payroll Liabilities	\$ 405,430	\$ -	\$ -	\$ -	\$ 405,430
Accounts Payable	151,332	-	-	-	151,332
Due to Other Funds	1,415,293	345,117	-	-	1,760,410
Short-Term Debt	846,250	-	-	-	846,250
Total Liabilities	2,818,305	345,117	-	-	3,163,422
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue - Property Taxes	737,315	-	204,018	-	941,333
FUND BALANCES:					
Nonspendable	9,198	-	-	-	9,198
Restricted:					
Debt Service	-	-	532,751	-	532,751
Special Revenue	-	630,688	-	-	630,688
Assigned	-	-	-	8,178,426	8,178,426
Unassigned	3,539,008	-	-	-	3,539,008
Total Fund Balances	3,548,206	630,688	532,751	8,178,426	12,890,071
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,103,826	\$ 975,805	\$ 736,769	\$ 8,178,426	\$ 16,994,826

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, 2020

Total Fund Balances - Governmental Funds	\$	12,890,071
<p>The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the District as a whole.</p>		
Capital Assets, Net of Depreciation		106,613,078
<p>The Net PERS Pension Asset (Liability) is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.</p>		
		(15,254,028)
<p>Deferred Inflows and Outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.</p>		
Deferred Outflows (PERS)	\$	5,860,706
Deferred Outflows (OPEB-Health Insurance)		217,863
Deferred Outflows (OPEB Stipends)		114,261
Deferred Inflows (PERS)		(1,524,509)
Deferred Inflows (OPEB-Health Insurance)		(69,725)
Deferred Inflows (OPEB Stipends)		(28,101)
		4,570,495
<p>The net OPEB obligation is not reported as a liability in the governmental funds. (Stipends)</p>		
		(524,180)
<p>The net OPEB obligation is not reported as a liability in the governmental funds. (Health Insurance)</p>		
		(1,520,415)
<p>Long-term liabilities applicable to the governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long term, are reported in the Statement of Net Position.</p>		
Long term Liabilities		
PERS Bonds Payable	\$	(6,370,000)
Loan Payable		(175,805)
General Obligation Bonds Payable		(94,462,656)
Bond Premium		(10,520,447)
Interest Payable		(130,118)
Accrued Compensated Absences		(245,282)
		(111,904,308)
Unavailable revenue related to property taxes		941,333
Net Position	\$	(4,187,954)

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, 2020

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS
REVENUES:					
Local Sources	\$ 17,400,366	\$ 622,649	\$ 4,838,389	\$ 1,206,323	\$ 24,067,727
Intermediate Sources	1,577,654	109,430	-	-	1,687,084
State Sources	390,391	426,966	-	4,000,000	4,817,357
Federal Sources	5,952	1,321,561	-	-	1,327,513
Total Revenues	19,374,363	2,480,606	4,838,389	5,206,323	31,899,681
EXPENDITURES:					
Current:					
Instruction	12,049,665	1,437,446	-	-	13,487,111
Support Services	6,727,429	281,434	-	-	7,008,863
Community Services	-	651,610	-	-	651,610
Facilities Acquisition	-	-	-	67,834,171	67,834,171
Capital Outlay	231,537	-	-	730,988	962,525
Debt Service	-	27,540	4,694,058	-	4,721,598
Total Expenditures	19,008,631	2,398,030	4,694,058	68,565,159	94,665,878
Excess of Revenues Over, (Under) Expenditures	365,732	82,576	144,331	(63,358,836)	(62,766,197)
Other Financing Sources, (Uses):					
Transfers In	-	29,833	-	259,688	289,521
Transfers Out	(289,521)	-	-	-	(289,521)
Proceeds from Sale of Fixed Assets	-	-	-	398,055	398,055
Total Other Financing Sources, (Uses)	(289,521)	29,833	-	657,743	398,055
Net Change in Fund Balance	76,211	112,409	144,331	(62,701,093)	(62,368,142)
Beginning Fund Balance	3,471,995	518,279	388,420	70,879,519	75,258,213
Ending Fund Balance	\$ 3,548,206	\$ 630,688	\$ 532,751	\$ 8,178,426	\$ 12,890,071

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, 2020

Total Net Changes in Fund Balances - Governmental Funds \$ (62,368,142)

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	\$	64,863,299	
Proceeds on Sale of Capital Assets		(398,055)	
Capital Asset Trade-in Credit		(5,000)	
Gain (Loss) on Disposal of Capital Assets		403,055	
Depreciation Expense		(354,539)	
			64,508,760

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 (1,757,834)

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		540,000	
Loan Repaid		21,445	
Bond Premium (Amortized)		389,646	
General Obligation Bonds Repaid		1,480,000	
Accrued Interest		2,005	
Accrued Compensated Absences		(27,906)	
			2,405,190

Change in net OPEB liability and deferrals - Stipends 68,039

Change in net OPEB liability and deferrals - Health Insurance 46,192

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. (84,748)

Change in Net Position of Governmental Activities \$ 2,817,457

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, 2020, there were deferred outflows representing pension related deferrals from PERS, 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, 2020, there were deferred inflows representing pension related deferrals from PERS, 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.

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, 2020:

Deposits with Financial Institutions:	
Petty Cash	\$ 550
Demand Deposits	(3,246,144)
Certificates of Deposit	79,978
Savings Bonds	15,000
Investments - LGIP	<u>15,155,455</u>
Total Cash and Investments	<u>\$ 12,004,839</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, 2020 was \$9,519,236, of which \$594,978 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, 2020, 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:

<u>Investment Type</u>	<u>Cost</u>	<u>Investment Maturities (in Months)</u>		
		<u>Less than 3</u>	<u>3-18</u>	<u>18-59</u>
State Treasurer's Investment Pool	\$ 15,155,455	\$ 15,155,455	\$ -	\$ -
Savings Bonds	15,000	15,000	-	-
Total Investments	<u>\$ 15,170,455</u>	<u>\$ 15,170,455</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, 2020, 99.90% of total investments were in the State Treasurer's Investment Pool and 0.10% 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, 2020 are as follows:

