

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018



12700 SW 72nd Ave.
Tigard, OR 97223

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

2017-18 FINANCIAL REPORT

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SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

2017-18 FINANCIAL REPORT

Board of Directors

| | |
|------------------------|---------------|
| Steve Phillips, Chair | June 30, 2019 |
| Mark Truax, Vice-Chair | June 30, 2019 |
| Patrick Nofield | June 30, 2019 |
| Dr. Hugh Stelson | June 30, 2021 |
| Brian Taylor | June 30, 2021 |
| 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
1801 S. Franklin Street
Seaside, OR 97138

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CLATSOP COUNTY, OREGON

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CLATSOP COUNTY, OREGON

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December 18, 2018

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, fiduciary fund and each major fund of the Seaside School District (the District) as of and for the year ended June 30, 2018, 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, fiduciary fund 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.

Emphasis of Matter

The District adopted the provisions of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

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 December 18, 2018 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. The reports are an integral part of an audit performed in accordance with Government Auditing Standards in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 18, 2018, 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, 2018**

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, 2018. 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, 2018, the District's Net Position was \$(7,077,182).
- The District's governmental funds report a combined ending fund balance of \$110,443,445 which is a decrease of \$1,701,686 in comparison with the prior year. Approximately \$3,894,472 is available for spending at the District's discretion.
- At the end of the fiscal year, the General Fund balance was \$3,741,482 (unassigned or *unreserved* \$3,732,284; non-spendable \$9,198) or about 20% of total General Fund expenditures and transfers of \$18,517,747.
- Budgeted transfers out of the General Fund of \$416,907 were made to the Food Service Fund [\$90,115], ASPIRE Fund [\$5,057], and the Capital Maintenance Reserve Fund [\$321,735].
- 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 second 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 \$(7,077,182) on

June 30, 2018. 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 this audit period.

Capital assets, which consist of the land, buildings, building improvements, vehicles, and equipment, represent about 6% of the District's total assets. The contribution to prepaid pension costs represents 4% of the District's total assets and the remaining 90% of assets consist mainly of investments, cash, grants, and property taxes receivable.

| Seaside School District 10 Net Position | | | |
|--|--------------------------------|-----------------------|---|
| | Governmental Activities | | Increase (Decrease) from Fiscal 2017 |
| | 2018 | 2017 | |
| Current and Other Assets | \$ 113,207,397 | \$ 115,247,658 | \$ (2,040,261) |
| Capital Assets | \$ 7,754,705 | \$ 3,471,068 | \$ 4,283,637 |
| Net Pension Related Deferrals | \$ 5,392,421 | \$ 8,239,802 | \$ (2,847,381) |
| Total Assets/Pension Deferrals | \$ 126,354,523 | \$ 126,958,528 | \$ (604,005) |
| Current Liabilities | \$ 3,848,761 | \$ 2,411,622 | \$ 1,437,139 |
| Long-Term Debt | \$ 128,769,579 | \$ 133,409,541 | \$ (4,639,962) |
| Net Pension Related Deferrals | \$ 813,365 | \$ 367,231 | \$ 446,134 |
| Total Liabilities/Pension Deferrals | \$ 133,431,705 | \$ 136,188,394 | \$ (2,756,689) |
| Total Net Position | \$ (7,077,182) | \$ (9,229,866) | \$ 2,152,684 |
| Invested in Capital Assets, | | | |
| Net of Related Debt | \$(100,975,702) | \$ (94,021,588) | \$ (6,954,114) |
| Restricted | \$ 514,604 | \$ 263,833 | \$ 250,771 |
| Unrestricted | \$ 93,383,916 | \$ 84,527,889 | \$ 8,856,027 |
| Total Net Position | \$ (7,077,182) | \$ (9,229,866) | \$ 2,152,684 |

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 \$(7,077,182).

Governmental activities: The key elements of the change in the District's net position for the year ended June 30, 2018 are as follows:

- State timber revenue increased by \$587,727.
- Property tax revenues increased by \$5,172,317 (general purposes \$529,549; debt service \$4,642,768).
- Expenses increased by \$3,003,705.

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

| | <u>Government Activities</u> | | Increase (Decrease) from Fiscal |
|---------------------------------------|------------------------------|-----------------------|--|
| | <u>2018</u> | <u>2017</u> | <u>2017</u> |
| Revenues | | | |
| Program Revenues | | | |
| Charges for Services | \$ 110,037 | \$ 112,785 | \$ (2,748) |
| Operating Grants and Contributions | 1,270,608 | 1,148,144 | 122,464 |
| General Revenues | | | |
| Property taxes | 20,385,965 | 15,213,648 | 5,172,317 |
| Timber Revenue | 2,259,392 | 1,671,665 | 587,727 |
| State and Local Sources | 1,155,520 | 866,304 | 289,216 |
| Intermediate Sources | 76,816 | 101,782 | (24,966) |
| State Revenue Sharing | 166,235 | 194,784 | (28,549) |
| Other State Sources | - | 1,021 | (1,021) |
| Earnings on Investments | 1,635,196 | 246,999 | 1,388,197 |
| Unrealized Gain (Loss) on Investments | (719,034) | - | (719,034) |
| Gain (Loss) on Disposal | 207,417 | - | 207,417 |
| Miscellaneous | - | - | - |
| Total Revenues | <u>26,548,152</u> | <u>19,557,132</u> | <u>6,991,020</u> |
| Expenses | | | |
| Instruction | 13,310,804 | 12,803,465 | 507,339 |
| Support Services | 6,915,821 | 7,616,666 | (700,845) |
| Enterprise and Community Services | 683,526 | 797,836 | (114,310) |
| Facilities Acquisition | 11,945 | - | 11,945 |
| Interest on Long-Term Debt | 3,395,265 | 95,689 | 3,299,576 |
| Total Expenses | <u>24,317,361</u> | <u>21,313,656</u> | <u>3,003,705</u> |
| (Decrease) Increase in Net Position | 2,230,791 | (1,756,524) | 3,987,315 |
| Net Position - Beginning, Restated | <u>(9,990,893) **</u> | <u>(7,473,342) *</u> | <u>(2,517,551)</u> |
| Prior Period Adjustment | <u>682,920 ***</u> | <u>-</u> | <u>-</u> |
| Net Position - Ending | <u>\$ (7,077,182)</u> | <u>\$ (9,229,866)</u> | <u>\$ 1,469,764</u> |

* Beginning as restated for GASB 73.

** 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, 2018, the District's governmental funds reported combined ending fund balances of \$110,443,445 which is a decrease of \$1,701,686 in comparison with the prior year.

General Fund: The General Fund is the chief operating fund of the District. As of June 30, 2018, the total fund balance was \$3,741,482 (unassigned or *unreserved* \$3,732,284; 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 balances for these accounts were \$496,823.

Debt Service Fund: The Debt Service Fund had a total fund balance of \$179,969.

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 \$106,025,171.

General Fund Budgetary Highlights: There were minor changes made to the General Fund adopted budget for the fiscal year ended June 30, 2018.

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 \$1,232,147 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. The District is aware that revenues from the local option level will likely not be as strong as anticipated. As the Real Market Value and Assessed Value on properties move closer together, the tax gap that is used in the local option calculation also becomes smaller.

Three transfers were allocated from the General Fund. A transfer of \$90,115 was needed to support the District's food service program and eliminate the negative fund balance in that account. A \$5,057 transfer was allocated to support the High School ASPIRE program. This program is supported with a grant that was reduced to \$2,700. Because the High School feels this is a valuable program, but it does not have enough grant funds to cover expenditures, a transfer was budgeted. A transfer of \$321,735 was allocated to start accumulating resources to ensure that the District is able to adequately maintain our new school facilities. All transfers were approved in the budgeting process.

Long-Term Debt: At the end of the current fiscal year, the District had total long-term liabilities of \$116,125,407.

The District's Measure 5 Real Market Value for 2018 is \$4,561,392,604. 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 2018, the District's limit on bonded indebtedness is \$362,630,712.

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, 2018, the taxes provided 81% of the District's program resources (including debt service obligations). State timber revenue provided 9% on the modified accrual basis. The most noteworthy change, which will negatively impact revenue, is that 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. According to the City's projections, the District is anticipated to see diverted revenue of \$107,552 next year.

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 [\$983,773].

Effective with the 2017-2018 School Year, the District signed a charter school agreement with Cannon Beach Academy (CBA) permitting them to operate CBA for an initial term of three (3) school years, subject to the other terms of the agreement. The first school year began in September 2017, and thus the initial term shall expire June 30, 2020. 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, it still has a remaining \$2.3 million that can be sold at a later date. All revenues in this fund, including bond premium and interest earned, can only be spent on the K-12 campus project. The District was also awarded a \$4 million grant through the State of Oregon OSCIM Program. The State will match a District's local GO bond one-to-one up to \$4 million.

In 2017-2018, the District created a new fund 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. In the past, these resources have been allocated in a General Fund expense account to maintain current ailing facilities. Because new facilities are a reality, there is no reason to invest any substantial maintenance repairs in the current facilities.

Allocations [\$325,000] for the purchase of three new buses have been appropriated as part of a regular vehicle replacement schedule. The District will continue the same procedure for vehicle replacement as it did this year. A new bus will be purchased for delivery in November/December after the majority of tax revenue is collected and any additional purchases will be made if revenue targets are met in late January.

General Fund transfers have been budgeted as follows: ASPIRE program [\$8,466]; the Food Service program [\$195,000]; Equity in Education [\$61,096]; and Capital Maintenance Reserve Fund [\$319,434]. 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.

