

## Seaside School District Budget Narrative 2020-2021

A budget document is a written guideline outlining the District's comprehensive fiscal picture for the next operating year. Oregon Budget Law (ORS 294) specifies a process and format for Seaside School District's annual budget. The Oregon Department of Education (ODE) has adopted a chart of accounts that are used to classify revenues and expenditures, which have also been approved by the Oregon Department of Revenue. The accounting system is structured to maintain the identity of the resources, obligations, revenues, expenditures and equities for each Fund. This is accomplished by providing a complete self-balancing set of accounts. Every Fund within our budget must balance, which means that revenues must equal expenditures.

The Seaside School District's budget is divided into the following ODE Fund categories:

1. **100 General Fund.** This Fund is the District's largest Fund with the most transactions. It documents the general operating revenues and expenditures and is considered the District's primary accounting Fund.
2. **200 Special Revenue Funds.** These Funds account for specific revenue sources that are legally restricted to expenditures for specified purposes.
3. **300 Debt Service Funds.** These Funds account for general long-term debt obligations.
4. **400 Capital Projects Funds.** These Funds account for financial resources used to acquire or construct major capital facilities.
5. **700 Trust and Agency Funds.** These Funds account for assets held by our District as an agent for outside organizations.

For the District's budget, the State mandates that the expenditures in each Fund be broken down into two components: Function and then Object. The Function defines the program or department and the Object defines the type of expenditure.

The revenues of the General Fund and the Special Revenue Funds are presented in summary and detail. Expenditures are presented in a Function summary and an Object summary followed by a detailed breakdown. Debt Services Funds, Capital Projects Funds and Trust and Agency Funds, are presented only in detail. The summary pages are a quick snapshot of the budget; however, the focus of this presentation will be on the detailed information. Only important or significant changes will be discussed during this meeting; however, requests for additional information or questions are welcome.

Turn to Pg 8 and Pg 9 Fund 100 General Fund Revenues Detail

- ✓ The District has continued to see strong growth in its assessed property values which is our largest revenue source. The District also benefits from a consistent percentage of property taxes collected which assists in making more accurate projections. The District is assuming that property owners will continue to follow similar payment patterns and growth will remain consistent.
- ✓ The District remains thankful to our local taxpayers for continuing to support the local option levy. This revenue calculation is impacted by a compression factor. The compression factor is the result of the Real Market Value and Assessed Value on properties moving closer together. As those two values move closer together, the funds received decreases. The real estate market has continued to have upward momentum, which has been having a very favorable impact on the District's revenue

- calculation. 2020-2021 will be the final year in the District's five (5) year local option; however, the District intends to move forward with a renewal option in the November 2020 election.
- ✓ Interest rates have been very strong; however, since March, interest rates have been declining. Revenue projections have been decreased in this area.
  - ✓ The majority of Student Fees are due to the Middle School athletics program. Because the District pays the expenditures related to this athletic program, the pay-to-play money that students are required to pay is deposited in the District's General Fund.
  - ✓ The School Board has been allowing several High School athletic positions to be fundraised. The revenue received goes to paying these fundraised positions.
  - ✓ The District is anticipating similar if not higher building rental usage as in previous years due to access to the K-12 campus. Our School Board is very supportive of community use of our facilities. It is unclear how social distancing will impact rentals; however, the District is projecting that our facilities will be reopened for group activities sometime in the 2020-2021 school year.
  - ✓ The largest source of revenue in the Miscellaneous Revenue category is a workers' compensation dividend that our provider distributes each year if they meet financial targets. The District continues to experience high workers' compensation rate claims. Individual claim ratio negatively affects dividend amounts. There are also Outdoor School revenues budgeted in this area, which are now reimbursed by the State of Oregon. Higher historical actual amounts represent General Fund reimbursement by individual, specialized yearly sources (e.g. reimbursement grants). These reimbursements are not consistent yearly revenue sources; and, therefore are not anticipated in this budget.
  - ✓ According to the latest State Forestry Office projection, timber revenue overall is anticipated to decrease by five (5) percent; however, they note that the timber sales projected have not yet been sold. They also indicate the reduction is due to some sales "wrapping up earlier than expected." It was also noted that "Market conditions are currently holding steady but the presidential election at the end of the year will likely further the uncertainty in future market conditions." At this point, there has been no indication on how COVID-19 will affect timber sales. As a cautionary note, these revenues are very volatile. The Forestry Office always clearly states on their communications "any changes and/or additional restrictions imposed by federal and state Endangered Species Act regulations could seriously encumber these projections."
  - ✓ The District participates in a Clatsop County wide Special Education Consortium managed by the Northwest Regional Educational Service District (NWRESD). NWRESD has warned School Districts that they are experiencing some financial strains and to be prepared for potential impacts. The 2017-2018 and the 2018-2019 amounts represent both the standard Consortium revenue, as well as, a discretionary payment to that program. Traditionally, the discretionary payments are not consistent yearly revenues.
  - ✓ As of the February 26, 2020 estimate, the District does not anticipate receiving any funding from the State of Oregon's School Funding Formula; however, it is important to be aware that the District is very close to being on the formula. At this point, it is estimated that the Seaside School District will receive the majority of its revenues from local property and timber taxes.
  - ✓ The Common School Fund (CSF) is a program that was established in 1859 to provide resources to schools. The State Treasurer and the Oregon Investment Council invest the Common School Fund and the State Land Board sets the distribution policy.
  - ✓ State Timber 3104 represents the dedicated plots of timber that are specifically harvested for the Seaside School District. They are traditionally known as "Schoolhouse 40s."
  - ✓ The strong beginning fund balance is needed to help absorb Public Employees Retirement System (PERS) rate increases and provide support to the District's construction project.