	7/1/2019	Adjustments	Additions	(Deletions)	6/30/2020
Non-Depreciable:					
Construction in Progress	\$4,281,801	\$34,339,822	\$64,217,619	\$ -	\$ 102,839,242
Land	161,131	-	-	-	161,131
Total Non-Depreciable	4,442,932	34,339,822	64,217,619	-	103,000,373
Depreciable:					
Land Improvements	682,321	-	-	(21,808)	660,513
Buildings & Improvements	7,893,825	-	414,560	(157,086)	8,151,299
Equipment	516,375	-	-	-	516,375
Licensed Vehicles	2,328,733	(34,999)	231,120	(197,731)	2,327,123
Total Depreciable	11,421,254	(34,999)	645,680	(376,625)	11,655,310
Accumulated Depreciation:					
Land Improvements	609,122	(1,250)	8,055	(21,808)	594,119
Buildings & Improvements	6,167,239	(4,607)	101,300	(157,086)	6,106,846
Equipment	330,312	-	32,379	-	362,691
Licensed Vehicles	981,499	(17,624)	212,805	(197,731)	978,949
Total	8,088,172	\$ (23,481)	\$ 354,539	\$ (376,625)	8,042,605
Total Net Capital Assets	\$7,776,014				\$ 106,613,078
Instruction			\$ 226,111		
Support Services			117,504		
Community Services			10,924		
Total Depreciation Expense			\$ 354,539		

During the year ending June 30, 2020, the District sold fully depreciated capital assets for \$398,055 and a trade-in credit of \$5,000, resulted in a gain of \$403,055 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 by \$34,304,823 and the related accumulated depreciation were reduced by \$23,481, resulting in a prior period adjustment of \$34,328,304 in the Statement of Activities.

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/2019-CAFR.pdf>

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

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
- i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results. A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
- ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided 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. Employer contributions for the year ended June 30, 2020 were \$2,714,180, 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, 2020, the District reported a net pension liability of \$15,254,028 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement dates of June 30, 2019 and 2018, the District's proportion was .088 and .094 percent, respectively. Pension expense for the year ended June 30, 2020 was \$1,757,834.

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

- (1) Tier 1/Tier 2 – 21.09%
- (2) OPSRP General – 15.64%
- (3) PERS UAL Contribution – 7.24%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 841,215	\$ -
Changes in assumptions	2,069,383	-
Net difference between projected and actual earnings on pension plan investments	-	432,436
Net changes in proportionate share	235,928	821,147
Differences between City contributions and proportionate share of contributions	-	270,926
Subtotal - Amortized Deferrals (below)	3,146,526	1,524,509
City contributions subsequent to measuring date	2,714,180	-
Deferred outflow (inflow) of resources	\$ 5,860,706	\$ 1,524,509

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

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. RETIREMENT PLANS (CONTINUED)

PENSION ASSET OR LIABILITY (CONTINUED)

Subtotal amounts related to pension as deferred outflows of resources, \$3,146,526, and deferred inflows of resources, (\$1,524,509), net to \$1,622,017 and will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2021	\$ 1,185,973
2022	(78,410)
2023	308,764
2024	211,903
2025	(6,213)
Thereafter	-
Total	<u>\$ 1,622,017</u>

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

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

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

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

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. RETIREMENT PLANS (CONTINUED)

Actuarial Methods and Assumptions:

Valuation date	December 31, 2017 rolled forward to June 30, 2019
Experience Study Report	2016, Published July 26, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	3.50 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision, blend based on service
Mortality	Healthy retirees and beneficiaries: RP-2014 Health annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2016 Experience Study which is reviewed for the four-year period ending December 31, 2016.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternative Investments	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100.0%

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

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 July 2017 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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

Source: June 30, 2019 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, 2019 and 2018 was 7.20 percent for both years, for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate – The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net pension liability	\$ 24,427,972	\$ 15,254,028	\$ 7,576,700

Changes Subsequent to the Measurement Date

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

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

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)

OPSRP INDIVIDUAL ACCOUNT PROGRAM (OPSRP IAP) (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. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2020.

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

<https://www.oregon.gov/pers/emp/pages/GASB.aspx>

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 year ended June 30, 2020 were not considered material to the basic financial statements by management.

At June 30, 2020, the District's net OPEB liability/(asset) and deferred inflows and outflows for RHIA were not considered material to the basic financial statements by management and were not accrued in the government wide statements.

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 \$524,180 was measured as of June 30, 2019 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 38.

Changes in Total Pension Liability	
Balance as of June 30, 2019	\$ 608,251
Service Cost	13,183
Interest in total OPEB liability	22,166
Effect of plan changes	-
Recognition of Deferred (Inflows)/Outflows of Resources	
Recognition of economic/demographic (gains) or losses	(17,296)
Recognition of assumption changes	(3,841)
Administrative Expenses	(98,283)
OPEB Expense	\$ 524,180

The following table shows the sensitivity of the Total OPEB Liability for Stipends to changes in discount rates on June 30, 2020:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Stipend Liability	\$ 542,619	\$ 524,180	\$ 505,984

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, 2020, the District recognized OPEB Stipend income of \$68,039. At June 30, 2020, the District reported deferred outflows and deferred inflows of resources related to pension from the following sources:

	Deferred Inflows	Deferred Outflows
Differences between expected and actual experience	\$ (13,365)	\$ 7,467
Changes of assumptions	(14,736)	6,072
<i>Subtotal- Amortized Deferrals (Below)</i>	(28,101)	13,539
Benefit Payments	-	100,722
Total as of June 30, 2020	\$ (28,101)	\$ 114,261

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, 2021.

Subtotal amounts related to OPEB as deferred outflows of resources, \$13,539, and deferred inflows of resources, (\$28,101), net to (\$14,562) and will be recognized in OPEB expense as follows:

Year ended June 30:	Annual Recognition
2021	\$ (2,666)
2022	(3,740)
2023	(6,105)
2024	(2,051)
2025	-
Thereafter	-
Total	\$ (14,562)

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 3.50% 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, 2020, the following employees were covered by the benefit terms:

Number of members	All Members
Active	36
Retired Members	17
Spouses of Ineligible Retirees	0
Total	53

OTHER POST-EMPLOYMENT BENEFITS (HEALTH INSURANCE)

Total OPEB Liability – The District’s total OPEB liability of \$1,520,415 was measured as of June 30, 2019 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 39.

OPEB Expense	2019-2020
Service Cost	\$ 97,668
Interest in total OPEB liability	59,692
Effect of plan changes	-
Recognition of Deferred (Inflows)/Outflows of Resources	
Recognition of economic/demographic (gains) or losses	(2,719)
Recognition of assumption changes	(9,683)
Administrative Expenses	-
OPEB Expense	\$ 144,958

The following tables shows the sensitivity of Total OPEB Liability for Health Insurance to changes in discount and trend rates on June 30, 2020:

Discount Rate Sensitivity:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 1,602,773	\$ 1,520,415	\$ 1,441,672

Health Care Trend Sensitivity:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 1,409,745	\$ 1,520,415	\$ 1,646,616

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, 2020, the District recognized OPEB income for Health Insurance of \$46,192. At June 30, 2020, the District reported deferred outflows and deferred inflows of resources related to OPEB for Health Insurance from the following sources:

	Deferred Inflows	Deferred Outflows
Differences between expected and actual experience	\$ (16,855)	\$ -
Changes of assumptions	(52,870)	26,713
<i>Subtotal - Amortized Deferrals (Below)</i>	(69,725)	26,713
Benefit Payments	-	191,150
Total as of June 30, 2020	\$ (69,725)	\$ 217,863

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, 2021.