All employee groups' contracts started effective July 1, 2017 and expire June 30, 2020. For the next year, Licensed, Administrative and Confidential employee groups have agreed to a 2.50% salary increase and the Classified agreed to 2.25%. All employee groups have the same insurance cap amount of \$1,600.

Public Employees Retirement System (PERS) rates are set in a biennial cycle and the next scheduled rate increase will be July 1, 2019.

Seaside School District's enrollment fluctuated by six (6) students from September 2017 to June 2018. Enrollment for 2018-2019 is projected to be the same or similar.

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 2017-2018 was \$74,353.

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 1801 South Franklin Street, 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, 2018

| | |
|---|-----------------------|
| ASSETS: | |
| Cash and Investments | \$ 110,499,245 |
| Property Taxes Receivable | 1,148,902 |
| Cash Held with County | - |
| Accounts Receivable | 1,550,052 |
| Prepaid Expense | 9,198 |
| Capital Assets: | |
| Non-depreciable | 4,442,932 |
| Depreciable, Net of Depreciation | <u>3,311,773</u> |
| Total Assets | 120,962,102 |
| DEFERRED OUTFLOWS OF RESOURCES: | |
| Pension Related Deferrals - PERS | 5,076,556 |
| OPEB Related Deferrals - Health Insurance | 187,874 |
| OPEB Related Deferrals - Stipends | <u>127,991</u> |
| Total Deferred Outflows: | 5,392,421 |
| TOTAL ASSETS AND PENSION RELATED DEFERRALS | <u>126,354,523</u> |
| LIABILITIES: | |
| Current: | |
| Accounts Payable | 309,191 |
| Accrued Payroll, Taxes, and Employee Withholdings | 430,419 |
| Accrued Compensated Absences | 215,388 |
| Accrued Interest | 134,228 |
| Short -Term Debt | 983,773 |
| Long-term Liabilities Due within One Year | 1,775,762 |
| Noncurrent: | |
| Long-term Liabilities Due in More Than One Year | 103,049,906 |
| Bond Premium | 11,299,739 |
| Net Pension Liability - PERS | 12,145,085 |
| OPEB Liability - Health Insurance | 1,596,018 |
| OPEB Liability - Stipends | <u>678,831</u> |
| Total Liabilities | 132,618,340 |
| DEFERRED INFLOWS OF RESOURCES: | |
| Pension Related Deferrals - PERS | 742,655 |
| OPEB Related Deferrals - Health Insurance | 55,510 |
| OPEB Related Deferrals - Stipends | <u>15,200</u> |
| Total Deferred Inflows: | 813,365 |
| TOTAL LIABILITIES AND PENSION RELATED DEFERRALS | <u>133,431,705</u> |
| NET POSITION: | |
| Net Investment in Capital Assets | (100,975,702) |
| Restricted: | |
| Debt Service | 179,969 |
| Student Body | 306,116 |
| Scholarships | 28,519 |
| Unrestricted | <u>93,383,916</u> |
| Total Net Position | <u>\$ (7,077,182)</u> |

See accompanying notes to the basic financial statements.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018

| FUNCTIONS | EXPENSES | PROGRAM REVENUES | | NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION |
|-------------------------------|----------------------|-------------------------|---------------------------------------|--|
| | | CHARGES FOR SERVICES | OPERATING GRANTS AND CONTRIBUTIONS | |
| Instruction | \$ 13,310,805 | \$ 12,050 | \$ 483,722 | \$ (12,815,033) |
| Support Services | 6,915,821 | 66,688 | 65,601 | (6,783,532) |
| Community Services | 683,526 | 31,299 | 721,285 | 69,058 |
| Facilities Expense | 11,945 | - | - | (11,945) |
| Interest on Long-Term Debt | <u>3,395,265</u> | <u>-</u> | <u>-</u> | <u>(3,395,265)</u> |
| Total Governmental Activities | <u>\$ 24,317,362</u> | <u>\$ 110,037</u> | <u>\$ 1,270,608</u> | <u>(22,936,717)</u> |

General Revenues:

Taxes:

| | |
|---|----------------|
| Property Taxes, Levied for General Purposes | 15,742,572 |
| Property Taxes, Levied for Debt Service | 4,643,393 |
| Timber Harvest Tax Revenue | 2,259,392 |
| Income Not Restricted to Specific Programs: | |
| Local Sources | 1,155,520 |
| Intermediate Sources | 76,816 |
| Common School Fund | 166,235 |
| Interest and Investment Earnings | 1,635,197 |
| Unrealized Gain (Loss) on Investments | (719,034) |
| Gain (Loss) on Disposal | <u>207,417</u> |

Total General Revenues

25,167,508

Changes in Net Position

2,230,791

Net Position – Beginning, restated for GASB 75

(9,990,893)

Prior Period Adjustment

682,920

Net Position – Ending

\$ (7,077,182)

See accompanying notes to the basic financial statements

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2018

| | GENERAL FUND | SPECIAL REVENUE FUND | DEBT SERVICE FUND | CAPITAL PROJECTS FUND | TOTALS |
|--|----------------------|----------------------------|-------------------------|-----------------------------|-----------------------|
| ASSETS: | | | | | |
| Cash and Investments | \$ 4,958,589 | \$ - | \$ - | \$ 105,540,656 | \$ 110,499,245 |
| Receivables: | | | | | |
| Taxes | 997,712 | - | 151,190 | - | 1,148,902 |
| Accounts | 773,095 | 776,957 | - | - | 1,550,052 |
| Interfund Receivables | 5,383,929 | 850,556 | 4,429,333 | 668,854 | 11,332,672 |
| Prepaid Expenses | 9,198 | - | - | - | 9,198 |
| Total Assets | \$ 12,122,523 | \$ 1,627,513 | \$ 4,580,523 | \$ 106,209,510 | \$ 124,540,069 |
| LIABILITIES: | | | | | |
| Payroll Liabilities | \$ 430,419 | \$ - | \$ - | \$ - | \$ 430,419 |
| Accounts Payable | 124,852 | - | - | 184,339 | 309,191 |
| Interfund Payable | 5,949,427 | 1,130,690 | 4,252,555 | - | 11,332,672 |
| Short-Term Debt | 983,773 | - | - | - | 983,773 |
| Total Liabilities | 7,488,471 | 1,130,690 | 4,252,555 | 184,339 | 13,056,055 |
| DEFERRED INFLOWS OF RESOURCES: | | | | | |
| Unavailable Revenue - Property Taxes | 892,570 | - | 147,999 | - | 1,040,569 |
| FUND BALANCES: | | | | | |
| Nonspendable | 9,198 | - | - | - | 9,198 |
| Restricted: | | | | | |
| Debt Service | - | - | 179,969 | - | 179,969 |
| Student Body | - | 306,116 | - | - | 306,116 |
| Scholarships | - | 28,519 | - | - | 28,519 |
| Assigned | - | - | - | 106,025,171 | 106,025,171 |
| Unassigned | 3,732,284 | 162,188 | - | - | 3,894,472 |
| Total Fund Balances | 3,741,482 | 496,823 | 179,969 | 106,025,171 | 110,443,445 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 12,122,523 | \$ 1,627,513 | \$ 4,580,523 | \$ 106,209,510 | \$ 124,540,069 |

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2018

| | | | |
|--|----|---------------|----------------|
| Total Fund Balances - Governmental Funds | | \$ | 110,443,445 |
| <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 | | | 7,754,705 |
| <p>The Net Pension Asset (Liability) is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries. - PERS</p> | | | |
| | | | (12,145,085) |
| <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) | \$ | 5,076,556 | |
| Deferred Outflows (OPEB-Health Insurance) | | 187,874 | |
| Deferred Outflows (OPEB Stipend) | | 127,991 | |
| Deferred Inflows (PERS) | | (742,655) | |
| Deferred Inflows (OPEB-Health Insurance) | | (55,510) | |
| Deferred Inflows (OPEB Stipend) | | (15,200) | |
| | | 4,579,056 | |
| <p>The net OPEB obligation is not reported as a liability in the governmental funds. (Stipends)</p> | | | |
| | | | (678,831) |
| <p>The net OPEB obligation is not reported as a liability in the governmental funds. (Health Insurance)</p> | | | |
| | | | (1,596,018) |
| <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 | \$ | (7,395,000) | |
| Loan Payable | | (218,012) | |
| General Obligation Bonds Payable | | (97,212,656) | |
| Bond Premium | | (11,299,739) | |
| Interest Payable | | (134,228) | |
| Accrued Compensated Absences | | (215,388) | |
| | | (116,475,023) | |
| <p>Unavailable revenue related to property taxes</p> | | | |
| | | | 1,040,569 |
| <p>Net Position</p> | | | |
| | | | \$ (7,077,182) |

