

CITY OF SEASIDE, OREGON

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

Year Ended June 30, 2023

KERN ▲ THOMPSON
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF SEASIDE, OREGON
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

Year Ended June 30, 2023

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CITY OF SEASIDE, OREGON

CITY HALL
989 Broadway
Seaside, Oregon 97138

MAYOR AND CITY COUNCIL

June 30, 2023

Term Expires

MAYOR

Steve Wright
Seaside, Oregon 97138

December 31, 2026

COUNCIL MEMBERS

Seth Morrissey
Seaside, Oregon 97138

December 31, 2026

Tita Montero
Seaside, Oregon 97138

December 31, 2026

Steve Dillard
Seaside, Oregon 97138

December 31, 2026

David Posalski
Seaside, Oregon 97138

December 31, 2024

Randy Frank
Seaside, Oregon 97138

December 31, 2024

Tom Horning
Seaside, Oregon 97138

December 31, 2024

The Mayor and Council Members receive mail at the City Hall address.

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Seaside, Oregon
Seaside, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Seaside, Oregon as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City of Seaside, Oregon's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Seaside, Oregon, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

To Honorable Mayor and City Council
City of Seaside, Oregon

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the general and major special revenue fund budgetary comparison information, and pension schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the MD&A and the pension schedules in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The general and major special revenue fund budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects to the basic financial statements as a whole.

To Honorable Mayor and City Council
City of Seaside, Oregon

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Seaside, Oregon's basic financial statements. The combining and individual enterprise and nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included with the basic financial statements. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2024 on our consideration of the City of Seaside, Oregon's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Seaside, Oregon's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Seaside, Oregon's internal control over financial reporting and compliance.

Other Report on State Legal and Regulatory Requirements

In accordance with the *Minimum Standards of Audits of Oregon Municipal Corporations*, we have issued our report dated March 1, 2024 on our consideration of City of Seaside, Oregon's 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.

KERN & THOMPSON, LLC
Certified Public Accountants



Richard V. Proulx, CPA
Partner

Portland, Oregon
March 1, 2024

CITY OF SEASIDE, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2023

The management of the City of Seaside, Oregon, presents this narrative overview and analysis to facilitate both a short and long-term analysis of the financial activities of the City for the fiscal year ended June 30, 2023. This Management's Discussion and Analysis (MD&A) is based on currently known facts, decisions, and conditions that existed as of the date of the independent auditors' report.

FINANCIAL HIGHLIGHTS

- Governmental Activities net position as of June 30, 2023 increased \$2,849,517 from the prior year.
- Business Activities net position decreased \$(456,157) from the prior year.
- The General Fund's fund balance is \$8,976,095 at the end of the current fiscal year.
- Unrestricted cash and investments as of June 30, 2023 were \$37,526,682.
- The City's 2023 revised budget was \$45,002,304.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following discussion and analysis is intended to serve as an introduction to the City's basic financial statements and other required supplementary information. The City's basic financial statements are comprised of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. These statements include all assets of the City (including infrastructure such as streets, traffic signals, streetlights, buildings, bridges, etc.) as well as all liabilities (including general obligation long-term debt). Additionally, certain eliminations have been made with regards to interfund activities.

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. 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 flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash inflows or outflows in a future fiscal period.

CITY OF SEASIDE, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Year Ended June 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Government-wide Financial Statements (Continued)

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include the following:

- General administration
- Police, fire and lifeguard protection service
- Library service
- Planning, zoning and subdivision control regulations
- Traffic control and improvements
- Street construction and street maintenance

The business-type activities of the City include the following:

- Water distribution services
- Sewer system services
- Convention Center operations

Fund Financial Statements

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. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for activities where the emphasis is placed on available financial resources, rather than upon net income determination. Therefore, unlike the government-wide financial statements, governmental fund financial statements focus on the acquisition and use of current expendable resources, as well as the balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financial requirements.

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

CITY OF SEASIDE, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Year Ended June 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund Financial Statements (Continued)

The City maintains twenty-nine individual governmental funds. Information for the funds that are considered significant (major) is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances. The City reports two major funds: General Fund and the Tourism Activity Fund. Data from the remaining governmental funds are combined into a single, aggregated presentation. Summary fund data by fund type for these nonmajor governmental funds is provided in the form of combining statements. Individual fund data for each of these nonmajor governmental funds is provided as Supplementary Information in the form of combining statements.

The City adopts an annual appropriated budget for all governmental funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for the General Fund and the major special revenue funds as Required Supplementary Information. Budgetary comparisons for all other governmental funds have been provided as supplementary information.

Proprietary Funds – Proprietary funds are used to account for activities where the emphasis is placed on net income determination. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements.

The City uses enterprise funds to account for its water utility, sewer utility and convention center activities.

The enterprise funds, all of which are considered to be major funds of the City, are reported separately as proprietary fund financial statements in the basic financial statements.

The City also adopts an annual appropriated budget for all proprietary funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided as Supplementary Information.

Notes to Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. They are an integral part of the financial statements and should be read in conjunction with them.

Required Supplementary Information (RSI)

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The RSI schedules include budgetary comparisons for the general and major special revenue funds, and budget to GAAP reconciliation schedules for these funds. The RSI also includes schedules of pension information.

Other Supplementary Information

The combining statements and schedules referred to earlier and the schedules of property tax transactions follow the required supplementary information in this report.