Subtotal amounts related to OPEB as deferred outflows of resources, \$26,713, and deferred inflows of resources, (\$69,725), net to (\$43,012) and will be recognized in OPEB expense as follows:

Year ended June 30:	Annual Recognition
2021	\$ (12,402)
2022	(12,402)
2023	(12,402)
2024	(7,354)
2025	(360)
Thereafter	1,908
Total	\$ (43,012)

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 3.50% 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.

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

Number of members	All Members
Active	196
Retired Members	19
Spouses of Ineligible Retirees	0
Total	215

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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, 2020:

	Interest Rates	Original Issue	Outstanding 7/1/2019	Matured and Redeemed	Outstanding 6/30/2020	Due Within One Year
Bonds Payable:						
PERS 2005 Series Bond	4.849%~5.011%	10,080,000	\$ 6,910,000	\$ 540,000	\$ 6,370,000	\$ 600,000
2017 GO Bond	4.58%	97,492,656	95,942,656	1,480,000	94,462,656	1,695,000
Direct Borrowings:						
SELP Loan	20%	326,570	197,250	21,445	175,805	22,155
Total Long Term Debt			103,049,906	2,041,445	101,008,461	2,317,155
			Premium	10,910,093	389,646	10,520,447
			Total	<u>\$ 113,959,999</u>	<u>\$ 2,431,091</u>	<u>\$ 111,528,908</u>
					<u>\$ 2,317,155</u>	

Future maturities of Long-Term liabilities are as follows:

Year Ending	PERS 2005 Series		2017 GO Bond		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	600,000	319,200	1,695,000	3,155,800	\$ 2,295,000	\$ 3,475,000
2022	670,000	289,134	1,920,000	3,088,000	2,590,000	3,377,134
2023	740,000	255,562	2,155,000	2,992,000	2,895,000	3,247,562
2024	820,000	218,480	2,405,000	2,884,250	3,225,000	3,102,730
2025	900,000	177,390	2,670,000	2,764,000	3,570,000	2,941,390
2026-2030	2,640,000	243,534	17,980,000	11,520,000	20,620,000	11,763,534
2031-2035	-	-	27,655,000	6,116,250	27,655,000	6,116,250
2036-2040	-	-	19,138,161	19,545,589	19,138,161	19,545,589
2041-2045	-	-	13,767,178	30,537,823	13,767,178	30,537,823
2046-2050	-	-	5,077,317	14,397,682	5,077,317	14,397,682
Total	<u>\$ 6,370,000</u>	<u>\$ 1,503,300</u>	<u>\$ 94,462,656</u>	<u>\$ 97,001,394</u>	<u>\$ 100,832,656</u>	<u>\$ 98,504,694</u>

Year Ending	SELP Loan		
	Principal	Interest	Total
2021	22,155	5,385	\$ 27,540
2022	22,885	4,655	27,540
2023	23,640	3,900	27,540
2024	24,419	3,121	27,540
2025	25,226	2,314	27,540
2026-2030	57,480	2,107	59,587
Total	<u>\$ 175,805</u>	<u>\$ 21,482</u>	<u>\$ 197,287</u>

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.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

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.

A number of federally assisted grant programs are participated in. These programs are subject to program compliance audits by the grantors or their representatives. The federal audits for these programs for the year ended June 30, 2020 have not been conducted. Accordingly, compliance with grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although such amounts, if any, are expected by management to be immaterial.

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

14. OPERATING LEASE AGREEMENTS

LEASE RECEIVABLE

On December 15, 2006, an agreement with the City of Seaside was entered into to allow the District to continue to lease the following described property: Seaside Chamber of Commerce Office Building, restrooms, parking facilities, together with other pertinent structures. It was agreed that the District would assume all of the responsibility for maintenance, improvements, upkeep of the grounds, and carry insurance coverage as full consideration of the rental. The lease is set to expire on December 15, 2031.

OPERATING LEASE PAYABLE

On December 1, 2017, a 36 month lease agreement for three copier machines was entered into with ABS Finance. Lease payments for the year ended June 30, 2020 totaled \$35,792.

Subsequent to year end, 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.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

14. OPERATING LEASE AGREEMENTS (CONTINUED)

Future minimum operating lease obligation is as follows:

Year Ended	
<u>June 30,</u>	<u>Amount</u>
2021	\$ 29,083
2022	31,727
2023	31,727
2024	31,727
2025	31,727
2026	<u>2,644</u>
Total	<u>\$ 158,635</u>

15. SHORT-TERM OBLIGATIONS

The following changes occurred in short-term obligations during the year ended June 30, 2020.

	<u>Interest</u>	<u>Beginning</u>		<u>Ending</u>
	<u>Rate</u>	<u>Balance</u>	<u>Additions</u>	<u>(Reductions)</u>
				<u>Balance</u>
Tax Revenue Anticipated Note	2.00%	975,000	846,250	(975,000)
Total Short-Term Liabilities		<u>\$ 975,000</u>	<u>\$ 846,250</u>	<u>\$ (975,000)</u>
				<u>\$ 846,250</u>

16. INTERFUND TRANSFERS

The composition of interfund transfers is as follows:

	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund	\$ 289,521	\$ -
Special Revenue Fund	-	29,833
Capital Projects Fund	-	<u>259,688</u>
Total Transfers	<u>\$ 289,521</u>	<u>\$ 289,521</u>

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

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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	\$ -	\$ 1,415,293
Special Revenue Fund	-	345,117
Debt Service Fund	465,322	-
Capital Projects Fund	1,295,088	-
	<hr/>	<hr/>
Total Transfers	<u>\$ 1,760,410</u>	<u>\$ 1,760,410</u>

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

18. PROPERTY TAX ABATEMENT

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

19. PRIOR PERIOD ADJUSTMENTS

An adjustment to capital assets was made to reflect updates to the District's capital asset register. Total capital assets were increased by \$34,304,823 and the related accumulated depreciation were reduced by \$23,481, resulting in a prior period adjustment of \$34,328,304 recorded in the Statement of Activities.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

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SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

At June 30, 2020

PERS

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.088 %	\$ 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

Year	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2020	\$ 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, OREGON

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POST EMPLOYMENT BENEFITS
June 30, 2020