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, 2018

| | GENERAL FUND | SPECIAL REVENUE FUND | DEBT SERVICE FUND | CAPITAL PROJECTS FUND | TOTALS |
|---|---------------------|----------------------------|-------------------------|-----------------------------|-----------------------|
| REVENUES: | | | | | |
| Local Sources | \$ 16,295,368 | \$ 809,430 | \$ 4,514,831 | \$ 830,035 | \$ 22,449,664 |
| Intermediate Sources | 2,267,560 | - | - | - | 2,267,560 |
| State Sources | 234,883 | 29,911 | - | - | 264,794 |
| Federal Sources | 5,922 | 1,234,775 | - | - | 1,240,697 |
| Total Revenues | 18,803,733 | 2,074,116 | 4,514,831 | 830,035 | 26,222,715 |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| Instruction | 11,354,792 | 1,270,236 | - | - | 12,625,028 |
| Support Services | 6,746,048 | 154,645 | - | - | 6,900,693 |
| Community Services | - | 648,311 | - | - | 648,311 |
| Facilities Acquisition | - | - | - | 3,610,826 | 3,610,826 |
| Debt Service | - | 27,540 | 4,353,241 | - | 4,380,781 |
| Total Expenditures | 18,100,840 | 2,100,732 | 4,353,241 | 3,610,826 | 28,165,639 |
| Excess of Revenues Over, (Under) Expenditures | 702,893 | (26,616) | 161,590 | (2,780,791) | (1,942,924) |
| Other Financing Sources, (Uses): | | | | | |
| Proceeds from Sale of Fixed Assets | - | - | - | 241,238 | 241,238 |
| Transfers In | - | 95,172 | - | 321,735 | 416,907 |
| Transfers Out | (416,907) | - | - | - | (416,907) |
| Total Other Financing Sources, (Uses) | (416,907) | 95,172 | - | 562,973 | 241,238 |
| Net Change in Fund Balance | 285,986 | 68,556 | 161,590 | (2,217,818) | (1,701,686) |
| Beginning Fund Balance | 3,455,496 | 428,267 | 18,379 | 108,242,989 | 112,145,131 |
| Ending Fund Balance | \$ 3,741,482 | \$ 496,823 | \$ 179,969 | \$ 106,025,171 | \$ 110,443,445 |

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, 2018

Total Net Changes in Fund Balances - Governmental Funds \$ (1,701,686)

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 (Net) | \$ | 3,958,591 | |
| Proceeds on Sale of Capital Assets | | (241,238) | |
| Gain (Loss) on Sale of Capital Assets | | 207,417 | |
| Depreciation Expense (Net) | | <u>(324,053)</u> | 3,600,717 |

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 (1,095,079)

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 | | 430,000 | |
| Loan Repaid | | 20,098 | |
| Bond Premium | | 389,646 | |
| General Obligation Bonds Repaid | | 280,000 | |
| Accrued Interest | | (134,228) | |
| Accrued Compensated Absences | | <u>16,255</u> | 1,001,771 |

Change in net OPEB liability and deferrals - Stipends 41,196

Change in net OPEB liability and deferrals - Health Insurance 265,852

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. 118,020

Change in Net Position of Governmental Activities \$ 2,230,791

See accompanying notes to the basic financial statements

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND
June 30, 2018

| | <u>TRUST FUND</u> |
|-------------------------|-------------------|
| ASSETS: | |
| Interfund Receivables | \$ 684 |
| Total Assets | <u>\$ 684</u> |
| LIABILITIES: | |
| Interfund Loans Payable | \$ 684 |
| Total Liabilities | <u>\$ 684</u> |

See accompanying notes to the basic financial statements

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SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO THE 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 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.

FIDUCIARY FUND

The fiduciary fund consists of a single private purpose trust fund. Fiduciary funds are not reflected in the government-wide financial statements.

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.

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)

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 (CONTINUED)

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.

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.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 |

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.

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.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NET POSITION (CONTINUED)

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 School'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.

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, 2018, there were deferred outflows of \$5,076,556 representing pension related deferrals from PERS, \$187,874 related to OPEB Health Insurance, and \$127,991 related to 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, 2018, there were deferred inflows of \$742,655 representing pension related deferrals from PERS, \$55,510 related to OPEB Health Insurance, and \$15,200 related to OPEB Stipends reported in the statement of the net position. There is also a deferred inflow reported in the governmental funds balance sheet of \$1,040,569 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.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND BALANCE (CONTINUED)

- 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.

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.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

BUDGETARY INFORMATION (CONTINUED)

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

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

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

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

Expenditures of the various funds were within authorized appropriations.

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, 2018:

| | |
|---------------------------------------|---------------------------|
| Deposits with Financial Institutions: | |
| Petty Cash | \$ 550 |
| Demand Deposits | 4,699,746 |
| Certificates of Deposit | 80,693 |
| Savings Bonds | 15,000 |
| Investments - LGIP | 28,878,957 |
| Other Investments | <u>76,824,299</u> |
| Total Cash and Investments | <u>\$ 110,499,245</u> |

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. CASH AND INVESTMENTS (CONTINUED)

DEPOSITS

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury. The total bank balance per the bank statements as of June 30, 2018 was \$6,534,375, of which \$500,000 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, 2018, none of the bank balances were exposed to custodial credit risk.

INVESTMENTS

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

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund's compliance with all portfolio guidelines can be found in their annual report when issued. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. 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.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. CASH AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

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>3-17</u> | <u>18-59</u> |
| State Treasurer's Investment Pool | \$ 28,878,957 | \$ 28,878,957 | \$ - | \$ - |
| Certificates of Deposit | 80,693 | 80,693 | - | - |
| Savings Bonds | 15,000 | 15,000 | - | - |
| Other Investments | 76,824,299 | 6,993,049 | 53,888,809 | 15,942,441 |
| Total Investments | <u>\$ 105,798,949</u> | <u>\$ 35,967,699</u> | <u>\$ 53,888,809</u> | <u>\$ 15,942,441</u> |

Interest Rate Risk – Investments

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. Cash not expected or used within thirty days is invested in the Local Government Investment Pool which manages investment rate risk. Other funds are invested in certificates of deposit, savings bonds, treasury obligations and US Government agency securities, with maturities ranging from less than three months to greater than fifty-nine 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, 2018, 27% of total investments were in the State Treasurer's Investment Pool, and 73% in treasury obligations and US Government agency securities. 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, 2018 are as follows:

| | <u>7/1/2017</u> | <u>Adjustments</u> | <u>Additions</u> | <u>(Deletions)</u> | <u>6/30/2018</u> |
|---------------------------------------|--------------------|--------------------|-------------------|---------------------|--------------------|
| Non-Depreciable Capital Assets | | | | | |
| Construction in Progress | \$ - | \$ 682,920 | \$3,598,881 | \$ - | \$4,281,801 |
| Land | 175,880 | - | - | (14,749) | 161,131 |
| Total Non-Depreciable Capital Asset | <u>175,880</u> | <u>682,920</u> | <u>3,598,881</u> | <u>(14,749)</u> | <u>4,442,932</u> |
| Depreciable Capital Assets | | | | | |
| Land Improvements | 682,321 | - | - | - | 682,321 |
| Buildings & Improvements | 7,895,075 | - | - | (1,250) | 7,893,825 |
| Equipment | 482,011 | - | - | - | 482,011 |
| Licensed Vehicles | 2,057,840 | - | 359,710 | (160,183) | 2,257,367 |
| Total Depreciable Capital Assets | <u>11,117,247</u> | <u>-</u> | <u>359,710</u> | <u>(161,433)</u> | <u>11,315,524</u> |
| Accumulated Depreciation | | | | | |
| Land Improvements | 590,714 | - | 8,713 | - | 599,427 |
| Buildings & Improvements | 5,951,992 | - | 124,410 | (1,250) | 6,075,152 |
| Equipment | 275,613 | - | 27,291 | - | 302,904 |
| Licensed Vehicles | 1,003,740 | - | 163,639 | (141,111) | 1,026,268 |
| Total | <u>7,822,059</u> | <u>\$ -</u> | <u>\$ 324,053</u> | <u>\$ (142,361)</u> | <u>8,003,751</u> |
| Total Net Capital Assets | <u>\$3,471,068</u> | | | | <u>\$7,754,705</u> |

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

| | |
|----------------------------|-------------------|
| Instruction | \$ 202,794 |
| Support Services | 110,845 |
| Community Services | 10,414 |
| Total Depreciation Expense | <u>\$ 324,053</u> |

Deletions consisted of three school buses with sale proceeds of \$241,238, resulting in a gain of \$207,417. The adjustments consisted of a prior period adjustment made for construction in progress from the prior year. See note 19.

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:

<http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. RETIREMENT PLANS (CONTINUED)

PLAN DESCRIPTION (CONTINUED)

- 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.
 - 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 a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.
- 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.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. RETIREMENT PLANS (CONTINUED)

PLAN DESCRIPTION (CONTINUED)

- 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.
- 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.
- iv) Benefit Changes After Retirement. Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

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, 2015 actuarial valuation, which became effective July 1, 2017. 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, 2018 were \$2,150,260, excluding amounts to fund employer specific liabilities.

PENSION ASSET OR LIABILITY

At June 30, 2018, the District reported a net pension liability of \$12,145,085 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. 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, 2017 and 2016, the District's proportion was .09 and 0.10 percent respectively. The pension expense for the year ended June 30, 2018 was \$1,095,079.

The rates in effect for the year ended June 30, 2018 were:

- (1) Tier 1/Tier 2 – 16.64%
- (2) OPSRP general services – 11.31%
- (3) PERS UAL – 12.15%

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. RETIREMENT PLANS (CONTINUED)

PENSION ASSET OR LIABILITY (CONTINUED)

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|--|--|---|
| Difference between expected and actual experience | \$ 587,341 | \$ - |
| Changes in assumptions | 2,213,832 | - |
| Net difference between projected and actual earnings on pension plan investments | 125,123 | - |
| Net changes in proportionate share | - | (640,312) |
| Differences between District contributions and proportionate share of contributions | <u>-</u> | <u>(102,343)</u> |
| Subtotal - Amortized Deferrals (below) | 2,926,296 | (742,655) |
| District contributions subsequent to measuring date | <u>2,150,260</u> | <u>-</u> |
| Net deferred outflow (inflow) of resources | <u>\$ 5,076,556</u> | <u>\$ (742,655)</u> |

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2019.