- ✓ Please be aware that even though the amount of the anticipated beginning Fund balance is over 10%, it may still not be enough to cover general operating costs until November when the District receives the majority of its revenue. As usual, the District will need to participate in the Tax Anticipation Notes (TANs) loan program in order to have enough revenue to cover expenditures for the months of July, August, September and October.

Pages 10, 11, 12, 13, 14 and 15 are General Fund Summary sheets (by Function and by Object). These represent a summarized version of budget data.

Before reviewing the detailed budget data, it is important to have an overview of the payroll cost factors that affect almost every Function and are represented in Objects 111 through 244. Going over this information will assist in eliminating the redundancy of reviewing the same information multiple times while still giving you a clear vision of the economic factors affecting the largest operating expenditures in this budget (which are payroll associated).

Because the District currently has all employee groups with expiring contracts, this budget has been prepared with the following payroll assumptions:

- The District is budgeting a 2.50% salary increase with step (when applicable) on Licensed, Classified Confidential, and Administrative employee groups.
- Retirement – Object 210. Public Employees Retirement System (PERS) rates will remain the same. For T1/T2 = 21.09% and for OPSRP = 15.64%. PERS rates are projected to again increase in the 2021-2022 School Year.
- Retirement – Object 213. The District’s PERS Unfunded Accrued Liability (UAL) bond payment continues to increase on its regular payment schedule.
- Workers’ Compensation – Object 231. Workers’ Compensation rates are based on several components (class rate, experience rating modifier, and premium discount). Although the District has a higher than average rate claim ratio, careful monitoring and return to work programs have allowed our rates to stay out of the high risk category.
- Unemployment – Object 232. Unemployment rates and workers’ assessment benefit fund tax has been budgeted with only minimal increase from the current rates. Because Governor Brown’s Executive Order requires School District staff to be paid, the District does not anticipate a significant increase in rate claims due to COVID-19.
- Insurance – Objects 242 through 244. Monthly OEBB insurance caps are being projected at \$1,650 per month (\$19,800 annual per eligible staff member) on all employee groups. There is also a projected five (5) percent increase in the life insurance premium paid by the District.
- Unused Leave - Object 117. The purpose of this allocation is to allocate for negotiated unused personal leave payments that have to be made when an employee retires or terminates employment. This Object has been allocated throughout the budget.
- As a reminder from last year’s budget, which affects historical reference points throughout the document, allocations from Object 121 Licensed Substitutes, Object 122 Classified Substitutes, and all associated payroll costs (Objects 210 through 232) have been transferred to Object 389 Other Non-Instructional Professional/Technical. The majority of substitutes are now considered contracted employees; however, due to complications with scheduling, some substitute staffing positions, (i.e., Bus Drivers; Custodians; Food Service), are not hired as contracted employees.