CITY OF SEASIDE, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Year Ended June 30, 2023

GOVERNMENT – WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$50,442,131 at the close of fiscal year 2022-23.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Cash and investments	\$ 19,304,419	\$ 15,258,864	\$ 18,222,263	\$ 15,497,538	\$ 37,526,682	\$ 30,756,402
Other assets	4,757,038	4,273,116	4,551,418	3,554,045	9,308,456	7,827,161
Capital assets, net	19,990,733	20,323,843	34,281,737	34,870,860	54,272,470	55,194,703
Deferred outflows	3,873,939	5,938,636	1,359,225	1,875,360	5,233,164	7,813,996
Total assets and deferred outflows	47,926,129	45,794,459	58,414,643	55,797,803	106,340,772	101,592,262
Other liabilities	3,298,889	2,851,803	1,993,367	2,015,119	5,292,256	4,866,922
Pension & OPEB liabilities	13,541,745	14,135,658	4,751,304	4,463,893	18,293,049	18,599,551
Long-term debt	4,745,000	5,240,000	24,381,176	21,632,583	29,126,176	26,872,583
Total liabilities	21,585,634	22,227,461	31,125,847	28,111,595	52,711,481	50,339,056
Deferred inflows	2,359,350	2,435,370	827,810	769,065	3,187,160	3,204,435
Total liabilities and deferred inflows	23,944,984	24,662,831	31,953,657	28,880,660	55,898,641	53,543,491
Net Position						
Invested in capital assets, net of debt	15,245,733	15,083,843	9,900,561	13,238,277	25,146,294	28,322,120
Restricted	2,031,543	83,087	1,141,050	1,498,662	3,172,593	1,581,749
Unrestricted	6,703,869	5,964,698	15,419,375	12,180,204	22,123,244	18,144,902
Total net position	\$ 23,981,145	\$ 21,131,628	\$ 26,460,986	\$ 26,917,143	\$ 50,442,131	\$ 48,048,771

The City's net investment in capital assets (e.g., land, buildings, improvements, equipment, and infrastructure, net of accumulated depreciation and related debt) is \$25,146,294 or 50% of total net position. The City uses capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$3,172,593, or approximately 6%, represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net position totaling \$22,123,244 or approximately 44%, may be used to meet the City's ongoing obligations to citizens and creditors.

CITY OF SEASIDE, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Year Ended June 30, 2023

SUMMARY OF CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for services	\$ 985,381	\$ 1,376,762	\$ 6,505,055	\$ 5,762,346	\$ 7,490,436	\$ 7,139,108
Operating grants and contributions	124,026	355,812	-	-	124,026	355,812
Capital grants and contributions	1,135,146	3,369	-	-	1,135,146	3,369
General revenues						
Taxes	15,430,720	15,044,525	-	-	15,430,720	15,044,525
Franchise revenues	876,105	767,135	-	-	876,105	767,135
Interest	920,266	109,854	191,344	82,054	1,111,610	191,908
Other	1,384,047	1,972,921	34,890	219,530	1,418,937	2,192,451
Total revenues	20,855,691	19,630,378	6,731,289	6,063,930	27,586,980	25,694,308
Expenses						
General government	5,157,207	6,789,281	-	-	5,157,207	6,789,281
Public safety	15,033	6,258,572	-	-	15,033	6,258,572
Highways and streets	8,158,887	997,839	-	-	8,158,887	997,839
Economic development	296,768	12,000	-	-	296,768	12,000
Cultural and recreation	1,334,392	1,014,873	-	-	1,334,392	1,014,873
Interest on long-term debt	189,919	215,690	915,498	832,612	1,105,417	1,048,302
Water utility	-	-	2,208,398	1,958,139	2,208,398	1,958,139
Sewer utility	-	-	2,577,177	2,600,610	2,577,177	2,600,610
Convention center	-	-	4,340,341	2,637,098	4,340,341	2,637,098
Total expenses	15,152,206	15,288,255	10,041,414	8,028,459	25,193,620	23,316,714
Transfers and other changes in net position						
Transfers - net	(2,853,968)	(3,561,639)	2,853,968	3,561,639	-	-
Increase (decrease) in net position	2,849,517	780,484	(456,157)	1,597,110	2,393,360	2,377,594
Net position:						
Beginning	21,131,628	20,351,144	26,917,143	25,320,033	48,048,771	45,671,177
Ending net position	\$ 23,981,145	\$ 21,131,628	\$ 26,460,986	\$ 26,917,143	\$ 50,442,131	\$ 48,048,771

CITY OF SEASIDE, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Year Ended June 30, 2023

FUND-BASED FINANCIAL STATEMENTS

General Fund

The general fund combines the public safety, public works, and community development funds in accordance with GASB No. 54. The General Fund ended the year with a fund balance of \$8,976,095. Revenue for fiscal 2023 was \$9,397,233.

The operation of the General Fund can be summarized as follows:

Beginning fund balance	\$	8,289,226
Revenue		9,397,233
Transfers in		8,614,030
		<u>26,300,489</u>
Expenditures		11,395,383
Transfers out		5,929,011
		<u>17,324,394</u>
Fund balance - June 30, 2023	\$	<u>8,976,095</u>

Expenditures were as follows:

General government	\$	3,015,097	26%
Public safety		6,336,856	56%
Culture and recreation		999,462	9%
Debt service and capital outlay		<u>1,043,968</u>	<u>9%</u>
Total	\$	<u>11,395,383</u>	<u>100%</u>

Enterprise Funds

The City operates two major utility services and a convention center. These funds are operated like private enterprises and the accounting reflects this. Following are the significant highlights for each:

Water Funds financial comparison to last year is as follows:

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>
Operating revenue	\$ 2,174,807	\$ 2,155,541	\$ 19,266
Operating expenses	<u>2,208,398</u>	<u>1,958,139</u>	<u>250,259</u>
Operating income (loss)	(33,591)	197,402	(230,993)
Nonoperating revenue (expense)	(116,382)	(111,063)	(5,319)
Net operating transfers	<u>(464,399)</u>	<u>(544,145)</u>	<u>79,746</u>
Change in net position	\$ <u>(614,372)</u>	\$ <u>(457,806)</u>	\$ <u>(156,566)</u>

CITY OF SEASIDE, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Year Ended June 30, 2023

FUND-BASED FINANCIAL STATEMENTS (CONTINUED)

Enterprise Funds (Continued)

Water Fund net position was decreased, primarily due to transfers to other funds.