Subtotal amounts related to pension as deferred outflows of resources, \$2,926,296, and deferred inflows of resources, (\$742,655), net to \$2,183,641 and will be recognized in pension expense as follows:

| <u>Year ending June 30,</u> | <u>Amount</u> |
|-----------------------------|---------------------|
| 2019 | \$ 368,160 |
| 2020 | 1,355,225 |
| 2021 | 884,114 |
| 2022 | (408,744) |
| 2023 | (15,114) |
| Thereafter | - |
| Total | <u>\$ 2,183,641</u> |

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 20, 2018. Oregon PERS produces an independently audited CAFR which can be found at:

<http://www.oregon.gov/pers/Documents/Financials/CAFR/2017-CAFR.pdf>

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. RETIREMENT PLANS (CONTINUED)

ACTUARIAL VALUATIONS

The employer contribution rates effective July 1, 2017 through June 30, 2019, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

Actuarial Methods and Assumptions:

| | |
|---------------------------|--|
| Valuation Date | December 31, 2015 Rolled forward to June 30, 2017 |
| Experience Study Report | 2014, Published September 23, 2015 |
| Actuarial Cost Method | Entry Age normal |
| Asset Valuation 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. |
| Inflation rate | Market Value of assets |
| Investment rate of return | 2.5 percent |
| Projected salary increase | 7.5 percent 3.5 percent overall payroll growth |
| Cost of Living Adjustment | Blend of 2% COLA and graded COLA (1.25%/1.15%) in accordance with Moro decision, blend based on service. |
| Mortality | Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. Active member: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (70% for males and 95% for females) of the RP-2000 sex-distinct, generational per scale BB, disabled mortality table. |

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 2015 Experience Study which is reviewed for the four-year period ending December 31, 2015.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. RETIREMENT PLANS (CONTINUED)

Assumed Asset Allocation:

| Asset Class/Strategy | Low Range | High Range | OIC Target |
|-----------------------|-----------|------------|------------|
| Cash | 0.0% | 3.0% | 0.0% |
| 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 Equity | 0.0% | 12.5% | 12.5% |
| Opportunity Portfolio | 0.0% | 3.0% | 0.0% |
| Total | | | 100.0% |

(Source: June 30, 2017 PERS CAFR; p. 92)

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 2015 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. RETIREMENT PLANS (CONTINUED)

Long-Term Expected Rate of Return (Continued):

| Asset Class | Target | Compound Annual Return (Geometric) |
|-----------------------------------|--------|---------------------------------------|
| Core Fixed Income | 8.00% | 4.00% |
| Short-term Bonds | 8.00% | 3.61% |
| Bank/Leverage Loans | 3.00% | 5.42% |
| High Yield Bonds | 1.00% | 6.20% |
| Large/Mid Cap US Equities | 15.75% | 6.70% |
| Small Cap US Equities | 1.31% | 6.99% |
| Micro Cap US Equities | 1.31% | 7.01% |
| Developed Foreign Equities | 13.13% | 6.73% |
| Emerging Market Equities | 4.12% | 7.25% |
| Non-US Small Cap Equities | 1.88% | 7.22% |
| Private Equity | 17.50% | 7.97% |
| Real Estate (Property) | 10.00% | 5.84% |
| Real Estate (REITS) | 2.50% | 6.69% |
| Hedge Fund of Funds - Diversified | 2.50% | 4.64% |
| Hedge Fund - Event-Driven | 0.63% | 6.72% |
| Timber | 1.88% | 5.85% |
| Farmland | 1.88% | 6.37% |
| Infrastructure | 3.75% | 7.13% |
| Commodities | 1.88% | 4.58% |
| <i>Assumed Inflation</i> | | <i>2.50%</i> |

(Source: June 30, 2017 PERS CAFR; p. 69)

Discount Rate:

The discount rate used to measure the total pension liability, as of the measurement dates June 30, 2017 and 2016 was 7.50 and 7.50 percent respectively, 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 7.50 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 (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. RETIREMENT PLANS (CONTINUED)

| | 1% Decrease (6.50%) | Discount Rate (7.50%) | 1% Increase (8.50%) |
|--|---------------------------|-----------------------------|---------------------------|
| District's proportionate share of the net pension liability | \$ 20,697,443 | \$ 12,145,085 | \$ 4,993,731 |

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.

At its July 28, 2017 meeting, the PERS Board lowered the assumed rate to 7.2 percent. For member transactions, this rate will take effect January 1, 2018. The current assumed rate is 7.5 percent and has been in effect for member transactions since January 1, 2016.

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

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

Pension Benefits:

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

Death Benefits:

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

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. RETIREMENT PLANS (CONTINUED)

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, 2018.

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

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

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 Districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.50% of annual covered OPERF payroll and 0.43% of OPSRP payroll under a contractual requirement in effect until June 30, 2019. The OPERS Board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to RHIA for the year ended June 30, 2018 were considered by management to be immaterial to the basic financial statements.

At June 30, 2018, the District's net OPEB liability/(asset) and deferred inflows and outflows were not considered to be material to the basic financial statements by management and were not accrued on the government wide statements.

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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 \$678,831 was measured as of June 30, 2017 and was determined by an actuarial valuation as of July 1, 2017. 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 40.

The following table shows the sensitivity of the Total OPEB Liability for Stipends to changes in discount rates on June 30, 2018:

| | 1% Decrease | Current Discount Rate | 1% Increase |
|------------------------------|----------------|-----------------------------|----------------|
| Total OPEB Stipend Liability | \$ 704,784 | \$ 678,831 | \$ 653,385 |

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, 2018, the District recognized OPEB Stipend expense of \$41,196. At June 30, 2018, 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 | \$ - | \$ 14,579 |
| Changes of assumptions | (15,200) | 13,218 |
| <i>Subtotal- Amortized Deferrals (Below)</i> | <i>(15,200)</i> | <i>27,797</i> |
| Benefit Payments | - | 100,194 |
| Total as of June 30, 2018 | \$ (15,200) | \$ 127,991 |

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, 2019.

Subtotal amounts related to OPEB as deferred outflows of resources, \$27,797, and deferred inflows of resources, (\$15,200), net to \$12,597 and will be recognized in OPEB expense as follows:

| Year ended June 30: | Annual Recognition |
|---------------------|--------------------|
| 2019 | \$ 3,422 |
| 2020 | 3,422 |
| 2021 | 3,422 |
| 2022 | 2,348 |
| 2023 | (17) |
| Thereafter | - |
| Total | \$ 12,597 |

Actuarial Methods and Assumptions - The Total OPEB Liability for stipends for the current year was determined as part of the July 1, 2017 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 3.58% 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, 2016.

At June 30, 2018 the following employees were covered by the benefit terms:

| Number of members | All Members |
|--------------------------------|-------------|
| Active | 49 |
| Retired Members | 21 |
| Spouses of Ineligible Retirees | 0 |
| Total | 70 |

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

OTHER POST-EMPLOYMENT BENEFITS (HEALTH INSURANCE)

Total OPEB Liability – The District’s total OPEB liability of \$1,596,018 was measured as of June 30, 2017 and was determined by an actuarial valuation as of July 1, 2017. 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 41.

The following tables shows the sensitivity of Total OPEB Liability for Health Insurance to changes in discount and trend rates on June 30, 2018:

Discount Rate Sensitivity:

| | 1% Decrease | Current Discount Rate | 1% Increase |
|----------------------|----------------|-----------------------------|----------------|
| Total OPEB Liability | \$ 1,686,462 | \$ 1,596,018 | \$ 1,510,093 |

Health Care Trend Sensitivity:

| | 1% Decrease | Current Trend Rate | 1% Increase |
|----------------------|----------------|--------------------------|----------------|
| Total OPEB Liability | \$ 1,482,457 | \$ 1,596,018 | \$ 1,725,507 |

For the year ended June 30, 2018, the District recognized OPEB expense for Health Insurance of \$265,852. At June 30, 2018, 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 | \$ - | \$ - |
| Changes of assumptions | (55,510) | - |
| <i>Subtotal - Amortized Deferrals (Below)</i> | <i>(55,510)</i> | - |
| Benefit Payments | - | 187,874 |
| Total as of June 30, 2018 | \$ (55,510) | \$ 187,874 |

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, 2019.

Subtotal amounts related to OPEB as deferred inflows of resources, (\$55,510) will be recognized in OPEB expense as follows:

| Year ended June 30: | Annual Recognition |
|---------------------|--------------------|
| 2019 | \$ (10,093) |
| 2020 | (10,093) |
| 2021 | (10,093) |
| 2022 | (10,093) |
| 2023 | (10,093) |
| Thereafter | (5,045) |
| Total | \$ (55,510) |

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

OTHER POST-EMPLOYMENT BENEFITS (HEALTH INSURANCE)

Actuarial Methods and Assumptions - The Total OPEB Liability for the current year was determined as part of the July 1, 2017 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 3.58% 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, 2016.

At June 30, 2018 the following employees were covered by the benefit terms:

| <u>Number of members</u> | <u>All Members</u> |
|--------------------------------|--------------------|
| Active | 192 |
| Retired Members | 24 |
| Spouses of Ineligible Retirees | 2 |
| Total | <u>218</u> |

10. PROPERTY TAX LIMITATIONS

The voters of the State of Oregon approved ballot Measure 5, a constitutional limit on property taxes for schools and non-school government operations, in November, 1990. School operations include community colleges, local school districts and education service districts.

The limitation provides that property taxes for school operations are limited to \$5.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this initiative has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue.