Pg 16 Function 1111 Elementary Instruction K-5

- ✓ Object 121 and 122. As noted previously, a transfer of allocations, including all associated payroll costs, have been made to Object 389 due to the transition of the payments of the majority of our licensed and classified substitutes. These resource transfers are throughout the budget.
- ✓ Object 420. Allocations have been decreased based on the State's curriculum adoption cycle.
- ✓ Object 480. Allocations have been made for chrome books, replacement purchases and document cameras as part of the District's regular technology replacement schedule. This is not a decrease but a reallocation.

Pg 17 Function 1113 Elementary Extracurricular

- ✓ Object 133. This consists of the K-5 portion of a K-12 Science, technology, engineering and mathematics (STEM) coordinator position and a P-3 coordinator position. These are stipend amounts and are not affiliated with FTE.
- ✓ Object 134. This is a negotiated extra duty salary for elementary licensed staff who participate in an extended outdoor school program. These are also stipend amounts and are not affiliated with FTE.
- ✓ Object 310. This expenditure represents payment for outdoor school. Previously, this was a student body expenditure because it was not funded by the School District. Ballot Measure 99 provided funding for School District's to offer outdoor school at no charge to students, which is represented in miscellaneous revenue to offset this expenditure.

Pg 18 Function 1121 Middle School Instruction

- ✓ Object 420. Allocations have been decreased based on the State's curriculum adoption cycle.
- ✓ Object 480. Allocations have been made for chrome books and replacement purchases as part of the District's regular technology replacement schedule. This is not a decrease but a reallocation.

Pg 19 Function 1122 Middle School Extracurricular

- ✓ No significant allocation changes.

Pg 20 Function 1131 High School Instruction

- ✓ Object 420. Allocations have been decreased based on the State's curriculum adoption cycle.
- ✓ Object 480. Allocations have been made for chrome books and replacement purchases as part of the District's regular technology replacement schedule. This is not an increase but a reallocation.

Pg 21 Function 1132 High School Extracurricular

- ✓ No significant allocation changes.

Pg 22 Function 1210 Talented and Gifted

- ✓ No significant allocation changes.

Pg 23 Function 1220 Restricted Programs for Students w/Disabilities

- ✓ Object 112. When the budget was prepared last year, a .84 position was budgeted in this Function; however, because of student needs, this position was hired into Function 1250. This is not a decrease in overall FTE but a reallocation.

Pg 24 Function 1227 Extended School Year

- ✓ The District has a legal obligation to provide support to students with special educational needs. The District is required to provide educational extensions for specific students during school breaks so that these students do not lose vital educational skills.

Pg 25 Function 1250 Resource Rooms

- ✓ Object 111. Some staff salaries are eligible to be partially split between the General Fund Function 1250 and Special Fund 241 Function 1250. The change in licensed staff (.15 FTE) is a redistribution of current employees' FTE between the two Funds. There is no actual change in FTE. Redistribution is due to staying within grant award amounts.
- ✓ Object 112. This is the reallocation of a .84 position that was budgeted last year in Function 1220. Again, this is not an increase in overall FTE but a reallocation.
- ✓ Object 313. NWRES, our educational service provider, has announced that Districts should anticipate an increase in overall costs. Allocations have been increased in this area.

Pg 26 Function 1272 GF Title I

- ✓ All Objects. The District participates in a federally funded Title I program. With a risk in potential reduced federal funding and the need to maintain the District's current program, expenditures may need to be supplemented in the General Fund.

Pg 27 Function 1280 Alternative Education

- ✓ No significant allocation changes.

Pg 28 Function 1288 Alternative Education – Charter School

- ✓ Object 360. Allocations have been appropriated to provide for financial contributions to Cannon Beach Academy (CBA) Charter School. This payment is based on CBA's projected enrollment, the established State School Fund Charter School rate and resources needed to support CBA.

Pg 29 Function 1291 English Language Learner

- ✓ No significant allocation changes.

Pg 30 Function 1410 Elementary Summer School Programs

- ✓ With our construction project and the pending health/safety issues, the District does not anticipate having a summer school program.