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
2020	\$ 608,251	\$ 13,183	\$ 22,166	\$ -	\$ (17,296)	\$ (3,841)	\$ (98,283)	\$ 524,180	N/A	N/A
2019	678,831	13,168	\$ 22,996	-	-	(6,550)	(100,194)	608,251	N/A	N/A
2018	749,876	24,752	\$ 20,443	-	-	(772)	(115,468)	678,831	N/A	N/A
2017	804,600	21,362	29,400	-	-	20,364	(125,850)	749,876	N/A	N/A

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

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

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POST EMPLOYMENT BENEFITS
June 30, 2020

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
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, 2020

GENERAL FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:				
Local Sources	\$ 17,245,740	\$ 17,245,740	\$ 17,400,366	\$ 154,626
Intermediate Sources	1,367,374	1,367,374	1,577,654	210,280
State Sources	407,543	407,543	390,391	(17,152)
Federal Sources	10,000	10,000	5,952	(4,048)
Total Revenues	19,030,657	19,030,657	19,374,363	343,706
EXPENDITURES:				
Instruction	13,184,139	13,184,139 (1)	12,049,665	1,134,474
Support Services	8,054,001	8,054,001 (1)	6,958,966	1,095,035
Contingency	450,000	450,000 (1)	-	450,000
Total Expenditures	21,688,140	21,688,140	19,008,631	2,679,509
Excess of Revenues Over, (Under) Expenditures	(2,657,483)	(2,657,483)	365,732	3,023,215
Other Financing Sources, (Uses):				
Transfers Out	(526,237)	(526,237) (1)	(289,521)	236,716
Total Other Financing Sources, (Uses)	(526,237)	(526,237)	(289,521)	236,716
Net Change in Fund Balance	(3,183,720)	(3,183,720)	76,211	3,259,931
Beginning Fund Balance	3,183,720	3,183,720	3,471,995	288,275
Ending Fund Balance	\$ -	\$ -	\$ 3,548,206	\$ 3,548,206

(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, 2020

SPECIAL REVENUE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:				
Local Sources	\$ 830,844	\$ 830,844	\$ 622,649	\$ (208,195)
Intermediate Sources	16,000	16,000	109,430	93,430
State Sources	305,761	305,761	426,966	121,205
Federal Sources	1,403,948	1,403,948	1,321,561	(82,387)
Total Revenues	2,556,553	2,556,553	2,480,606	(75,947)
EXPENDITURES:				
Instruction	1,701,920	1,701,920 (1)	1,437,446	264,474
Support Services	737,765	737,765 (1)	281,434	456,331
Community Service	749,529	749,529 (1)	651,610	97,919
Debt Service	27,540	27,540 (1)	27,540	-
Total Expenditures	3,216,754	3,216,754	2,398,030	818,724
Excess of Revenues Over, (Under) Expenditures	(660,201)	(660,201)	82,576	742,777
Other Financing Sources, (Uses):				
Transfers In	266,549	266,549	29,833	(236,716)
Total Other Financing Sources, (Uses)	266,549	266,549	29,833	(236,716)
Net Change in Fund Balance	(393,652)	(393,652)	112,409	506,061
Beginning Fund Balance	490,729	490,729	518,279	27,550
Ending Fund Balance	<u>\$ 97,077</u>	<u>\$ 97,077</u>	<u>\$ 630,688</u>	<u>\$ 533,611</u>

(1) Appropriation Level

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SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

SUPPLEMENTARY INFORMATION

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

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

DEBT SERVICE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:				
Local Sources	\$ 4,654,095	\$ 4,654,095	\$ 4,838,389	\$ 184,294
Total Revenues	4,654,095	4,654,095	4,838,389	184,294
EXPENDITURES:				
Debt Service:				
Redemption of Principal	1,480,000	1,480,000	1,480,000	-
Interest	3,215,000	3,215,000	3,214,058	942
Total Debt Service	4,695,000	4,695,000 (1)	4,694,058	942
Total Expenditures	4,695,000	4,695,000	4,694,058	942
Net Change in Fund Balance	(40,905)	(40,905)	144,331	185,236
Beginning Fund Balance	40,905	40,905	388,420	347,515
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 532,751</u>	<u>\$ 532,751</u>

(1) Appropriation Level

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

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

<u>CAPITAL PROJECTS FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Local Sources	\$ 768,450	\$ 768,450	\$ 1,206,323	\$ (437,873)
State Sources	-	-	4,000,000	4,000,000
Total Revenues	<u>768,450</u>	<u>768,450</u>	<u>5,206,323</u>	<u>4,437,873</u>
EXPENDITURES:				
Facilities Acquisition and Construction	<u>84,003,927</u>	<u>84,003,927</u> (1)	<u>68,565,159</u>	<u>15,438,768</u>
Total Expenditures	<u>84,003,927</u>	<u>84,003,927</u>	<u>68,565,159</u>	<u>15,438,768</u>
Excess of Revenues Over, (Under) Expenditures	(83,235,477)	(83,235,477)	(63,358,836)	19,876,641
Other Financing Sources, (Uses):				
Transfers In	1,313,949	1,313,949	259,688	1,054,261
Proceeds from Sale of Fixed Assets	-	-	398,055	(398,055)
Total Other Financing Sources (Uses)	<u>1,313,949</u>	<u>1,313,949</u>	<u>657,743</u>	<u>1,054,261</u>
Net Change in Fund Balance	(81,921,528)	(81,921,528)	(62,701,093)	19,220,435
Beginning Fund Balance	<u>87,229,785</u>	<u>87,229,785</u>	<u>70,879,519</u>	<u>(16,350,266)</u>
Ending Fund Balance	<u>\$ 5,308,257</u>	<u>\$ 5,308,257</u>	<u>\$ 8,178,426</u>	<u>\$ 2,870,169</u>

(1) Appropriation Level

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

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

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/19	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/20
<u>GENERAL FUND:</u>						
Current:						
2019-20	\$ 17,658,038	\$ 454,402	\$ (28,350)	\$ 10,350	\$ 16,611,532	\$ 574,104
Prior Years:						
2018-19	527,583	-	(21,781)	20,878	309,033	217,647
2017-18	223,269	-	(18,080)	17,825	102,630	120,384
2016-17	81,564	-	(15,836)	15,653	55,353	26,028
2015-16	42,564	-	(11,644)	11,392	31,449	10,863
Prior Years	<u>29,255</u>	<u>-</u>	<u>(5,276)</u>	<u>4,219</u>	<u>5,237</u>	<u>22,961</u>
Total Prior	<u>904,235</u>	<u>-</u>	<u>(72,617)</u>	<u>69,967</u>	<u>503,702</u>	<u>397,883</u>
Total General Fund	<u>\$ 18,562,273</u>	<u>\$ 454,402</u>	<u>\$ (100,967)</u>	<u>\$ 80,317</u>	<u>\$ 17,115,234</u>	<u>\$ 971,987</u>