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

Measure 50 reduced the amount of operating property tax revenues available to the District for its 1998-1999 fiscal year, and thereafter. This reduction was accomplished by rolling assessed property values back to their 1995-96 values less 10%, and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The Measure also sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State of Oregon to minimize the impact of the tax cuts to school districts. The ultimate impact to the Districts as a result of this measure has been greater reliance on state funding and less reliance on local funding. However, Seaside relies more heavily on Timber Revenue and local funding.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

11. LONG-TERM DEBT

The following changes occurred in the liabilities during the year ended June 30, 2018:

| Issue Date | Interest Rates | Original Issue | Outstanding 7/1/2017 | Issued | Matured and Redeemed | Outstanding 6/30/2018 |
|-----------------------|----------------|----------------|-----------------------|-------------|----------------------|-----------------------|
| PERS 2005 Series Bond | 4.849%~5.011% | 10,080,000 | \$ 7,825,000 | \$ - | \$ 430,000 | \$ 7,395,000 |
| 2017 GO Bond | 4.58% | 97,492,656 | 97,492,656 | - | 280,000 | 97,212,656 |
| SELP Loan | 20% | 326,570 | 238,110 | - | 20,098 | 218,012 |
| Total Long Term Debt | | | 105,555,766 | - | 730,098 | 104,825,668 |
| Premium | | | 11,689,385 | - | 389,646 | 11,299,739 |
| Total | | | <u>\$ 117,245,151</u> | <u>\$ -</u> | <u>\$ 1,119,744</u> | <u>\$ 116,125,407</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 |
| 2019 | \$ 485,000 | \$ 368,902 | \$ 1,270,000 | \$ 3,253,100 | \$ 1,755,000 | \$ 3,622,002 |
| 2020 | 540,000 | 345,386 | 1,480,000 | 3,215,000 | 2,020,000 | 3,560,386 |
| 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 |
| 2024-2028 | 4,360,000 | 639,404 | 14,860,000 | 13,081,500 | 19,220,000 | 13,720,904 |
| 2029-2033 | - | - | 23,430,000 | 8,561,750 | 23,430,000 | 8,561,750 |
| 2034-2038 | - | - | 25,615,156 | 11,024,844 | 25,615,156 | 11,024,844 |
| 2039-2043 | - | - | 14,387,785 | 27,572,215 | 14,387,785 | 27,572,215 |
| 2044-2047 | - | - | 10,399,715 | 27,525,285 | 10,399,715 | 27,525,285 |
| Total | <u>\$ 7,395,000</u> | <u>\$ 2,217,588</u> | <u>\$ 97,212,656</u> | <u>\$ 103,469,494</u> | <u>\$ 104,607,656</u> | <u>\$ 105,687,082</u> |

| Year Ending | SELP Loan | | Total |
|--------------|-------------------|------------------|-------------------|
| | Principal | Interest | |
| 2019 | \$ 20,762 | \$ 6,778 | \$ 27,540 |
| 2020 | 21,445 | 6,095 | 27,540 |
| 2021 | 22,155 | 5,385 | 27,540 |
| 2022 | 22,885 | 4,655 | 27,540 |
| 2023 | 23,640 | 3,900 | 27,540 |
| 2024-28 | 107,125 | 7,542 | 114,667 |
| Total | <u>\$ 218,012</u> | <u>\$ 34,355</u> | <u>\$ 252,367</u> |

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, 2018 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.

14. OPERATING LEASE AGREEMENTS

LEASE RECEIVABLE

On December 15, 2006, an agreement with the City of Seaside was entered into to allow the City 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 City would assume all of the responsibility for maintenance and upkeep of the improvements and 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, 2018 totaled \$30,857.

Future minimum operating lease obligation is as follows:

| <u>Year Ended</u> <u>June 30,</u> | <u>Amount</u> |
|--------------------------------------|------------------|
| 2019 | \$ 22,074 |
| 2020 | 22,074 |
| Total | <u>\$ 44,148</u> |

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

15. SHORT-TERM OBLIGATIONS

The following changes occurred in short-term obligations during the year ended June 30, 2018.

| | Interest Rates | Original Issue | Beginning Balance | Additions | (Reductions) | Ending Balance | Due Within One Year |
|------------------------------|-------------------|-------------------|----------------------|-------------------|-----------------------|-------------------|------------------------|
| Tax Revenue Anticipated Note | 1.35% | \$ 1,035,000 | \$ 1,035,000 | \$ - | \$ (1,035,000) | \$ - | \$ - |
| Tax Revenue Anticipated Note | 2.50% | 1,315,000 | - | 983,773 | - | 983,773 | 983,773 |
| Total Short-Term Liabilities | | | <u>\$ 1,035,000</u> | <u>\$ 983,773</u> | <u>\$ (1,035,000)</u> | <u>\$ 983,773</u> | <u>\$ 983,773</u> |

16. INTERFUND TRANSFERS

The composition of interfund transfers is as follows:

| | Transfers Out: | Transfers In: |
|-----------------------|-------------------|-------------------|
| General Fund | \$ 416,907 | \$ - |
| Special Revenue Fund | - | 95,172 |
| Capital Projects Fund | - | 321,735 |
| Total Transfers | <u>\$ 416,907</u> | <u>\$ 416,907</u> |

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

17. INTERFUND RECEIVABLES/PAYABLES

The composition of interfund balances is as follows:

| | Due from Other Funds: | Due to Other Funds: |
|-----------------------|-----------------------|----------------------|
| General Fund | \$ 5,383,929 | \$ 5,949,427 |
| Special Revenue Fund | 850,556 | 1,130,690 |
| Debt Service Fund | 4,429,333 | 4,252,555 |
| Capital Projects Fund | 668,854 | - |
| Trust Fund | 684 | 684 |
| Total Transfers | <u>\$ 11,333,356</u> | <u>\$ 11,333,356</u> |

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

18. PROPERTY TAX ABATEMENT

As of June 30, 2018, 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, 2018 for any program covered under GASB 77.

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

19. PRIOR PERIOD ADJUSTMENT

The statement of activities has a total prior period adjustment of \$682,920 due to correcting the construction in progress balance as of June 30, 2017 that was not reported in the prior year basic financial statements.

20. RESTATEMENT OF BEGINNING NET POSITION

Due to the implementation of GASB Statement No. 75, a restatement of the prior year net position was required.

| | |
|--|-----------------------|
| Net Position - Beginning as previously reported | \$ (9,229,866) |
| Beginning net position for net other post employment benefit obligation, as previously reported | 968,479 |
| Restated Beginning net position for net other post employment benefit obligation under GASB Statement No. 75 | <u>(1,729,506)</u> |
| Net Position - Beginning as restated | <u>\$ (9,990,893)</u> |

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SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

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SEASIDE SCHOOL DISTRICT
MARION COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

At June 30, 2018

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 |
|---------------------|---|--|-----------------------------------|---|--|
| 2018 | 0.09 % | \$ 12,145,085 | \$ 9,043,286 | 134.3 % | 83.1 % |
| 2017 | 0.10 | 14,446,035 | 8,519,028 | 169.6 | 80.5 |
| 2016 | 0.10 | 5,665,583 | 8,318,382 | 68.1 | 91.9 |
| 2015 | 0.11 | (2,536,434) | 7,739,243 | (32.8) | 103.6 |
| 2014 | 0.11 | 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 |
|------|-----------------------------------|--|----------------------------------|----------------------------|---|
| 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, 2018

PLAN I OPEB: STIPENDS

| Year Ended June 30, | Total OPEB Liability - Beginning | Service Cost | Interest | Changes of Benefit Terms | Changes of Assumptions | Benefit Payments | Total OPEB Liability - End of Year | Estimated Covered Payroll | Total OPEB Liability as a % of Covered Payroll |
|---------------------|----------------------------------|--------------|-----------|--------------------------|------------------------|------------------|------------------------------------|---------------------------|--|
| 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, 2018

PLAN II OPEB: Health Insurance

| Year Ended June 30, | Total OPEB Liability - Beginning | Service Cost | Interest | Changes of Benefit Terms | Changes of Assumptions | Benefit Payments | Total OPEB Liability - End of Year | Estimated Covered Payroll | Total OPEB Liability as a % of Covered Payroll |
|---------------------------|--|-----------------|-----------|--------------------------------|---------------------------|---------------------|--|---------------------------------|---|
| 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.