Sewer Funds financial comparison to last year is as follows:

	2023	2022	Increase (Decrease)
Operating revenue	\$ 2,810,428	\$ 2,671,675	\$ 138,753
Operating expenses	2,577,177	2,600,610	(23,433)
Operating income (loss)	233,251	71,065	162,186
Nonoperating revenue (expense)	(222,980)	61,725	(284,705)
Net operating transfers	(175,545)	(371,068)	195,523
Change in net position	\$ (165,274)	\$ (238,278)	\$ 73,004

The Sewer Fund revenues increased as expected due to the annual rate increase. Expenses increased moderately, as expected. Net position decreased due to transfers to other funds.

Convention Center Funds financial comparison to last year is as follows:

	2023	2022	Increase (Decrease)
Operating revenue	\$ 1,519,820	\$ 935,130	\$ 584,690
Operating expenses	4,340,341	2,637,098	1,703,243
Operating income (loss)	(2,820,521)	(1,701,968)	(1,118,553)
Nonoperating revenue (expense)	(349,902)	(481,690)	131,788
Net operating transfers	3,493,912	4,476,852	(982,940)
Change in net position	\$ 323,489	\$ 2,293,194	\$ (1,969,705)

The Convention Center Funds' operating revenues and expenses increased from 2022 to 2023 as a result of returning to normal activities following the COVID-19 pandemic. Additionally, the Fund experienced an increase in net assets due to operating transfers from room tax revenues.

CITY OF SEASIDE, OREGON

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

Year Ended June 30, 2023

GENERAL FUND BUDGETARY HIGHLIGHTS

The City implemented supplemental budgets during the fiscal year. The budget-to-actual annual activity is presented for both the original and final budget amounts as required supplementary information.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2023, the City had \$54,272,470 invested in capital assets, including land, buildings and improvements, equipment, roads, bridges, water, sewer and storm water lines.

Capital asset activities during the fiscal year consisted primarily of replacement of necessary equipment, less annual depreciation. The change in the net investment in capital assets resulting from the difference between additions and depreciation for the current fiscal year was a decrease of \$333,110 for governmental activities. The net decrease was \$589,123 for business-type activities.

**Summary of Capital Assets
June 30, 2023**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 3,332,722	\$ 3,332,722	\$ 1,567,550	\$ 1,567,550	\$ 4,900,272	\$ 4,900,272
Construction in progress	-	-	1,059,900	-	1,059,900	-
Buildings and improvements (net of depreciation)	3,343,521	3,502,606	13,020,067	12,649,734	16,363,588	16,152,340
Infrastructure (net of depreciation)	10,834,746	11,529,531	17,892,672	19,733,725	28,727,418	31,263,256
Vehicles and equipment (net of depreciation)	2,479,744	1,958,984	741,548	919,851	3,221,292	2,878,835
Total	\$ 19,990,733	\$ 20,323,843	\$ 34,281,737	\$ 34,870,860	\$ 54,272,470	\$ 55,194,703

Long-Term Debt

At the end of the current fiscal year, the City had total long-term debt outstanding of \$29,126,176, including \$741,473 of unamortized bond premium. Of this amount, \$4,745,000 represents outstanding debt for the governmental funds. This debt consists of voter-approved general obligation bonds which are paid by ad-valorem tax on all taxable property in the City. The remainder of the City's long-term debt is related to business-type activities and includes outstanding revenue bond issues. The total amount of the bonds outstanding as of June 2023 was \$24,381,176 including \$12,470,000 remaining for Convention Center improvements. The bonds are paid from net revenues of the sewer system and room taxes.

Additionally, business-type debt included notes payable to the Oregon Infrastructure Finance Authority that financed water and sewer capital projects.

CITY OF SEASIDE, OREGON

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

Year Ended June 30, 2023

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Long-Term Debt (Continued)

State statutes limit the amount of general obligation debt a city may issue to 3% of its total assessed valuation. The current debt limitation for the City is \$33,453,396, which is significantly more than the City's outstanding general obligation debt.

**Outstanding Debt at Year End
June 30, 2023**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
General obligation bonds (backed by the City)	\$ 4,745,000	\$ 5,240,000	\$ -	\$ -	\$ 4,745,000	\$ 5,240,000
Revenue bonds, net of discount (backed by fee revenues and room taxes)	-	-	18,880,000	15,990,000	18,880,000	15,990,000
Unamortized bond premium	-	-	741,473	787,815	741,473	787,815
Other debt obligations	-	-	4,759,703	4,854,768	4,759,703	4,854,768
Total	\$ <u>4,745,000</u>	\$ <u>5,240,000</u>	\$ <u>24,381,176</u>	\$ <u>21,632,583</u>	\$ <u>29,126,176</u>	\$ <u>26,872,583</u>

Additional information on the City's capital assets and bonded debt can be found in the notes to the basic financial statements.

BUDGETARY HIGHLIGHTS

During the preparation of the budget for the ensuing fiscal year, the long-term impacts of the local economy were examined in conjunction with business decisions made by the City. The City uses a conservative approach when preparing the budget each year. The City's 2023-2024 budget is \$40,816,929, which is a \$4.2 million decrease from the 2022-23 revised budget.

REQUESTS FOR INFORMATION

The City's financial statements are designed to present users with a general overview of the City's finances and to demonstrate the City's accountability. If you have any questions about this report, please contact the City Manager, Spencer Kyle, at 989 Broadway, Seaside, Oregon, 97138.