Pg 31 Function 2110 Attendance and Social Work Services

- ✓ No significant allocation changes.

Pg 32 Function 2120 Guidance Services

- ✓ Object 111. Although FTE has not decreased, the salary decrease is due to transition in staff between fiscal budgets.

Pg 33 Function 2130 Health Services

- ✓ Object 480. As part of the regular District technology replacement schedule, allocations have been transferred to this program area.
- ✓ Object 650. Due to the type of insurance required, premium amounts have been reduced. A reduction in this area has made.

Pg 34 Function 2150 Speech Services

- ✓ NWRES D has indicated that they are anticipating increases in services.

Pg 35 Function 2190 Student Support Services

- ✓ Object 480. As part of the regular District technology replacement schedule, allocations have been transferred out of this program area.

Pg 36 Function 2210 Improvement in Instructional Services

- ✓ Object 480. As part of the regular District technology replacement schedule, allocations have been transferred to this program area.

Pg 37 Function 2222 Library Services

- ✓ No significant allocation changes.

Pg 38 Function 2223 Multimedia Services

- ✓ This Function has been eliminated. Its primary focus was on activities such as selecting, preparing maintaining and circulating all multimedia equipment and materials to staff. These services are now primarily done through technology and software.

Pg 39 Function 2230 Assessment and Testing

- ✓ Object 317. This object has been eliminated and the funds have been shifted to allow for the option of online student registration. This allocation was originally for AIMS Web testing, which the District no longer uses.

Pg 40 Function 2240 Instructional Staff Development

- ✓ No significant allocation changes.

Pg 41 Function 2310 Board of Education Services

- ✓ No significant allocation changes.

Pg 42 Function 2320 Executive Administration

- ✓ Object 113. The FTE represents one full-time position (1.0) and one part-time position (.25). With the transition into the new campus, a temporary, partial year, part-time position will provide support for the new Superintendent.
- ✓ Object 380. Allocations have been made to support the process of reviewing and updating School Board Policies with the Oregon School Boards Association.

Pg 43 Function 2410 Office of the Principal

- ✓ Object 113. The budgeted FTE shows an increase of 1.00 FTE to provide additional support at the elementary school.
- ✓ Object 410. Allocations have been increased to correct an inadvertent allocation error in last year's budget.
- ✓ Object 470. Allocations have been made to support the option for online student registration.
- ✓ Object 640. This increase is affiliated with professional dues for the new administrative position at the elementary level.

Pg 44 Function 2520 Fiscal Services

- ✓ Object 245. Funds have been increased based on projected need. This is a District level account that provides negotiated tuition reimbursement to staff.
- ✓ Object 480. As part of the regular District technology replacement schedule, allocations have been transferred out of this program area.

Pg 45 Function 2540 Operation and Maintenance

- ✓ Object 112. The budgeted FTE shows an increase of .84 FTE. This represents a .34 FTE increase in the Groundskeeper position and a .50 FTE increase in a newly created classified position. The new position will be 1 FTE; however, .50 FTE will be funded in maintenance (Function 2540) and .50 FTE in technology (Function 2660). Funding to support this new position came from a reduction in Function 2542.

Pg 46 Function 2542 Care of Buildings

- ✓ There is a redistribution of resources in this Function to support the new classified position mentioned in Function 2540 and Function 2660.

Pg 47 Function 2543 Care of Grounds

- ✓ No significant allocation changes; however, there is redistribution between Object codes. With the new configurations of schools, there is an anticipation of more non-consumable supplies and equipment items needed.

Pg 48 Function 2550 Student Transportation

- ✓ Object 541. Allocations for the purchase of one new bus has been appropriated as part of a regular vehicle replacement schedule.
- ✓ Object 340. Based on historical and current spending needs, this area has been increased.

Pg 49 Function 2660 Technology Services

- ✓ Object 112. The budgeted FTE shows an increase of .50 FTE. As mentioned in Function 2540, this represents a .50 FTE increase in a newly created classified position. The new position will be 1 FTE; however, .50 FTE will be funded in maintenance (Function 2540) and .50 FTE in technology (Function 2660). Funding to support this new position came from a reduction in Function 2542.
- ✓ Object 470. The District has essential software needs that have annual renewal agreements.