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

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2018

| <u>GENERAL FUND</u> | | | | |
|---|--------------------|-------------------|---------------------|--------------------------------|
| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE TO FINAL BUDGET |
| REVENUES: | | | | |
| Local Sources | \$ 15,883,986 | \$ 15,883,986 | \$ 16,295,368 | \$ 411,382 |
| Intermediate Sources | 40,000 | 40,000 | 2,267,560 | 2,227,560 |
| State Sources | 1,706,548 | 1,706,548 | 234,883 | (1,471,665) |
| Federal Sources | 15,000 | 15,000 | 5,922 | (9,078) |
| Total Revenues | <u>17,645,534</u> | <u>17,645,534</u> | <u>18,803,733</u> | <u>1,158,199</u> |
| EXPENDITURES: | | | | |
| Instruction | 12,337,020 | 12,337,020 (1) | 11,354,792 | 982,228 |
| Support Services | 7,431,181 | 7,431,181 (1) | 6,746,048 | 685,133 |
| Contingency | 385,000 | 385,000 (1) | - | 385,000 |
| Total Expenditures | <u>20,153,201</u> | <u>20,153,201</u> | <u>18,100,840</u> | <u>2,052,361</u> |
| Excess of Revenues Over, (Under) Expenditures | (2,507,667) | (2,507,667) | 702,893 | 3,210,560 |
| Other Financing Sources, (Uses): | | | | |
| Transfers Out | (491,862) | (491,862) (1) | (416,907) | 74,955 |
| Total Other Financing Sources, (Uses) | <u>(491,862)</u> | <u>(491,862)</u> | <u>(416,907)</u> | <u>74,955</u> |
| Net Change in Fund Balance | (2,999,529) | (2,999,529) | 285,986 | 3,285,515 |
| Beginning Fund Balance | <u>2,999,529</u> | <u>2,999,529</u> | <u>3,455,496</u> | <u>455,967</u> |
| Ending Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,741,482</u> | <u>\$ 3,741,482</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, 2018

SPECIAL REVENUE FUND

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE TO FINAL BUDGET |
|---|--------------------|------------------|-------------------|--------------------------------|
| REVENUES: | | | | |
| Local Sources | \$ 623,841 | \$ 623,841 | \$ 809,430 | \$ 185,589 |
| Intermediate Sources | 16,000 | 16,000 | - | (16,000) |
| State Sources | 167,885 | 167,885 | 29,911 | (137,974) |
| Federal Sources | 1,203,169 | 1,203,169 | 1,234,775 | 31,606 |
| Total Revenues | <u>2,010,895</u> | <u>2,010,895</u> | <u>2,074,116</u> | <u>63,221</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Instruction | 1,407,176 | 1,613,128 (1) | 1,270,236 | 342,892 |
| Support Services | 405,211 | 675,715 (1) | 154,645 | 521,070 |
| Community Service | 687,729 | 724,250 (1) | 648,311 | 75,939 |
| Debt Service: | 27,540 | 27,540 (1) | 27,540 | - |
| Total Expenditures | <u>2,555,196</u> | <u>2,555,196</u> | <u>2,100,732</u> | <u>967,441</u> |
| Excess of Revenues Over, (Under) Expenditures | (544,301) | (544,301) | (26,616) | 517,685 |
| Other Financing Sources, (Uses): | | | | |
| Transfers In | 155,627 | 155,627 | 95,172 | (60,455) |
| Transfers Out | (15,500) | (15,500) (1) | - | 15,500 |
| Total Other Financing Sources, (Uses) | <u>140,127</u> | <u>140,127</u> | <u>95,172</u> | <u>(44,955)</u> |
| Net Change in Fund Balance | (404,174) | (404,174) | 68,556 | 472,730 |
| Beginning Fund Balance | <u>405,298</u> | <u>405,298</u> | <u>428,267</u> | <u>22,969</u> |
| Ending Fund Balance | <u>\$ 1,124</u> | <u>\$ 1,124</u> | <u>\$ 496,823</u> | <u>\$ 495,699</u> |

(1) Appropriation Level

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SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

SUPPLEMENTARY INFORMATION

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SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2018

DEBT SERVICE FUND

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE TO FINAL BUDGET |
|----------------------------|--------------------|----------------------|-------------------|--------------------------------|
| REVENUES: | | | | |
| Local Sources | \$ 4,360,075 | \$ 4,360,075 | \$ 4,514,831 | \$ 154,756 |
| Total Revenues | <u>4,360,075</u> | <u>4,360,075</u> | <u>4,514,831</u> | <u>154,756</u> |
| EXPENDITURES: | | | | |
| Debt Service: | | | | |
| Redemption of Principal | 280,000 | 280,000 | 280,000 | - |
| Interest | <u>4,073,375</u> | <u>4,073,375</u> | <u>4,073,241</u> | <u>134</u> |
| Total Debt Service | <u>4,353,375</u> | <u>4,353,375 (1)</u> | <u>4,353,241</u> | <u>134</u> |
| Total Expenditures | <u>4,353,375</u> | <u>4,353,375</u> | <u>4,353,241</u> | <u>134</u> |
| Net Change in Fund Balance | 6,700 | 6,700 | 161,590 | 154,890 |
| Beginning Fund Balance | <u>18,082</u> | <u>18,082</u> | <u>18,379</u> | <u>297</u> |
| Ending Fund Balance | <u>\$ 24,782</u> | <u>\$ 24,782</u> | <u>\$ 179,969</u> | <u>\$ 155,187</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, 2018

| <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 | \$ 2,585 | \$ 3,313,585 | \$ 830,035 | \$ (2,483,550) |
| Total Revenues | <u>2,585</u> | <u>3,313,585</u> | <u>830,035</u> | <u>(2,483,550)</u> |
| EXPENDITURES: | | | | |
| Facilities Acquisition and Construction | <u>70,000</u> | <u>3,611,000 (1)</u> | <u>3,610,826</u> | <u>174</u> |
| Total Expenditures | <u>70,000</u> | <u>3,611,000</u> | <u>3,610,826</u> | <u>174</u> |
| Excess of Revenues Over, (Under) Expenditures | (67,415) | (297,415) | (2,780,791) | (2,483,376) |
| Other Financing Sources, (Uses): | | | | |
| Proceeds from Sale of Fixed Assets | - | - | 241,238 | 241,238 |
| Transfers In | <u>30,000</u> | <u>30,000</u> | <u>321,735</u> | <u>(291,735)</u> |
| Total Other Financing Sources (Uses) | <u>30,000</u> | <u>30,000</u> | <u>562,973</u> | <u>(291,735)</u> |
| Net Change in Fund Balance | (37,415) | (267,415) | (2,217,818) | (1,950,403) |
| Beginning Fund Balance | <u>267,415</u> | <u>267,415</u> | <u>108,242,989</u> | <u>107,975,574</u> |
| Ending Fund Balance | <u>\$ 230,000</u> | <u>\$ -</u> | <u>\$ 106,025,171</u> | <u>\$ 106,025,171</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, 2018

| TAX YEAR | ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/17 | DEDUCT DISCOUNTS | ADJUSTMENTS TO ROLLS | ADD INTEREST | CASH COLLECTIONS BY COUNTY TREASURER | BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/18 |
|----------------------|---|---------------------|----------------------------|-----------------|---|--|
| <u>GENERAL FUND:</u> | | | | | | |
| Current: | | | | | | |
| 2017-18 | \$ 16,198,322 | \$ 418,180 | \$ (21,274) | \$ 8,902 | \$ 15,260,117 | \$ 507,653 |
| Prior Years: | | | | | | |
| 2016-17 | 492,867 | - | (24,211) | 18,719 | 268,588 | 218,787 |
| 2015-16 | 244,339 | - | (24,035) | 19,401 | 107,278 | 132,427 |
| 2014-15 | 136,784 | - | (25,154) | 22,028 | 77,092 | 56,566 |
| 2013-14 | 63,204 | - | (14,986) | 12,559 | 36,442 | 24,335 |
| Prior Years | 82,331 | - | (21,053) | 9,797 | 13,131 | 57,944 |
| Total Prior | 1,019,525 | - | (109,439) | 82,504 | 502,531 | 490,059 |
| Total General Fund | \$ 17,217,847 | \$ 418,180 | \$ (130,713) | \$ 91,406 | \$ 15,762,648 | \$ 997,712 |

| RECONCILIATION TO REVENUE: | | GENERAL FUND |
|--|--|-----------------|
| Cash Collections by County Treasurer Above | | \$ 15,762,648 |
| Accrual of Receivables: | | |
| June 30, 2017 | | (97,871) |
| June 30, 2018 | | 105,142 |
| Taxes in Lieu | | (27,347) |
| Total Revenue | | \$ 15,742,572 |

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2018

| TAX YEAR | ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/17 | DEDUCT DISCOUNTS | ADJUSTMENTS TO ROLLS | ADD INTEREST | CASH COLLECTIONS BY COUNTY TREASURER | BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/18 |
|---------------------|---|---------------------|----------------------------|-----------------|---|--|
| <u>DEBT SERVICE</u> | | | | | | |
| Current: | | | | | | |
| 2017-18 | \$ 4,778,999 | \$ 123,376 | \$ (6,276) | \$ 2,626 | \$ 4,502,200 | \$ 149,773 |
| | | | - | | | |
| Prior Years: | | | | | | |
| 2016-17 | 301 | - | (14) | 11 | 164 | 134 |
| 2015-16 | - | - | - | - | - | - |
| 2014-15 | - | - | - | - | - | - |
| 2013-14 | 58 | - | (15) | 12 | 33 | 22 |
| Prior Years | 1,792 | - | (458) | 213 | 286 | 1,261 |
| Total Prior | 2,151 | - | (487) | 236 | 483 | 1,417 |
| Total Debt Service | \$ 4,781,150 | \$ 123,376 | \$ (6,763) | \$ 2,862 | \$ 4,502,683 | \$ 151,190 |

| RECONCILIATION TO REVENUE: | DEBT SERVICE FUND |
|--|----------------------|
| Cash Collections by County Treasurer Above | \$ 4,502,683 |
| Accrual of Receivables: | |
| June 30, 2017 | (4) |
| June 30, 2018 | 3,191 |
| Taxes in Lieu | 137,523 |
| Total Revenue | \$ 4,643,393 |