BASIC FINANCIAL STATEMENTS

CITY OF SEASIDE, OREGON
STATEMENT OF NET POSITION

June 30, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Cash and investments	\$ 19,304,419	\$ 18,222,263	\$ 37,526,682
Property taxes receivable	376,704	-	376,704
Accounts receivable, net of allowance for doubtful accounts	3,755,238	560,237	4,315,475
Assessments receivable	21,707	-	21,707
Inventories and prepaid costs	232,979	249,275	482,254
Due from other funds	370,410	2,600,856	2,971,266
Restricted assets			
Cash restricted for debt service	-	1,141,050	1,141,050
Capital assets, net	19,990,733	34,281,737	54,272,470
Total assets	<u>44,052,190</u>	<u>57,055,418</u>	<u>101,107,608</u>
Deferred outflows of resources	<u>3,873,939</u>	<u>1,359,225</u>	<u>5,233,164</u>
Total assets and deferred outflows	<u>47,926,129</u>	<u>58,414,643</u>	<u>106,340,772</u>
Liabilities			
Accounts payable and accrued expenses	1,036,688	132,850	1,169,538
Accrued interest payable	-	365,764	365,764
Due to other funds	1,686,504	1,284,762	2,971,266
Due within one year			
Long-term Debt	520,000	1,081,515	1,601,515
Due in more than one year			
Accrued compensated absences	575,697	209,991	785,688
Net pension liability	13,028,411	4,571,193	17,599,604
OPEB liability	513,334	180,111	693,445
Unamortized bond premium	-	741,473	741,473
Long-term Debt	4,225,000	22,558,188	26,783,188
Total liabilities	<u>21,585,634</u>	<u>31,125,847</u>	<u>52,711,481</u>
Deferred inflows of resources	<u>2,359,350</u>	<u>827,810</u>	<u>3,187,160</u>
Total liabilities and deferred inflows	<u>23,944,984</u>	<u>31,953,657</u>	<u>55,898,641</u>
Net position			
Investment in capital assets, net of related debt	15,245,733	9,900,561	25,146,294
Restricted			
Trust	84,379	-	84,379
Grant	1,947,164	-	1,947,164
Debt service	-	1,141,050	1,141,050
Unrestricted	6,703,869	15,419,375	22,123,244
Total net position	<u>\$ 23,981,145</u>	<u>\$ 26,460,986</u>	<u>\$ 50,442,131</u>

The accompanying notes are an integral part of the financial statements.

CITY OF SEASIDE, OREGON

STATEMENT OF ACTIVITIES

Year Ended June 30, 2023

Functions/programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Direct Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities							
General government	\$ 5,157,207	\$ 235,040	\$ 23,641	\$ -	\$ (4,898,526)	\$ -	\$ (4,898,526)
Public safety	15,033	750,341	100,385	1,135,146	1,970,839	-	1,970,839
Highways and streets	8,158,887	-	-	-	(8,158,887)	-	(8,158,887)
Economic development	296,768	-	-	-	(296,768)	-	(296,768)
Culture and recreation	1,334,392	-	-	-	(1,334,392)	-	(1,334,392)
Interest on long-term debt	189,919	-	-	-	(189,919)	-	(189,919)
Total governmental activities	<u>15,152,206</u>	<u>985,381</u>	<u>124,026</u>	<u>1,135,146</u>	<u>(12,907,653)</u>	<u>-</u>	<u>(12,907,653)</u>
Business-type activities							
Water	2,377,217	2,174,807	-	-	-	(202,410)	(202,410)
Sewer	2,876,774	2,810,428	-	-	-	(66,346)	(66,346)
Convention center	4,787,423	1,519,820	-	-	-	(3,267,603)	(3,267,603)
Total business-type activities	<u>10,041,414</u>	<u>6,505,055</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,536,359)</u>	<u>(3,536,359)</u>
Total activities	<u>\$ 25,193,620</u>	<u>\$ 7,490,436</u>	<u>\$ 124,026</u>	<u>\$ 1,135,146</u>	<u>(12,907,653)</u>	<u>(3,536,359)</u>	<u>(16,444,012)</u>
General revenues							
Taxes							
Property taxes, levied for general purposes					5,238,390	-	5,238,390
Property taxes, levied for debt service					925,268	-	925,268
Assessments, levied for general purposes					37,290	-	37,290
Transient room tax					9,049,877	-	9,049,877
Other					179,895	-	179,895
Intergovernmental					1,097,971	-	1,097,971
Franchise fees					876,105	-	876,105
Interest					920,266	191,344	1,111,610
Bequests and contributions					29,760	-	29,760
Miscellaneous					256,316	34,890	291,206
Total general revenues					<u>18,611,138</u>	<u>226,234</u>	<u>18,837,372</u>
Transfers and other changes in net position							
Transfers In					11,797,522	7,260,101	19,057,623
Transfers Out					(14,651,490)	(4,406,133)	(19,057,623)
Total transfers and other changes in net position					<u>(2,853,968)</u>	<u>2,853,968</u>	<u>-</u>
Change in net position					2,849,517	(456,157)	2,393,360
Net position - beginning of year					21,131,628	26,917,143	48,048,771
Net position - end of year					<u>\$ 23,981,145</u>	<u>\$ 26,460,986</u>	<u>\$ 50,442,131</u>

The accompanying notes are an integral part of the financial statements.