Pg 50 Function 2700 Retirement Program

- ✓ No significant allocation changes. This is a negotiated item for staff who qualify for early retirement benefits.

Pg 51 Function 5110 Long Term Debt Service

- ✓ No allocation changes.

Also Pg 51 Function 5200 Transfer of Funds

- ✓ Object 790. Five transfers have been allocated. A transfer of \$145,959.71 is needed to support the District's food service program. An \$80,431.90 transfer to Special Fund 261 Equity in Education. A \$26,000 transfer to Special Fund 250 Wellness. A \$75,000 transfer to the Capital Maintenance Reserve Fund 420. An \$887,415.94 transfer to assist in completing the construction project. Funds are only transferred if they are needed.

Also Pg 51 Function 6110 Operating Contingency

- ✓ Object 700. The District is allocating \$400,000 to contingency.

Also Pg 51 Function 7000 Unappropriated Fund Balance

- ✓ Object 820. There are no significant changes to this area. The District is required to provide a balanced budget.

This concludes the General Fund Detail and will continue with the Special Funds. The Oregon Department of Education (ODE) has provided School District's with recommended account code changes in Special Funds for 2020-2021 School Year. These changes are strictly for reporting purposes within ODE's data collections. These recommended changes have been implemented in this budget document.

Pages 52, 53, 54, 55, 56, 57 and 58 have summary information and again the focus will be on the detail.

Please turn to Pg 59, 60, 61, and 62 Fund 233 Miscellaneous Grants (Federal)

- ✓ This Fund did exist in previous years; however, effective July 1, 2020, the focus will be solely on small, federally funded grants.
- ✓ This Fund is a compilation of many potential grants that the District may receive. Expenditures for individual grant requirements are placed in the anticipated Functions and Objects. There is no guarantee that the District will receive any of the grants.

Pg 63 and Pg 64 Fund 234 Title II-A Teacher Quality

- ✓ Federal Sources. Revenue is being based on anticipated allocations. The District has had carry-over in previous years, which gives the appearance of a grant decrease. Actual yearly allocations have remained consistent.
- ✓ There has been an elimination of Function 2210. These services are done through Function 2240 on a need basis only. There was never a position hired.

Pg 65 Fund 236 District Restricted Technology Services (ERATE)

- ✓ Local Sources. The School District has applied for and has received additional Erate funding to support technology infrastructure that was not covered in the construction project.
- ✓ Function 2660, Object 480. This is for the technology upgrade expenditures.

Pg 66 and Pg 67 Fund 237 District Restricted Medicaid Administrative Claims (MAC)

- ✓ This program consists of participating Districts completing a survey three times a year and as a result obtaining reimbursement for time spent by employees on things that would be considered potentially covered by Medicaid. The District participates in this program through NWRESA.
- ✓ Expenditures will be focused on providing support to our students in need of health/medical services.
- ✓ Because of the uncertainty of this funding resource, expenditures will only be approved as the District receives revenues.

Pg 68 Fund 239 Access to Student Assistance Programs in Reach of Everyone (ASPIRE) Program

- ✓ There is no funding allocation. This position qualifies and has been moved to Fund 252 High School Success / College and Career Readiness (M98).

Pg 69 Fund 240 Title I-A

- ✓ Federal Sources 4501. This funding source has not been increasing with required expenditures. This budget has been prepared with the current Title I-A program reflected in this Fund; however, it is very likely that it will not cover all the anticipated expenditures. In anticipation of this shortfall and as a safety net, allocations have been put in the General Fund Function 1272. General Fund allocations will only be implemented if federal funding does not cover anticipated expenditures.

Pg 70 Fund 241 IDEA Part B, Section 611

- ✓ This Fund did exist in previous years in Fund 251; however, effective July 1, 2020, it will be represented in Fund 241.
- ✓ Object 111. As discussed earlier, some staff salaries are eligible to be partially split between the General Fund Function 1250 and Special Fund 251 Function 1250. The change in licensed staff (.15 FTE) is a redistribution of current employees' FTE between the two Funds. There is no actual change in FTE. Redistribution is due to staying within grant award amounts.

Pg 71 Fund 243 Title III Limited English and Immigrant

- ✓ The District has budgeted with the intent of potentially receiving funds in the program area.