Seaside School District 10
Schedule of Expenditures of Federal Awards
Year Ending June 30, 2018

| 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 | 41156 | 07/01/16-09/30/17 | \$ 15,673 |
| Title I Grants to Local Education Agencies | Oregon Department of Education | 84.010 | 45692 | 07/01/17-09/30/18 | \$ 416,163 |
| | | | | | <u>\$ 431,836</u> |
| Special Education Cluster | | | | | |
| IDEA Part B, Section 611 | Oregon Department of Education | 84.027 | 41618 | 07/01/16-09/30/18 | \$ 870 |
| IDEA Part B, Section 611 | Oregon Department of Education | 84.027 | 45256 | 07/01/17-09/30/19 | \$ 257,707 |
| IDEA Part B, Section 611 SPR&I | Oregon Department of Education | 84.027 | 44493 | 07/01/17-06/30/18 | \$ 113 |
| IDEA Part B, Section 611 IDEA Enhancement | Oregon Department of Education | 84.027 | 46538 | 10/01/17-09/30/18 | \$ 1,487 |
| IDEA Part B, Section 611 Extended Assessment | Oregon Department of Education | 84.027 | 45079 | 07/01/17-06/30/18 | \$ 113 |
| Total Special Education Cluster | | 84.027 | | | <u>\$ 260,290</u> |
| IDEA Part B, Section 619 Preschool Education Grant | Oregon Department of Education | 84.173 | 45501 | 07/01/17-09/30/19 | \$ 3,019 |
| Rural and Low Income Schools Title VI-B | Oregon Department of Education | 84.358 | 42562 | 07/01/16-09/30/17 | \$ 1,608 |
| Rural and Low Income Schools Title VI-B | Oregon Department of Education | 84.358 | 47635 | 07/01/17-09/30/18 | \$ 20,496 |
| | | | | | <u>\$ 22,104</u> |
| Title II-A Teacher Quality | Oregon Department of Education | 84.367 | 41411 | 07/01/16-09/30/17 | \$ 43,139 |
| Carl D. Perkins Career and Technical Education | ODE/Clatsop Community College | 84.048 | | 07/01/16-06/30/17 | \$ 5,922 |
| Total US Department of Education | | | | | \$ 766,310 |
| US Department of Agriculture | | | | | |
| School Breakfast Program | Oregon Department of Education | 10.553 | | 07/01/17-06/30/18 | \$ 110,023 |
| Food Distribution-Commodities | Oregon Department of Education | 10.555 | | 07/01/17-06/30/18 | \$ 32,027 |
| National School Lunch Program | Oregon Department of Education | 10.555 | | 07/01/17-06/30/18 | \$ 320,887 |
| Summer Lunch Program | Oregon Department of Education | 10.559 | | 07/01/17-06/30/18 | \$ 11,451 |
| CNP SAE Reallocation | Oregon Department of Education | 10.560 | | 07/01/17-06/30/18 | \$ 789 |
| Total US Department of Agriculture | | | | | \$ 475,176 |
| Total Grants Expended or Passed Through to Subrecipients | | | | | \$ 1,241,486 |

| | |
|-----------------------------------|---------------------|
| <u>Reconciliation to Revenue:</u> | |
| Federal Awards Expended | \$ 1,241,486 |
| Accruals / Deferrals | <u>(789)</u> |
| Federal Revenue Recognized | <u>\$ 1,240,697</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, 2018

| 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 | | |
| 2018-2019 | - | - | 1,270,000 | 3,253,100 | 1,270,000 | 3,253,100 |
| 2019-2020 | - | - | 1,480,000 | 3,215,000 | 1,480,000 | 3,215,000 |
| 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 | \$ 66,205,000 | \$ 39,337,150 | \$ 97,212,656 | \$ 103,469,494 |

SUPPLEMENTAL INFORMATION, 2017-2018

School District Business Managers and Auditors:

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

Part A is needed for computing Oregon's full allocation for ESSA, Title I & other Federal Funds for Education.

A. Energy Bill for Heating - **All Funds:**
 Please enter your expenditures for electricity, heating fuel, and water & sewage for these Functions & Objects.

| | Objects 325 & 326 & *327 |
|---------------|--------------------------|
| Function 2540 | \$295,594 |
| Function 2550 | \$0 |

B. Replacement of Equipment – **General Fund:**
 Include all General Fund expenditures in object 542, except for the following exclusions:
 Exclude these functions:

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

\$0

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

2017 - 18 DISTRICT AUDIT REVENUE SUMMARY
SEASIDE SD 10

| | Fund 100 | Fund 200 | Fund 300 | Fund 400 | Fund 500 | Fund 600 | Fund 700 |
|--|---------------------|--------------------|--------------------|----------------------|------------|------------|------------|
| Revenue from Local Sources | | | | | | | |
| 1110 Ad Valorem Taxes Levied by District | \$14,682,640 | \$0 | \$4,498,026 | \$0 | \$0 | \$0 | \$0 |
| 1120 Local Option Ad Valorem Taxes Levied by District | \$1,232,147 | \$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 |
| 1414 Transportation Fees - Foster Children | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1420 Summer School Transportation Fees | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1500 Earnings on Investments | \$134,098 | \$146 | \$16,805 | \$754,173 | \$0 | \$0 | \$0 |
| 1600 Food Service | \$0 | \$31,298 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1700 Extracurricular Activities | \$23,167 | \$363,192 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1800 Community Services Activities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1910 Rentals | \$66,688 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1920 Contributions and Donations From Private Sources | \$0 | \$565 | \$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 | \$156,628 | \$414,228 | \$0 | \$75,862 | \$0 | \$0 | \$0 |
| Total Revenue from Local Sources | \$16,295,368 | \$809,430 | \$4,514,831 | \$830,036 | \$0 | \$0 | \$0 |
| Revenue from Intermediate Sources | | | | | | | |
| 2101 County School Funds | \$2,190,744 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2102 General ESD Revenue | \$76,815 | \$0 | \$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 | \$2,267,560 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Revenue from State Sources | | | | | | | |
| 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 | \$166,235 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 3104 State Managed County Timber | \$68,647 | \$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 | \$0 | \$29,911 | \$0 | \$0 | \$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 | \$234,883 | \$29,911 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Revenue from Federal Sources | | | | | | | |
| 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 |
| 4300 Restricted Revenue From the Federal Government | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 4500 Restricted Revenue From the Federal Government Through the State | \$5,922 | \$1,137,506 | \$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 | \$97,269 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Revenue from Federal Sources | \$5,922 | \$1,234,775 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Revenue from Other Sources | | | | | | | |
| 5100 Long Term Debt Financing Sources | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 5200 Interfund Transfers | \$0 | \$95,172 | \$0 | \$321,735 | \$0 | \$0 | \$0 |
| 5300 Sale of or Compensation for Loss of Fixed Assets | \$0 | \$0 | \$0 | \$241,238 | \$0 | \$0 | \$0 |
| 5400 Resources - Beginning Fund Balance | \$3,455,496 | \$428,267 | \$18,379 | \$108,242,989 | \$0 | \$0 | \$0 |
| Total Revenue from Other Sources | \$3,455,496 | \$523,439 | \$18,379 | \$108,805,961 | \$0 | \$0 | \$0 |
| Grand Totals | \$22,259,228 | \$2,597,555 | \$4,533,210 | \$109,635,997 | \$0 | \$0 | \$0 |

**2017 - 18 DISTRICT AUDIT EXPENDITURE SUMMARY
SEASIDE SD 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 | \$3,890,661 | \$2,278,217 | \$1,363,463 | \$11,425 | \$237,557 | \$0 | \$0 | \$0 |
| 1113 Elementary Extracurricular | \$5,444 | \$4,288 | \$1,156 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1121 Middle/Junior High Programs | \$1,741,730 | \$1,042,975 | \$575,582 | \$6,197 | \$116,977 | \$0 | \$0 | \$0 |
| 1122 Middle/Junior High School Extracurricular | \$63,464 | \$41,732 | \$9,478 | \$7,217 | \$4,637 | \$0 | \$400 | \$0 |
| 1131 High School Programs | \$2,459,776 | \$1,437,626 | \$832,541 | \$24,388 | \$163,855 | \$0 | \$1,366 | \$0 |
| 1132 High School Extracurricular | \$340,728 | \$251,778 | \$62,865 | \$16,959 | \$2,522 | \$0 | \$6,605 | \$0 |
| 1140 Pre-Kindergarten Programs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1210 Programs for the Talented and Gifted | \$228 | \$0 | \$0 | \$0 | \$228 | \$0 | \$0 | \$0 |
| 1220 Restrictive Programs for Students with Disabilities | \$992,849 | \$461,896 | \$408,498 | \$119,910 | \$2,546 | \$0 | \$0 | \$0 |
| 1250 Less Restrictive Programs for Students with Disabilities | \$1,085,922 | \$531,217 | \$502,799 | \$48,004 | \$3,903 | \$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 | \$222,213 | \$24,636 | \$27,754 | \$169,823 | \$0 | \$0 | \$0 | \$0 |
| 1291 English Language Learner - Within ELL Programs | \$544,626 | \$301,324 | \$235,028 | \$0 | \$8,274 | \$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 |
| 1295 English Language Learner - Not Within ELL Programs | \$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 | \$7,150 | \$3,783 | \$35 | \$1,637 | \$1,696 | \$0 | \$0 | \$0 |
| Total Instruction Expenditures | \$11,354,792 | \$6,379,470 | \$4,019,197 | \$405,559 | \$542,195 | \$0 | \$8,371 | \$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 | \$73,692 | \$40,255 | \$32,618 | \$0 | \$819 | \$0 | \$0 | \$0 |
| 2120 Guidance Services | \$578,023 | \$358,571 | \$216,036 | \$0 | \$3,416 | \$0 | \$0 | \$0 |
| 2130 Health Services | \$95,278 | \$69,929 | \$20,919 | \$2,274 | \$2,055 | \$0 | \$102 | \$0 |
| 2140 Psychological Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2150 Speech Pathology and Audiology Services | \$119,481 | \$0 | \$0 | \$119,481 | \$0 | \$0 | \$0 | \$0 |
| 2160 Other Student Treatment Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2190 Service Direction, Student Support Services | \$165,066 | \$103,423 | \$52,764 | \$3,660 | \$4,564 | \$0 | \$654 | \$0 |
| 2210 Improvement of Instruction Services | \$85,640 | \$57,152 | \$24,329 | \$1,500 | \$2,064 | \$0 | \$595 | \$0 |
| 2220 Educational Media Services | \$194,592 | \$90,388 | \$92,084 | \$0 | \$12,120 | \$0 | \$0 | \$0 |
| 2230 Assessment & Testing | \$10,089 | \$0 | \$0 | \$7,599 | \$2,491 | \$0 | \$0 | \$0 |
| 2240 Instructional Staff Development | \$69,525 | \$24,172 | \$4,958 | \$40,395 | \$0 | \$0 | \$0 | \$0 |
| 2310 Board of Education Services | \$116,648 | \$0 | \$0 | \$112,855 | \$0 | \$0 | \$3,793 | \$0 |
| 2320 Executive Administration Services | \$295,371 | \$186,452 | \$100,531 | \$5,494 | \$1,234 | \$0 | \$1,660 | \$0 |
| 2410 Office of the Principal Services | \$1,428,348 | \$834,226 | \$524,566 | \$39,355 | \$24,152 | \$0 | \$6,048 | \$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 | \$583,022 | \$213,779 | \$151,362 | \$14,941 | \$4,151 | \$0 | \$198,790 | \$0 |
| 2540 Operation and Maintenance of Plant Services | \$1,372,456 | \$450,446 | \$345,319 | \$434,381 | \$137,816 | \$0 | \$4,495 | \$0 |
| 2550 Student Transportation Services | \$1,159,001 | \$348,196 | \$320,187 | \$26,014 | \$85,705 | \$356,776 | \$22,123 | \$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 Services | \$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 | \$251,888 | \$112,005 | \$51,746 | \$63,056 | \$24,931 | \$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 | \$147,928 | \$103,984 | \$43,943 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Support Services Expenditures | \$6,746,048 | \$2,992,978 | \$1,981,363 | \$871,003 | \$305,518 | \$356,776 | \$238,409 | \$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 | \$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 | \$416,907 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$416,907 |
| 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 | \$416,907 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$416,907 |
| Grand Total | \$18,517,746 | \$9,372,448 | \$6,000,560 | \$1,276,562 | \$847,713 | \$356,776 | \$246,780 | \$416,907 |