RECONCILIATION TO REVENUE:		GENERAL FUND
Cash Collections by County Treasurer Above		\$ 17,115,234
Accrual of Receivables:		
June 30, 2019		(98,434)
June 30, 2020		234,672
Change in Prior Years Unearned Revenue, see page 6		<u>(68,486)</u>
Total Revenue		<u>\$ 17,182,986</u>

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

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

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/19	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/20
<u>DEBT SERVICE</u>						
Current:						
2019-20	\$ 5,027,248	\$ 129,368	\$ (8,071)	\$ 2,947	\$ 4,729,308	\$ 163,448
Prior Years:						
2018-19	151,591	-	(6,258)	5,999	88,795	62,537
2017-18	65,871	-	(5,334)	5,259	30,279	35,517
2016-17	30,981	-	(6,015)	5,945	21,025	9,886
2015-16	26	-	(7)	7	19	7
Prior Years	95	-	(41)	10	12	52
Total Prior	248,564	-	(17,655)	17,220	140,130	107,999
Total Debt Service	<u>\$ 5,275,812</u>	<u>\$ 129,368</u>	<u>\$ (25,726)</u>	<u>\$ 20,167</u>	<u>\$ 4,869,438</u>	<u>\$ 271,447</u>

RECONCILIATION TO REVENUE:	DEBT SERVICE FUND
Cash Collections by County Treasurer Above	\$ 4,869,438
Accrual of Receivables:	
June 30, 2019	(28,284)
June 30, 2020	67,429
Change in Prior Year's Unearned Revenue, See p. 6	(16,262)
Total Revenue	<u>\$ 4,892,321</u>

**Seaside School District 10
Schedule of Expenditures of Federal Awards
Year Ending June 30, 2020**

Program Title	Pass Through Organization	Federal CFDA Number	Pass Through Entity Number	Period Covered	Expenditures
US Department of Education					
Title I Grants to Local Education Agencies	Oregon Department of Education	84.010	50482	07/01/18-09/30/19	75,355
Title I Grants to Local Education Agencies	Oregon Department of Education	84.010	53366	07/01/19-09/30/20	338,627
					<u>413,981</u>
Special Education Cluster					
IDEA Part B, Section 611	Oregon Department of Education	84.027	53882	07/01/19-09/30/21	259,398
IDEA Part B, Section 611 SPR&I	Oregon Department of Education	84.027	49614	07/01/18-06/30/19	807
IDEA Part B, Section 611 Extended Assessment	Oregon Department of Education	84.027	54710	07/01/19-09/30/20	237
Total Special Education Cluster		84.027			<u>260,442</u>
Rural and Low Income Schools	Oregon Department of Education	84.358	50892	07/01/18-09/30/19	17,849
Rural and Low Income Schools	Oregon Department of Education	84.358	55338	07/01/19-09/30/20	23,049
					<u>40,898</u>
Title II-A Teacher Quality	Oregon Department of Education	84.367	49405	07/01/18-09/30/21	23,873
Title II-A Teacher Quality	Oregon Department of Education	84.367	53628	07/01/19-09/30/20	53,097
					<u>76,970</u>
Title IV-A Student Support and Academic Enrichment	Oregon Department of Education	84.424	50821	07/01/18-09/30/19	31,260
Title IV-A Student Support and Academic Enrichment	Oregon Department of Education	84.424	54618	07/01/19-09/30/20	2,632
					<u>33,892</u>
Carl D. Perkins Career and Technical Education	ODE/Clatsop Community College	84.048		07/01/19-06/30/20	5,952
Total US Department of Education					832,134
US Department of Agriculture					
School Breakfast Program	Oregon Department of Education	10.553		07/01/19-06/30/20	70,237
CARES Act - School Breakfast Program	Oregon Department of Education	10.553		07/01/19-06/30/20	5,632
Food Distribution-Commodities	Oregon Department of Education	10.555		07/01/19-06/30/20	51,830
National School Lunch Program	Oregon Department of Education	10.555		07/01/19-06/30/20	210,085
CARES Act - National School Lunch Program	Oregon Department of Education	10.555		07/01/19-06/30/20	17,542
Summer Lunch Program	Oregon Department of Education	10.559		07/01/19-06/30/20	8,791
CARES Act - Summer Lunch Program	Oregon Department of Education	10.559		07/01/19-06/30/20	131,261
Total Child Nutrition Cluster					<u>495,378</u>
CNP SAE Reallocation	Oregon Department of Education	10.560		07/01/19-06/30/20	930
Total US Department of Agriculture					496,308
Total Grants Expended or Passed Through to Subrecipients					1,328,442

Reconciliation to Revenue:	
Federal Awards Expended	\$ 1,328,442
Accruals / Deferrals	<u>929</u>
Federal Revenue Recognized	<u>\$ 1,327,513</u>

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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, 2020

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		
2020-2021	-	-	1,695,000	3,155,800	1,695,000	3,155,800
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	\$ 63,455,000	\$ 32,869,050	\$ 94,462,656	\$ 97,001,394

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

SUPPLEMENTAL INFORMATION
 As Required by the Oregon Department of Education
 For the Year Ended June 30, 2020

A.	Energy bills for heating - all funds:		Objects 325 and 326 and 327
	Function 2540	\$	261,221
	Function 2550		
B.	Replacement of equipment - General Fund: Include all General Fund expenditures in Object 542, except for the following exclusions: Exclude these functions:		Amount
	1113, 1122 & 1132 Co-curricular activities 4150 Construction	\$	8,298
	1140 Pre-kindergarten 2550 Pupil transportation		
	Continuing education 3100 Food service		
	1400 Summer school 3300 Community services		