Pg 72 Fund 245 Title VI-B Rural and Low Income Schools

- ✓ Based on student poverty rate information submitted to the Department of Education, the District again anticipates qualifying for these additional resources. Appropriations have been made in anticipation of receiving the funds.

Pg 73 Fund 246 Title IV Student Support and Academic Enrichment (SSAE)

- ✓ Authorized under subpart 1 of Title IV, the SSAE program is intended to: provide all students with access to a well-rounded education; improve school conditions for student learning; and, improve the use of technology in order to improve the academic achievement and digital literacy of all students. The District has budgeted with the intent of potentially receiving funds in the program area.

Pg 74, 75 and 76 Fund 250 Miscellaneous Grants (Non-Federal)

- ✓ This Fund is newly established for the purpose of small, non-federally funded grants.
- ✓ The District continues to participate in an Employee Wellness Grant from the Oregon Education Association Choice Trust. This grant will be used to support the well-being of all of our District employees. This grant requires a District contribution. For budgetary purposes, all required allocations have been transferred to the grant (\$26,000); 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.
- ✓ This Fund is a compilation of many potential grants that the District may receive. Expenditures for individual grant requirements are placed in the anticipated Functions and Objects. There is no guarantee that the District will receive any of the grants.

Pg 77, 78, 79 and 80 Fund 251 Student Investment Account (SIA)

- ✓ This Fund is new. ODE is requiring this Fund to be reported in 251. 251 was being used so the District has moved the original Fund 251 IDEA Part B to Fund 241.

- ✓ The Student Success Act, passed in 2019, includes a corporate activity tax that was predicted to provide roughly \$1 billion a year for preK-12 public education. School districts were told to create plans to share \$472 million starting July 1 from the act's Student Investment Account.
- ✓ The Student Investment Account is a non-competitive grant program and the purpose is to: Meet students' mental and behavioral health needs and increase academic achievement. There are four categories for spending: reducing class size; instruction time; health and safety and well-rounded education.
- ✓ Based on student, staff and community collaboration, expenditures have been allocated in the budget for the District's plan.
- ✓ The District has appropriated expenditures based on the intention of receiving the funding source. If the current COVID-19 issue affects this revenue, the District will not move forward with implementation.
- ✓ There are 11.30 FTE reflected. 1 FTE is K-5 Instructional Coach; 1.86 FTE is six (6) regular classroom educational assistants' hours increased; 1 FTE is 6-12 Instructional Coach; .50 FTE is one (1) licensed staff member's hours increased to support special education; .50 FTE is one (1) licensed staff member's hours increased to support ELL; 1.72 FTE is two classified positions, one (1) .88 FTE K-5 Support Liaison educational assistant and one (1) .84 Behavior Support educational assistant; 1 FTE is middle school Guidance Counselor; and 1 FTE Preschool Teacher with 2.72 FTE Preschool educational assistants three (3).
- ✓ Additional information on the plan can be found on the District's website under the Student Success Act banner.

Pg 81, 82 and 83 Fund 252 High School Success / College and Career Readiness (M98)

- ✓ This Fund did exist in previous years in Fund 232; however, effective July 1, 2020, it will be represented in Fund 252 as per ODE's recommendation.
- ✓ The purpose of this Fund, High School Graduation and College and Career Readiness Act of 2016 (Measure 98), is to provide direct funding to increase high school graduation rates. The three specific focus areas are to: establish or expand career and technical education programs in high schools, establish or expand college-level educational opportunities for students in high schools, and establish or expand dropout-prevention strategies in high schools.
- ✓ The 1.0 FTE represented in this program currently supports the High School's Culinary Arts/Hospitality program.
- ✓ The 1.43 FTE represents 1 FTE Graduation Support Specialist position and a .43 ASPIRE position (moved from Fund 239).

Pg 84 Fund 260 SB 1149 Energy Efficient Schools Program

- ✓ This special program is State mandated. It requires a portion of all Pacific Power and Northwest Natural Gas receipts to go to schools in those utility companies' areas.
- ✓ Expenditures will be allocated to pay for the loan that the District needed to complete a 2012-2013 mechanical systems project at The Heights; as well as, any eligible maintenance that may be required on that system.