**2017 - 18 DISTRICT AUDIT EXPENDITURE SUMMARY
SEASIDE SD 10**

Fund: 200 Special Revenue Funds

| | Totals | Object 100 | Object 200 | Object 300 | Object 400 | Object 500 | Object 600 | Object 700 |
|---|--------------------|------------------|------------------|------------------|------------------|------------|-----------------|------------|
| Instruction Expenditures | | | | | | | | |
| 1111 Elementary, K-5 or K-6 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1113 Elementary Extracurricular | \$26,346 | \$0 | \$0 | \$21,726 | \$4,620 | \$0 | \$0 | \$0 |
| 1121 Middle/Junior High Programs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1122 Middle/Junior High School Extracurricular | \$33,131 | \$0 | \$0 | \$10,634 | \$22,430 | \$0 | \$68 | \$0 |
| 1131 High School Programs | \$17,567 | \$0 | \$0 | \$7,750 | \$8,317 | \$0 | \$1,500 | \$0 |
| 1132 High School Extracurricular | \$485,930 | \$0 | \$0 | \$151,215 | \$270,355 | \$0 | \$64,359 | \$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 | \$261,500 | \$157,659 | \$100,414 | \$3,019 | \$407 | \$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 | \$431,836 | \$226,414 | \$168,553 | \$0 | \$36,869 | \$0 | \$0 | \$0 |
| 1280 Alternative Education | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1291 English Language Learner - Within ELL Programs | \$9,400 | \$0 | \$0 | \$0 | \$9,400 | \$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 |
| 1295 English Language Learner - Not Within ELL Programs | \$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 | \$4,526 | \$3,025 | \$805 | \$0 | \$696 | \$0 | \$0 | \$0 |
| Total Instruction Expenditures | \$1,270,236 | \$387,098 | \$269,772 | \$194,344 | \$353,095 | \$0 | \$65,927 | \$0 |
| Support Services Expenditures | | | | | | | | |
| 2110 Attendance and Social Work Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2120 Guidance Services | \$7,457 | \$6,711 | \$747 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2130 Health Services | \$2,898 | \$0 | \$0 | \$0 | \$2,898 | \$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 | \$93,701 | \$30,234 | \$5,675 | \$56,813 | \$979 | \$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 Services | \$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 | \$50,589 | \$0 | \$0 | \$5,704 | \$44,885 | \$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 | \$154,645 | \$36,945 | \$6,422 | \$62,517 | \$48,762 | \$0 | \$0 | \$0 |
| Enterprise and Community Services Expenditures | | | | | | | | |
| 3100 Food Services | \$647,511 | \$131,174 | \$139,909 | \$340,978 | \$35,451 | \$0 | \$0 | \$0 |
| 3200 Other Enterprise Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 3300 Community Services | \$800 | \$0 | \$0 | \$800 | \$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 | \$648,311 | \$131,174 | \$139,909 | \$341,778 | \$35,451 | \$0 | \$0 | \$0 |
| Facilities Acquisition and Construction Expenditures | | | | | | | | |
| 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 | | | | | | | | |
| 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 | \$2,100,732 | \$555,217 | \$416,102 | \$598,639 | \$437,309 | \$0 | \$93,467 | \$0 |

**2017 - 18 DISTRICT AUDIT EXPENDITURE SUMMARY
SEASIDE SD 10**

Fund: 300 Debt Service Funds

| | Totals | Object 100 | Object 200 | Object 300 | Object 400 | Object 500 | Object 600 | Object 700 |
|---|-------------|------------|------------|------------|------------|------------|-------------|------------|
| Instruction Expenditures | | | | | | | | |
| 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 Language Learner - Within ELL 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 |
| 1295 English Language Learner - Not Within ELL Programs | \$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 | | | | | | | | |
| 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 Services | \$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 | | | | | | | | |
| 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 | | | | | | | | |
| 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 | \$4,353,241 | \$0 | \$0 | \$0 | \$0 | \$0 | \$4,353,241 | \$0 |
| Total Facilities Acquisition and Construction Expenditures | \$4,353,241 | \$0 | \$0 | \$0 | \$0 | \$0 | \$4,353,241 | \$0 |
| Other Uses Expenditures | | | | | | | | |
| 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 | \$4,353,241 | \$0 | \$0 | \$0 | \$0 | \$0 | \$4,353,241 | \$0 |

**2017 - 18 DISTRICT AUDIT EXPENDITURE SUMMARY
SEASIDE SD 10**

Fund: 400 Capital Projects Funds

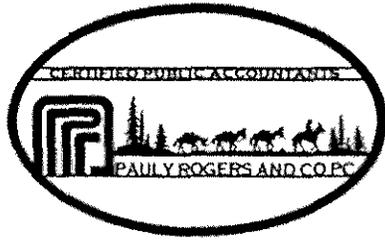
| Instruction Expenditures | | | | | | | | |
|---|-------------|------------|------------|-------------|------------|------------|------------|-----|
| Totals | Object 100 | Object 200 | Object 300 | Object 400 | Object 500 | Object 600 | Object 700 | |
| 1111 Elementary, K-5 or K-6 | \$0 | \$0 | \$0 | \$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 |
| 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 Language Learner - Within ELL 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 |
| 1295 English Language Learner - Not Within ELL Programs | \$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 Services | \$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 | \$9,940 | \$0 | \$0 | \$9,823 | \$0 | \$0 | \$117 | \$0 |
| 4150 Building Acquisition, Construction, and Improvement Services | \$3,600,886 | \$299 | \$75 | \$3,568,993 | \$131 | \$0 | \$41,387 | \$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 | \$3,610,826 | \$299 | \$75 | \$3,568,816 | \$131 | \$0 | \$41,504 | \$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 | \$3,610,826 | \$299 | \$75 | \$3,568,816 | \$131 | \$0 | \$41,504 | \$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

December 18, 2018

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the governmental activities, fiduciary fund and each major fund of Seaside School District as of and for the year ended June 30, 2018, and have issued our report thereon dated December 18, 2018. 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.

A handwritten signature in cursive script that reads "Roy R. Rogers".

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

SEASIDE SCHOOL DISTRICT
CLATSOP COUNTY, OREGON

GRANT COMPLIANCE REVIEW

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December 18, 2018

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, fiduciary fund and each major fund of Seaside School District as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 18, 2018.

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.

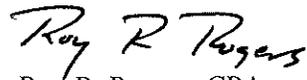
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

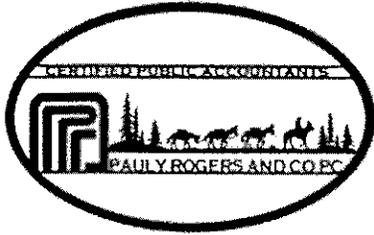
As part of obtaining reasonable assurance about whether the basic financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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



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



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December 18, 2018

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, 2018. 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, 2018.

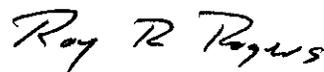
Report on Internal Control Over Compliance

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, 2018

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 1A |

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, 2018

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.