CITY OF SEASIDE, OREGON

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2023

	General Fund	Special Revenue Fund Tourism Activity Fund	Nonmajor Governmental Funds	Total
Assets				
Cash and investments	\$ 7,425,770	\$ 1,756,146	\$ 10,122,503	\$ 19,304,419
Property taxes receivable	275,557	-	101,147	376,704
Accounts receivable, net of allowance for doubtful accounts	1,749,691	1,901,727	103,820	3,755,238
Assessments receivable	-	-	21,707	21,707
Inventories and other	146,556	-	86,423	232,979
Due from other funds	282,967	-	87,443	370,410
Total assets	\$ 9,880,541	\$ 3,657,873	\$ 10,523,043	\$ 24,061,457
Liabilities				
Accounts payable and accrued expenses	\$ 683,354	\$ 15,423	\$ 337,911	\$ 1,036,688
Due to other funds	-	1,496,850	189,654	1,686,504
Total liabilities	683,354	1,512,273	527,565	2,723,192
Deferred inflows of resources				
Unavailable revenue	221,092	-	97,636	318,728
Fund balances				
Nonspendable	146,556	-	86,423	232,979
Restricted	369,738	-	1,661,805	2,031,543
Committed	-	-	2,737,414	2,737,414
Assigned	3,697,052	2,145,600	5,444,987	11,287,639
Unassigned	4,762,749	-	(32,787)	4,729,962
Total fund balances	8,976,095	2,145,600	9,897,842	21,019,537
Total liabilities, deferred inflows, and fund balances	\$ 9,880,541	\$ 3,657,873	\$ 10,523,043	\$ 24,061,457

The accompanying notes are an integral part of the financial statements.

CITY OF SEASIDE, OREGON

**RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION**

June 30, 2023

Total fund balances \$ 21,019,537

Capital assets are not financial resources and thus not reported in governmental funds, but are reported in the Statement of Net Position at their net depreciable value.

Cost	\$	38,927,329	
Accumulated depreciation		(18,936,596)	
Capital assets, net		19,990,733	19,990,733

Deferred outflows are not available resources and thus not reported in governmental funds, but are reported in the Statement of Net Position.

Pension	\$	3,630,155	
OPEB		243,784	
Total		3,873,939	3,873,939

Property taxes and assessments collected after year end but not available soon enough to pay for current obligations are deferred in governmental funds but are recognized as revenue in the Statement of Activities.

318,728

All liabilities are reported in the Statement of Net Position whereas in governmental funds, liabilities not due and payable in the current period are not reported.

Accrued compensated absences		(575,697)	
Net pension liability		(13,028,411)	
OPEB liability		(513,334)	
Deferred inflows of resources - pension		(2,265,279)	
Deferred inflows of resources - OPEB		(94,071)	
Long-term debt		(4,745,000)	

Total net position **\$ 23,981,145**

The accompanying notes are an integral part of the financial statements.

CITY OF SEASIDE, OREGON

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS

Year Ended June 30, 2023

	General Fund	Special Revenue Fund Tourism Activity Fund	Nonmajor Governmental Funds	Total
Revenues				
Property taxes	\$ 4,379,407	\$ -	\$ 1,686,262	\$ 6,065,669
Assessments	-	-	37,290	37,290
Transient room tax	1,595,471	7,454,406	-	9,049,877
Other taxes	179,895	-	-	179,895
Intergovernmental	819,767	6,600	1,530,776	2,357,143
Licenses and permits	166,107	350,760	-	516,867
Fines and forfeitures	233,474	-	-	233,474
Franchise fees	876,105	-	-	876,105
Interest	664,211	52,220	203,835	920,266
Charges for services	232,989	-	2,051	235,040
Sale of assets	62,149	-	-	62,149
Donations and bequests	40	-	29,720	29,760
Miscellaneous	187,618	-	6,546	194,164
Total revenues	<u>9,397,233</u>	<u>7,863,986</u>	<u>3,496,480</u>	<u>20,757,699</u>
Expenditures				
Current				
General government	3,015,097	1,101,569	-	4,116,666
Economic development	-	-	12,000	12,000
Public safety	6,336,856	-	175,858	6,512,714
Highways and streets	-	-	236,891	236,891
Culture and recreation	999,462	-	65,697	1,065,159
Debt service				
Principal	155,000	-	340,000	495,000
Interest	112,994	-	76,925	189,919
Capital outlay	775,974	-	529,983	1,305,957
Total expenditures	<u>11,395,383</u>	<u>1,101,569</u>	<u>1,437,354</u>	<u>13,934,306</u>
Excess of revenues over (under) expenditures	<u>(1,998,150)</u>	<u>6,762,417</u>	<u>2,059,126</u>	<u>6,823,393</u>
Other financing sources (uses)				
Transfers from other funds	8,614,030	-	3,183,492	11,797,522
Transfers to other funds	(5,929,011)	(6,131,498)	(2,590,981)	(14,651,490)
Total other financing sources (uses)	<u>2,685,019</u>	<u>(6,131,498)</u>	<u>592,511</u>	<u>(2,853,968)</u>
Change in fund balance	686,869	630,919	2,651,637	3,969,425
Fund balance - beginning of year	8,289,226	1,514,681	7,246,205	17,050,112
Fund balance - end of year	<u>\$ 8,976,095</u>	<u>\$ 2,145,600</u>	<u>\$ 9,897,842</u>	<u>\$ 21,019,537</u>

The accompanying notes are an integral part of the financial statements.

CITY OF SEASIDE, OREGON

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO STATEMENT OF ACTIVITIES**

Year Ended June 30, 2023

Net change in fund balances \$ 3,969,425

The change in net position reported in the Statement of Activities is different because:

Capital asset additions are reported as capital outlay expenditures in governmental funds. However, the Statement of Activities allocates the cost of those assets over their estimated useful lives as depreciation expense.

Capital asset additions	\$ 860,541	
Depreciation	<u>(1,193,651)</u>	(333,110)

Unpaid compensated absences are not reported in governmental funds as they do not require the current use of financial resources. However, the Statement of Activities reports such expenses when incurred regardless of when settlement ultimately occurs.	14,978
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Pension expenses are not reported in governmental funds as they do not require the current use of financial resources. However, the Statement of Activities reports such expenses.	(1,408,790)
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Other post employment benefit expenses are not reported in governmental funds as they do not require the current use of financial resources. However, the Statement of Activities reports such expenses.	14,025
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Property taxes and assessment revenues in the Statement of Activities are recognized as revenue when they are earned or levied.	97,989
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Repayment of bond and capital lease principal is reported as expenditures in governmental funds. However, the repayment of principal is reported as changes in bonds and capital leases payable in the Statement of Net Position.