**AUDIT REVENUE SUMMARY
SEASIDE SCHOOL DISTRICT 10**

Revenue from Local Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
1110 Ad Valorem Taxes Levied by District	\$17,262,648	\$0	\$4,908,583	\$0	\$0	\$0	\$0
1120 Local Option Ad Valorem Taxes Levied by District	\$1,461,290	\$0	\$0	\$0	\$0	\$0	\$0
1130 Construction Excise Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1190 Penalties and Interest on Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1200 Revenue from Local Governmental Units Other Than Districts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1311 Regular Day School Tuition - From Individuals	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1312 Regular Day School Tuition - Other Dist Within State	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1313 Regular Day School Tuition - Other Districts Outside	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1320 Adult/Continuing Education Tuition	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1330 Summer School Tuition	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1411 Transportation Fees - From Individuals	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1412 Transportation Fees - Other Dist Within State	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1413 Transportation Fees - Other Districts Outside	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1420 Summer School Transportation Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1500 Earnings on Investments	\$164,874	\$199	\$32,613	\$1,204,484	\$0	\$0	\$0
1600 Food Service	\$0	\$32,574	\$0	\$0	\$0	\$0	\$0
1700 Extracurricular Activities	\$15,577	\$263,527	\$0	\$0	\$0	\$0	\$0
1800 Community Services Activities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1910 Rentals	\$32,033	\$0	\$0	\$0	\$0	\$0	\$0
1920 Contributions and Donations From Private Sources	\$0	\$40,900	\$0	\$0	\$0	\$0	\$0
1930 Rental or Lease Payments From Private Contractors	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1940 Services Provided Other Local Education Agencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1950 Textbook Sales and Rentals	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1960 Recovery of Prior Years' Expenditure	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1970 Services Provided Other Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1980 Fees Charged to Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1990 Miscellaneous	-\$1,536,056	\$285,449	-\$102,807	\$1,839	\$0	\$0	\$0
Total Revenue from Local Sources	\$17,400,366	\$622,649	\$4,838,389	\$1,206,324	\$0	\$0	\$0

Revenue from Intermediate Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
2101 County School Funds	\$1,551,460	\$0	\$0	\$0	\$0	\$0	\$0
2102 General ESD Revenue	\$26,194	\$109,430	\$0	\$0	\$0	\$0	\$0
2103 Excess ESD Local Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2105 Natural Gas, Oil, and Mineral Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2110 Intermediate "I" Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2199 Other Intermediate Sources	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2200 Restricted Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2800 Revenue in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2900 Revenue for/on Behalf of the District	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue from Intermediate Sources	\$1,577,654	\$109,430	\$0	\$0	\$0	\$0	\$0

Revenue from State Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
3101 State School Fund - General Support	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3102 State School Fund - School Lunch Match	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3103 Common School Fund	\$153,223	\$0	\$0	\$0	\$0	\$0	\$0
3104 State Managed County Timber	\$235,935	\$0	\$0	\$0	\$0	\$0	\$0
3106 State School Fund - Accrual	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3199 Other Unrestricted Grants-in-Aid	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3204 Driver Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3222 State School Fund (SSF) Transportation Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3299 Other Restricted Grants-in-Aid	\$1,232	\$428,966	\$0	\$4,000,000	\$0	\$0	\$0
3800 Revenue in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3900 Revenue for/on Behalf of the District	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue from State Sources	\$390,391	\$428,966	\$0	\$4,000,000	\$0	\$0	\$0

Revenue from Federal Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
4100 Unrestricted Revenue Direct From the Federal Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4200 Unrestricted Revenue From the Federal Government Through the State	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4201 Transportation Fees for Foster Children	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4202 Medicaid Reimbursement for Eligible K-12 Expenses (Ages 5-21)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4300 Restricted Revenue From the Federal Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4500 Restricted Revenue From the Federal Government Through the State	\$5,952	\$1,117,971	\$0	\$0	\$0	\$0	\$0
4501 Medicaid Reimbursement for Eligible Early Intervention (EI) Services (Ages Birth to 3)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4502 Medicaid Reimbursement for Eligible Early Childhood Special Education (ECSE) Services (Ages 3-5)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4700 Grants-in-Aid From the Federal Government Through Other Intermediate Agencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4801 Federal Forest Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4802 Impact Aid to School Districts for Operation (PL 874)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4803 Coos Bay Wagon Road Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4899 Other Revenue in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4900 Revenue for/on Behalf of the District	\$0	\$203,590	\$0	\$0	\$0	\$0	\$0
Total Revenue from Federal Sources	\$5,952	\$1,321,561	\$0	\$0	\$0	\$0	\$0

Revenue from Other Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
5100 Long Term Debt Financing Sources	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5200 Interfund Transfers	\$0	\$29,833	\$0	\$259,688	\$0	\$0	\$0
5300 Sale of or Compensation for Loss of Fixed Assets	\$0	\$0	\$0	\$398,055	\$0	\$0	\$0
5400 Resources - Beginning Fund Balance	\$3,471,995	\$518,279	\$388,420	\$70,879,518	\$0	\$0	\$0
Total Revenue from Other Sources	\$3,471,995	\$548,112	\$388,420	\$71,537,262	\$0	\$0	\$0

Grand Total **\$22,846,357** **\$3,028,717** **\$5,226,809** **\$76,743,585** **\$0** **\$0** **\$0**