Pg 85 and Pg 86 Fund 261 Equity in Education

- ✓ This 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.
- ✓ Expenditures have been based upon specifically agreed upon requirements of the grant application.

Pg 87 and Pg 88 Fund 262 Student Body Fund

- ✓ This Fund did exist in previous years in Fund 220; however, effective July 1, 2020, it will be represented in Fund 262.
- ✓ The budgeted distribution of allocations in these Objects changes based on yearly needs. There is no obligation for the schools to spend their entire student body funds; however, the majority of resources are allocated so that the funds are available as if the schools intended to spend them.

Pg 89 Fund 264 Preschool Promise

- ✓ This Fund is new.
- ✓ The purpose of the Preschool Promise program is to both increase access to quality preschool and to enhance quality in existing early education programs for preschool aged children in Oregon.
- ✓ Preschool start-up funds are also included in this Fund.
- ✓ Function 3300, Object 111. Licensed teacher represents 1 FTE.
- ✓ Function 3300, Object 112. Classified educational assistant represents .81.

Pg 90 Funds 271 through 286 Scholarship Funds

- ✓ No significant allocation changes.

Pg 91 and Pg 92 Fund 211 Food Service Program

- ✓ This Fund did exist in previous years in Fund 211; however, effective July 1, 2020, it will be represented in Fund 299 as per ODE's recommendation.
- ✓ Local Sources. 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 are required to take a reimbursable meal. Implementing this program has significantly decreased our local food service revenues and will be something that will continue to be critically reviewed.
- ✓ A transfer of \$145,959.71 has been allocated from the General Fund to support this program.

Pg 93 is the District's Debt Service Payment Schedule for the PERS Unfunded Actuarial Liability Bond.

Pg 94 is the Debt Service Payment Schedule for the 2017 General Obligation School Relocation Bond that was passed in November of 2016.

Pg 95 Fund 300 Debt Service

- ✓ Function 5110, Object 610 and 621. Payment allocations have been made for the 2017 General Obligation bond sales. This is a levied tax imposed on our voters.

Pg 96 and 97 Fund 400 Capital Projects

- ✓ At this point, the primary purpose of this Fund is to keep funds available for the obligation of future field replacement at Broadway Field.

- ✓ Function 4150, Object 520. Allocations have been made to purchase an additional modular at the elementary school to accommodate the Preschool program. The District is hopeful that this will be funded by the Student Investment Account. These funds will only be transferred if they are needed.
- ✓ Function 5200, Object 790. An interfund transfer has been allocated if funds are needed to support the relocation construction project. These funds will only be used if they are needed.

Pg 98 and 99 Fund 410 2017 General Obligation (GO) Bond Project

- ✓ In November 2016, voters gave the District authorization to sell GO Bonds not to exceed \$99.7 million. In February 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 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. All revenues in this fund, including bond premium and interest earned, can only be spent on the K-12 campus project.
- ✓ Revenue 5110. Because the District did not issue the full \$99.7 million, it still has a remaining \$2.205 million that will be sold.
- ✓ Revenue 5150. As the project progresses, although the budget has been closely monitored, the District may need to borrow additional funds. The District is allowing an appropriation for the option to obtain a full faith and credit borrowing loan. The District's intent is to only borrow what is needed to complete the project.
- ✓ Revenue 5200. Interfund transfers have been budgeted from Fund 400 (\$466,978.98), Fund 420 (\$917,745.52) and Fund 100 General Fund (\$887,415.94). These transfers will only occur if the resources are needed to complete the scope of the project requirements.
- ✓ Revenue 5300. The District currently has Gearhart, Broadway Middle School and Seaside High School listed for sale. All revenue proceeds will go towards completing the construction project.
- ✓ Function 4150. Based on the cash flow projections provided by our project management firm, allocations have been made as construction continues on our new campus project.

Pg 100 Fund 420 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 these resources is to cover substantial maintenance projects. The resources will not be used for regular operating maintenance and supplies.
- ✓ Function 5200, Object 790. An interfund transfer has been allocated if funds are needed to support the relocation construction project. These funds will only be transferred if they are needed.

Pg 101 Fund 700 Trust and Agency

- ✓ The District is no longer a grant authority for any outside organizations. No appropriations have been made to this Fund.