Repayment of bond principal	<u>495,000</u>
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Total change in net position **\$ 2,849,517**

The accompanying notes are an integral part of the financial statements.

CITY OF SEASIDE, OREGON

BALANCE SHEET
PROPRIETARY FUNDS

June 30, 2023

	Business-Type Activities: Enterprise Funds			Total
	Water Fund	Sewer Fund	Convention Center Fund	
Assets				
Current assets				
Cash and investments	\$ 2,961,969	\$ 6,461,670	\$ 8,798,624	\$ 18,222,263
Accounts and assessments receivable, net of allowance for doubtful accounts	196,484	242,967	120,786	560,237
Inventories and prepaid costs	208,022	39,797	1,456	249,275
Due from other funds	189,588	-	2,411,268	2,600,856
Total current assets	3,556,063	6,744,434	11,332,134	21,632,631
Noncurrent assets				
Cash restricted for bond reserve	-	-	1,141,050	1,141,050
Capital assets, net	11,401,741	8,953,963	13,926,033	34,281,737
Total noncurrent assets	11,401,741	8,953,963	15,067,083	35,422,787
Deferred outflows of resources	407,274	364,836	587,115	1,359,225
Total assets and deferred outflows	\$ 15,365,078	\$ 16,063,233	\$ 26,986,332	\$ 58,414,643
Liabilities				
Current liabilities				
Accounts payable and accrued expenses	\$ 42,854	\$ 27,034	\$ 62,962	\$ 132,850
Accrued compensated absences	39,248	74,220	96,523	209,991
Accrued interest payable	-	128,390	237,374	365,764
Due to other funds	1,284,762	-	-	1,284,762
Current portion of long-term debt	72,345	394,170	615,000	1,081,515
Total current liabilities	1,439,209	623,814	1,011,859	3,074,882
Long-term liabilities				
Net pension liability	1,369,698	1,226,976	1,974,519	4,571,193
OPEB liability	53,968	48,344	77,799	180,111
Long-term debt, net of current portion	4,050,511	6,652,677	11,855,000	22,558,188
Unamortized bond premium, less insurance cost	-	-	741,473	741,473
Total long-term liabilities	5,474,177	7,927,997	14,648,791	28,050,965
Total liabilities	6,913,386	8,551,811	15,660,650	31,125,847
Deferred inflows of resources	248,043	222,196	357,571	827,810
Net position				
Invested in capital assets, net of related debt	7,278,885	1,907,116	714,560	9,900,561
Restricted for debt service	-	26,657	2,815,979	2,842,636
Restricted for capital projects	-	2,392,615	2,084,593	4,477,208
Unrestricted	924,764	2,962,838	5,352,979	9,240,581
Total net position	8,203,649	7,289,226	10,968,111	26,460,986
Total liabilities, deferred inflows, and net position	\$ 15,365,078	\$ 16,063,233	\$ 26,986,332	\$ 58,414,643

The accompanying notes are an integral part of the financial statements.

CITY OF SEASIDE, OREGON

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

Year Ended June 30, 2023

	Business-Type Activities: Enterprise Funds			Total
	Water Fund	Sewer Fund	Convention Center Fund	
Operating revenues				
Charges for services	\$ 2,086,841	\$ 2,810,428	\$ 255,544	\$ 5,152,813
Connection charges	87,966	-	-	87,966
Franchise fees - food and beverage	-	-	1,264,276	1,264,276
Total operating revenues	2,174,807	2,810,428	1,519,820	6,505,055
Operating expenses				
Salaries and wages	543,969	496,050	796,596	1,836,615
Employee costs	607,099	151,859	1,089,829	1,848,787
Utilities	100,781	311,910	89,959	502,650
Operating supplies and maintenance	318,277	805,257	1,457,888	2,581,422
Insurance	53,187	37,098	98,345	188,630
Advertising	-	-	38,522	38,522
Professional services	75,316	117,318	68,083	260,717
Depreciation	509,769	657,685	701,119	1,868,573
Total operating expenses	2,208,398	2,577,177	4,340,341	9,125,916
Operating income (loss)	(33,591)	233,251	(2,820,521)	(2,620,861)
Nonoperating revenues (expenses)				
Interest income	41,089	60,442	89,813	191,344
Miscellaneous income	11,348	16,175	7,367	34,890
Interest expense	(168,819)	(299,597)	(447,082)	(915,498)
Total nonoperating revenues (expenses)	(116,382)	(222,980)	(349,902)	(689,264)
Transfers and other changes in net position				
Transfers in	-	3,566,888	3,693,213	7,260,101
Transfers out	(464,399)	(3,742,433)	(199,301)	(4,406,133)
Total transfers and other changes in net position	(464,399)	(175,545)	3,493,912	2,853,968
Change in net position	(614,372)	(165,274)	323,489	(456,157)
Net position - beginning of year	8,818,021	7,454,500	10,644,622	26,917,143
Net position - end of year	\$ 8,203,649	\$ 7,289,226	\$ 10,968,111	\$ 26,460,986

The accompanying notes are an integral part of the financial statements.