**DISTRICT AUDIT EXPENDITURE SUMMARY
SEASIDE SCHOOL DISTRICT 10**

Fund: 100 General Fund

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$4,007,662	\$2,267,095	\$1,458,884	\$100,819	\$180,863	\$0	\$0	\$0
1113	Elementary Extracurricular	\$16,647	\$1,652	\$496	\$14,499	\$0	\$0	\$0	\$0
1121	Middle/Junior High Programs	\$1,869,388	\$1,051,419	\$637,676	\$57,169	\$123,124	\$0	\$0	\$0
1122	Middle/Junior High School Extracurricular	\$62,863	\$40,147	\$12,328	\$5,333	\$5,056	\$0	\$0	\$0
1131	High School Programs	\$2,484,285	\$1,432,332	\$909,313	\$43,116	\$99,524	\$0	\$0	\$0
1132	High School Extracurricular	\$343,473	\$244,989	\$65,436	\$21,570	\$5,757	\$0	\$5,720	\$0
1140	Pre-Kindergarten Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1210	Programs for the Talented and Gifted	\$1,485	\$0	\$0	\$1,485	\$0	\$0	\$0	\$0
1220	Restrictive Programs for Students with Disabilities	\$1,104,124	\$491,804	\$435,472	\$176,240	\$608	\$0	\$0	\$0
1250	Less Restrictive Programs for Students with Disabilities	\$1,134,053	\$541,387	\$568,325	\$21,668	\$2,673	\$0	\$0	\$0
1260	Treatment and Habilitation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1271	Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1272	Title I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1280	Alternative Education	\$439,574	\$25,762	\$29,746	\$384,066	\$0	\$0	\$0	\$0
1291	English Second Language Programs	\$585,530	\$324,783	\$257,432	\$1,776	\$1,539	\$0	\$0	\$0
1292	Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293	Migrant Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1294	Youth Corrections Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299	Other Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1300	Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400	Summer School Programs	\$581	\$0	\$0	\$0	\$581	\$0	\$0	\$0
Total Instruction Expenditures		\$12,049,665	\$6,421,371	\$4,375,108	\$827,741	\$419,725	\$0	\$5,720	\$0
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$77,532	\$41,969	\$35,563	\$0	\$0	\$0	\$0	\$0
2120	Guidance Services	\$578,776	\$366,177	\$211,650	\$0	\$949	\$0	\$0	\$0
2130	Health Services	\$106,356	\$69,197	\$34,062	\$1,495	\$1,394	\$0	\$207	\$0
2140	Psychological Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2150	Speech Pathology and Audiology Services	\$160,764	\$0	\$0	\$160,764	\$0	\$0	\$0	\$0
2160	Other Student Treatment Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190	Service Direction, Student Support Services	\$208,526	\$127,909	\$76,262	\$3,660	\$100	\$0	\$595	\$0
2210	Improvement of Instruction Services	\$107,018	\$63,958	\$35,235	\$6,709	\$521	\$0	\$595	\$0
2220	Educational Media Services	\$198,972	\$96,538	\$94,728	\$0	\$7,706	\$0	\$0	\$0
2230	Assessment & Testing	\$1,191	\$0	\$0	\$0	\$1,191	\$0	\$0	\$0
2240	Instructional Staff Development	\$78,260	\$16,086	\$5,439	\$43,741	\$12,994	\$0	\$0	\$0
2310	Board of Education Services	\$64,803	\$0	\$0	\$61,115	\$0	\$0	\$3,688	\$0
2320	Executive Administration Services	\$401,040	\$249,599	\$138,874	\$6,461	\$3,188	\$0	\$2,918	\$0
2410	Office of the Principal Services	\$1,534,547	\$895,100	\$586,806	\$29,980	\$16,178	\$0	\$6,483	\$0
2490	Other Support Services - School Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2510	Direction of Business Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2520	Fiscal Services	\$602,523	\$208,031	\$171,747	\$20,760	\$5,708	\$0	\$196,278	\$0
2540	Operation and Maintenance of Plant Services	\$1,380,649	\$455,816	\$369,974	\$449,927	\$92,318	\$8,298	\$4,315	\$0
2550	Student Transportation Services	\$1,001,759	\$345,716	\$322,618	\$17,235	\$65,840	\$223,239	\$27,111	\$0
2570	Internal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2610	Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Se	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2630	Information Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2640	Staff Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2660	Technology Services	\$328,315	\$120,572	\$64,387	\$63,468	\$79,738	\$0	\$150	\$0
2670	Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2680	Interpretation and Translation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2690	Other Support Services - Central	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700	Supplemental Retirement Program	\$127,934	\$96,211	\$31,723	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures		\$6,958,966	\$3,152,880	\$2,179,069	\$865,316	\$287,825	\$231,537	\$242,340	\$0
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3200	Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300	Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3500	Custody and Care of Children Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Enterprise and Community Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4120	Site Acquisition and Development Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150	Building Acquisition, Construction, and Improvement Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4180	Other Capital Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190	Other Facilities Construction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Facilities Acquisition and Construction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5200	Transfers of Funds	\$289,521	\$0	\$0	\$0	\$0	\$0	\$0	\$289,521
5300	Apportionment of Funds by ESD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400	PERS UAL Bond Lump Sum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures		\$289,521	\$0	\$0	\$0	\$0	\$0	\$0	\$289,521
Grand Total		\$19,298,152	\$9,574,251	\$6,554,177	\$1,693,057	\$707,550	\$231,537	\$248,060	\$289,521

**DISTRICT AUDIT EXPENDITURE SUMMARY
SEASIDE SCHOOL DISTRICT 10**

Fund: 200 Special Revenue Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$46,170	\$0	\$0	\$13,618	\$32,552	\$0	\$0	\$0
1113	Elementary Extracurricular	\$5,539	\$0	\$0	\$750	\$4,698	\$0	\$90	\$0
1121	Middle/Junior High Programs	\$1,093	\$0	\$0	\$988	\$105	\$0	\$0	\$0
1122	Middle/Junior High School Extracurricular	\$26,720	\$0	\$0	\$15,713	\$10,877	\$0	\$130	\$0
1131	High School Programs	\$341,111	\$42,965	\$25,537	\$26,619	\$245,991	\$0	\$0	\$0
1132	High School Extracurricular	\$329,528	\$9,865	\$3,101	\$122,895	\$129,822	\$0	\$63,845	\$0
1140	Pre-Kindergarten Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1210	Programs for the Talented and Gifted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1220	Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1250	Less Restrictive Programs for Students with Disabilities	\$259,398	\$159,533	\$95,102	\$4,763	\$0	\$0	\$0	\$0
1260	Treatment and Habilitation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1271	Remediation	\$5,381	\$4,018	\$1,363	\$0	\$0	\$0	\$0	\$0
1272	Title I	\$413,981	\$226,503	\$180,530	\$2,249	\$4,699	\$0	\$0	\$0
1280	Alternative Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1291	English Second Language Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1292	Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293	Migrant Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1294	Youth Corrections Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299	Other Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1300	Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400	Summer School Programs	\$8,523	\$5,359	\$1,492	\$0	\$1,672	\$0	\$0	\$0
Total Instruction Expenditures		\$1,437,446	\$448,243	\$307,126	\$187,595	\$430,416	\$0	\$64,065	\$0

Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2120	Guidance Services	\$48,025	\$18,922	\$29,102	\$0	\$0	\$0	\$0	\$0
2130	Health Services	\$3,382	\$0	\$0	\$3,322	\$60	\$0	\$0	\$0
2140	Psychological Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2150	Speech Pathology and Audiology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2160	Other Student Treatment Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190	Service Direction, Student Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2210	Improvement of Instruction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2220	Educational Media Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2230	Assessment & Testing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2240	Instructional Staff Development	\$190,264	\$34,378	\$10,174	\$140,859	\$4,853	\$0	\$0	\$0
2310	Board of Education Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2320	Executive Administration Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2410	Office of the Principal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2490	Other Support Services - School Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2510	Direction of Business Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2520	Fiscal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2540	Operation and Maintenance of Plant Services	\$45	\$0	\$0	\$0	\$45	\$0	\$0	\$0
2550	Student Transportation Services	\$3,268	\$1,721	\$547	\$0	\$1,000	\$0	\$0	\$0
2570	Internal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2610	Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical S	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2630	Information Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2640	Staff Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2660	Technology Services	\$36,451	\$0	\$0	\$0	\$36,451	\$0	\$0	\$0
2670	Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2680	Interpretation and Translation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2690	Other Support Services - Central	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700	Supplemental Retirement Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures		\$281,434	\$55,021	\$39,823	\$144,181	\$42,409	\$0	\$0	\$0

Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$648,554	\$133,545	\$155,547	\$304,751	\$54,711	\$0	\$0	\$0
3200	Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300	Community Services	\$3,056	\$0	\$0	\$311	\$2,745	\$0	\$0	\$0
3500	Custody and Care of Children Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Enterprise and Community Services Expenditures		\$651,610	\$133,545	\$155,547	\$305,061	\$57,456	\$0	\$0	\$0

Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4120	Site Acquisition and Development Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150	Building Acquisition, Construction, and Improvement Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4180	Other Capital Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190	Other Facilities Construction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Facilities Acquisition and Construction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$27,540	\$0	\$0	\$0	\$0	\$0	\$27,540	\$0
5200	Transfers of Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5300	Apportionment of Funds by ESD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400	PERS UAL Bond Lump Sum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures		\$27,540	\$0	\$0	\$0	\$0	\$0	\$27,540	\$0

Grand Total	\$2,398,029	\$636,810	\$502,497	\$636,837	\$530,281	\$0	\$91,605	\$0
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DISTRICT AUDIT EXPENDITURE SUMMARY
SEASIDE SCHOOL DISTRICT 10

Fund: 300 Debt Service Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1113	Elementary Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1121	Middle/Junior High Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1122	Middle/Junior High School Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1131	High School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1132	High School Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1140	Pre-Kindergarten Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1210	Programs for the Talented and Gifted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1220	Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1250	Less Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1260	Treatment and Habilitation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1271	Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1272	Title I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1280	Alternative Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1291	English Second Language Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1292	Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293	Migrant Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1294	Youth Corrections Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299	Other Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1300	Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400	Summer School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Instruction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2120	Guidance Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2130	Health Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2140	Psychological Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2150	Speech Pathology and Audiology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2160	Other Student Treatment Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190	Service Direction, Student Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2210	Improvement of Instruction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2220	Educational Media Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2230	Assessment & Testing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2240	Instructional Staff Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2310	Board of Education Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2320	Executive Administration Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2410	Office of the Principal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2490	Other Support Services - School Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2510	Direction of Business Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2520	Fiscal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2540	Operation and Maintenance of Plant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2550	Student Transportation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2570	Internal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2610	Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical S	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2630	Information Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2640	Staff Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2660	Technology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2670	Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2680	Interpretation and Translation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2690	Other Support Services - Central	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700	Supplemental Retirement Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3200	Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300	Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3500	Custody and Care of Children Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Enterprise and Community Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4120	Site Acquisition and Development Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150	Building Acquisition, Construction, and Improvement Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4180	Other Capital Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190	Other Facilities Construction Services	\$4,694,058	\$0	\$0	\$0	\$0	\$0	\$4,694,058	\$0
Total Facilities Acquisition and Construction Expenditures		\$4,694,058	\$0	\$0	\$0	\$0	\$0	\$4,694,058	\$0
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5200	Transfers of Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5300	Apportionment of Funds by ESD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400	PERS UAL Bond Lump Sum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total		\$4,694,058	\$0	\$0	\$0	\$0	\$0	\$4,694,058	\$0

**DISTRICT AUDIT EXPENDITURE SUMMARY
SEASIDE SCHOOL DISTRICT 10**

Fund: 400 Capital Projects Funds

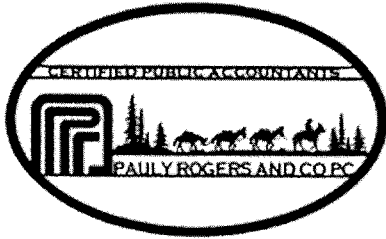
Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1113	Elementary Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1121	Middle/Junior High Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1122	Middle/Junior High School Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1131	High School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1132	High School Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1140	Pre-Kindergarten Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1210	Programs for the Talented and Gifted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1220	Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1260	Less Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1260	Treatment and Habilitation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1271	Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1272	Title I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1280	Alternative Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1291	English Second Language Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1292	Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293	Migrant Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1294	Youth Corrections Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299	Other Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1300	Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400	Summer School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Instruction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2120	Guidance Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2130	Health Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2140	Psychological Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2150	Speech Pathology and Audiology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2160	Other Student Treatment Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190	Service Direction, Student Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2210	Improvement of Instruction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2220	Educational Media Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2230	Assessment & Testing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2240	Instructional Staff Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2310	Board of Education Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2320	Executive Administration Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2410	Office of the Principal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2490	Other Support Services - School Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2510	Direction of Business Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2520	Fiscal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2540	Operation and Maintenance of Plant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2550	Student Transportation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2570	Internal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2610	Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2630	Information Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2640	Staff Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2660	Technology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2670	Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2680	Interpretation and Translation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2690	Other Support Services - Central	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700	Supplemental Retirement Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3200	Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300	Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3500	Custody and Care of Children Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Enterprise and Community Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4120	Site Acquisition and Development Services	\$2,986	\$0	\$0	\$2,986	\$0	\$0	\$0	\$0
4150	Building Acquisition, Construction, and Improvement Services	\$68,562,173	\$0	\$0	\$67,454,036	\$239,418	\$730,988	\$137,731	\$0
4180	Other Capital Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190	Other Facilities Construction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Facilities Acquisition and Construction Expenditures		\$68,565,159	\$0	\$0	\$67,457,022	\$239,418	\$730,988	\$137,731	\$0
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5200	Transfers of Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5300	Apportionment of Funds by ESD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400	PERS UAL Bond Lump Sum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total		\$68,565,159	\$0	\$0	\$67,457,022	\$239,418	\$730,988	\$137,731	\$0

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SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT
REQUIRED BY OREGON STATE REGULATIONS

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

November 18, 2020

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, 2020, and have issued our report thereon dated November 18, 2020. 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:

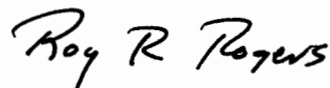
- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Authorized 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.

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.



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

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

GRANT COMPLIANCE REVIEW

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PAULY, ROGERS, AND CO., P.C.
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www.paulyrogersandcospas.com

November 18, 2020

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, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated November 18, 2020.

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.

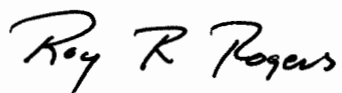
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

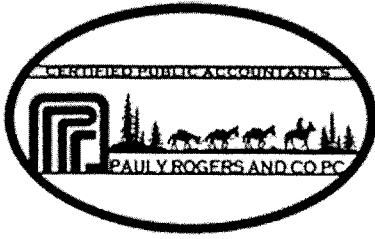
As part of obtaining reasonable assurance about whether the basic financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

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



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November 18, 2020

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, 2020. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and 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, 2020.

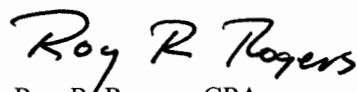
Report on Internal Control Over Compliance

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, 2020

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiency(s) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

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

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(s) identified that are not considered to be material weaknesses? yes none reported

Type of auditors’ report issued on compliance for major programs: Unmodified

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

IDENTIFICATION OF MAJOR PROGRAMS

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM CLUSTER</u>
84.010	Title 1

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, 2020

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.