CITY OF SEASIDE, OREGON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

Year Ended June 30, 2023

	Business-Type Activities: Enterprise Funds			Total
	Water Fund	Sewer Fund	Convention Center Fund	
Cash flows from operating activities:				
Cash received from customers	\$ 2,167,897	\$ 2,834,976	\$ 1,535,763	\$ 6,538,636
Cash paid to employees for services	(556,040)	(493,244)	(782,700)	(1,831,984)
Cash paid to suppliers for goods and services	(1,014,940)	(1,632,572)	(2,115,956)	(4,763,468)
Miscellaneous	11,348	16,175	7,367	34,890
Net cash provided (used) by operating activities	608,265	725,335	(1,355,526)	(21,926)
Cash flows from investing activities:				
Interest earned on investments	41,089	60,442	89,813	191,344
Cash flows from noncapital financing activities:				
Advances (to) from other funds	261,554	-	(375)	261,179
Transfers from other funds	-	3,566,888	3,693,213	7,260,101
Transfers to other funds	(464,399)	(3,742,433)	(199,301)	(4,406,133)
Net cash provided (used) by noncapital financing activities	(202,845)	(175,545)	3,493,537	3,115,147
Cash flow from capital and related financing activities:				
Purchase of fixed assets	(68,178)	(1,200,967)	(10,304)	(1,279,449)
Proceeds from long-term debt	-	6,410,000	-	6,410,000
Payments on note and bond principal	(71,757)	(2,958,308)	(631,342)	(3,661,407)
Interest paid	(168,819)	(209,407)	(509,708)	(887,934)
Net cash provided (used) by capital and related financing activities	(308,754)	2,041,318	(1,151,354)	581,210
Net increase (decrease) in cash and cash equivalents	137,755	2,651,550	1,076,470	3,865,775
Cash and cash equivalents - beginning of year	2,824,214	3,810,120	8,863,204	15,497,538
Cash and cash equivalents - end of year	\$ 2,961,969	\$ 6,461,670	\$ 9,939,674	\$ 19,363,313
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	\$ 2,961,969	\$ 6,461,670	\$ 8,798,624	\$ 18,222,263
Cash restricted for bond contingency reserve	-	-	1,141,050	1,141,050
Cash and cash equivalents	\$ 2,961,969	\$ 6,461,670	\$ 9,939,674	\$ 19,363,313

The accompanying notes are an integral part of the financial statements.

CITY OF SEASIDE, OREGON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)

Year Ended June 30, 2023

	<u>Business-Type Activities: Enterprise Funds</u>			<u>Total</u>
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Convention Center Fund</u>	
Cash flows from operating activities:				
Operating income (loss)	\$ (33,591)	\$ 233,251	\$ (2,820,521)	\$ (2,620,861)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	509,769	657,685	701,119	1,868,573
Nonoperating revenues (expenses)	11,348	16,175	7,367	34,890
Changes in assets and liabilities:				
(Increase) decrease in receivables	(6,910)	24,548	15,944	33,582
(Increase) decrease in inventories and prepaid costs	(145,919)	(5,165)	-	(151,084)
Increase (decrease) in accounts payable and accrued expenses	504	(77,547)	23,095	(53,948)
Increase (decrease) in accrued compensated absences	(12,071)	2,806	13,896	4,631
Increase (decrease) in pension liabilities and related outflows and inflows	285,135	(126,418)	703,574	862,291
Net cash provided by (used in) operating activities	<u>\$ 608,265</u>	<u>\$ 725,335</u>	<u>\$ (1,355,526)</u>	<u>\$ (21,926)</u>

The accompanying notes are an integral part of the financial statements.

CITY OF SEASIDE, OREGON
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

June 30, 2023

	Employee Retirement Plan
Assets	
Cash	\$ <u>132,362</u>
Investments, at fair value	
Standard Insurance Company Investment funds	12,361,409
Standard Insurance Company Stable value funds	<u>5,167,872</u>
Total investments	<u>17,529,281</u>
Total assets	<u>17,661,643</u>
Net position available for pension benefits	\$ <u>17,661,643</u>

The accompanying notes are an integral part of the financial statements.

CITY OF SEASIDE, OREGON
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

Year Ended June 30, 2023

	<u>Employee Retirement Plan</u>
Additions	
Contributions	\$ 1,521,130
Investment earnings	1,064,390
Total additions	<u>2,585,520</u>
 Deductions	
Benefits	2,179,520
Administrative expenses	3,300
Total deductions	<u>2,182,820</u>
 Change in net position	 402,700
 Net position - beginning of year	 <u>17,258,943</u>
 Net position - end of year	 \$ <u><u>17,661,643</u></u>

The accompanying notes are an integral part of the financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

Year Ended June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Seaside, Oregon (the City) are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The following funds reported for budgetary purposes as supplemental information have been combined with the General Fund for financial reporting purposes in the governmental funds financial statements:

Community Development Fund
Public Works Fund
Public Safety Fund

Organization

The City, located in Clatsop County, Oregon, was incorporated as a municipal corporation in 1899. The City's charter was approved by the voters on November 2, 1948. The government of the City is vested in a City Council and a Mayor. The Council is composed of six councilors elected from wards determined by the Council; three are chosen at the presidential election and three are elected in the alternate even numbered years to serve terms of four years. The Mayor is elected at a general election to serve a term of four years. The City Manager, City Attorney and Municipal Judge are appointed by and serve at the pleasure of the City Council. The City Manager is selected by the council as the administrative head of the city government.

Blended Component Unit

The City has included the financial operations of its Urban Renewal Agency (the Agency) as a blended component unit, in the basic financial statements. The Agency is a legally separate entity, which is governed by a board comprised of the members of the City Council plus seven additional members. Accordingly, the City has the ability to impose its will on the Agency in matters of budget adoption, taxing authority, and funding. Additionally, the Agency's operations benefit the City entirely. The Agency's operations are accounted for in the following funds of the City:

- Southeast Seaside Construction Fund
- Southeast Seaside Debt Service Fund
- Greater Seaside Construction Fund
- Greater Seaside Debt Service Fund

Complete financial statements for the Agency can be obtained from the City Manager, Seaside City Hall, 989 Broadway, Seaside, Oregon 97138.

Financial Statement Presentation, Measurement Focus and Basis of Accounting

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type.

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities report information on all activities of the primary government. Governmental activities, which are supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely on fees charged to external parties for services. The City's Fiduciary Funds have been excluded from the government-wide financial statements.

The government-wide financial statements are accounted for using an economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Nonexchange transactions, in which the City receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized when all eligibility requirements have been satisfied. The effect of interfund activity such as transfers, advances and loans is eliminated.

Fund Financial Statements

The City uses funds to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance, and to aid financial management by segregating transactions related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate funds. Fund financial statements are provided for governmental and proprietary funds.

Governmental Funds

Governmental funds are used to account for most of the City's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the construction of capital assets (capital projects funds), and the servicing of general long-term debt (debt service funds).

The governmental fund financial statements are accounted for using a current financial resources measurement focus whereby only current assets and liabilities generally are included in the Balance Sheet, and the Statement of Revenues, Expenditures and Changes in Fund Balance present increases and decreases in those current net assets. Governmental funds use the modified accrual basis of accounting where revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount can be determined and "available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds (Continued)

The City considers property taxes available and susceptible to accrual if they are collected within sixty days after year end.

Intergovernmental revenues are recognized when all eligibility requirements are met. Eligibility requirements for intergovernmental revenues received on a reimbursement basis (i.e. where monies must be expended on specific projects or for a specific purpose before any amounts are paid to the City) are determined to be met when the underlying expenditures are recorded. Eligibility requirements for intergovernmental revenues which are unrestricted as to purpose of the expenditure and are usually revocable only for failure to comply with prescribed requirements are considered to be met at the time of receipt or when susceptible to accrual.

Licenses and permits, charges for services and miscellaneous revenues are recognized as revenues when received because they are generally not measurable until actually received.

Governmental funds are used to account for most of the City's general activities as follows:

General Fund

The General Fund is the primary operating fund of the City and it is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

Capital Projects Funds

The Capital Projects Funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items.

Debt Service Funds

The Debt Service Funds account for accumulation of financial resources for the payment of interest and principal on the general long-term debt of the City other than the debt service payments made by enterprise funds. Ad valorem taxes are used for the payment of principal and interest.

Permanent Funds

The Permanent Funds account for assets held by the City pursuant to a trust government. The principal portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund.

The following are the City's major governmental funds:

General Fund

This fund accounts for the City's general operations. It is used to account for all transactions not specifically related to the City's other funds. Its major source of revenue are property taxes, state shared revenues, and franchise fees.

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds (Continued)

Tourism Activity Fund

The fund accounts for the collection of transient room tax and business license revenues, and the distribution of such resources to other funds of the City.

Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector where the determination of net income is necessary or useful to sound financial administration. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the funds' on-going operations.

The principal operating revenues are charges to customers. Operating expenses include cost of services, administration expenses and depreciation.

All proprietary funds are accounted for using a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. The accrual basis of accounting is utilized by proprietary fund types where revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The following are the City's major enterprise funds:

Water Fund

This fund accounts for the maintenance, operation and construction of the City's water intake, purification and delivery systems. The principal source of revenue is user fees.

Sewer Fund

This fund accounts for the maintenance, operation and construction of the City's wastewater collection and treatment system. The principal source of revenue is user fees.

Convention Center Fund

This fund accounts for the maintenance and operation of the City's convention center facilities.

For budgetary purposes (see budget schedules in the "other supplementary information" section), the water, sewer and convention center funds are accounted for in the following separate funds:

Water

- Water Fund
- Water System Development Fund

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Funds (Continued)

Sewer

Sewer Fund
Sewer System Development Fund
Sewer Plant Replacement Fund
Sewer Reserve Fund

Convention Center

Convention Center Fund
Convention Center Construction Fund
Convention Center Capital Improvements Fund
Convention Center Bond Reserve Fund

For generally accepted accounting principles, these aforementioned funds are consolidated and included as three separate enterprise funds.

Fiduciary Funds

Fiduciary funds account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the City's own programs. The City has one fiduciary fund, a pension trust fund, which covers substantially all uniformed and non-uniformed employees. This fund accounts for the City's defined contribution retirement plan and is managed by an independent insurance company.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

Pooled Cash and Investments

The City maintains common cash and investment pools for all City funds. All short-term, highly-liquid investments, including investments in the State Treasurer's Local Government Investment Pool (LGIP) where the remaining maturity at the time of purchase is one year or less are stated at amortized cost, which approximates fair value. The LGIP's policies provide minimum weighted average credit ratings for the LGIP's holdings: AA and Aa2 for Standard and Poor's and Moody's, respectively. On June 30, 2023, the LGIP's weighted average rating was between AA+/Aa1 and AA/Aa2 ratings. Earnings on pooled cash investments are allocated to each fund based on the balance of each participating fund.

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pooled Cash and Investments (Continued)

All other investments are stated at fair value. Fair value is determined as the quoted market price if available, otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties. Pooled cash and investments have the general characteristics of a demand deposit account in that any participating fund may deposit additional cash at any time and may also withdraw cash at any time without prior notice or penalty.

Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and deposits in the Oregon State Treasurer's Local Government Investment Pool.

Restricted Cash

Restricted cash consists of cash accounts whose use is restricted in accordance with the terms of the bond debt agreements.

Receivables

Property taxes are assessed on a July 1 - June 30 fiscal year basis. The taxes are levied July 1 and property owners have the option of paying the full amount November 15 or prior to February 15 and receiving a discount or paying in three installments, November 15, February 15 and May 15. Property taxes attach as an enforceable lien July 1 and are considered delinquent if not paid by the following May 15. The County Treasurer is the tax collection agent for all taxing entities within the County.

Tax revenue is considered received when in the hands of the County as the intermediary collection agency. In the governmental funds, tax revenue is recognized when collected and available to the City. Taxes receivable at June 30, less tax collections received within sixty days subsequent to year end, are recorded as deferred inflows of resources. Management has determined that an allowance for uncollectible accounts is not required for property taxes.

Assessments are recognized as receivables at the time the property owners are assessed for the property improvements. Assessments receivable in the governmental fund types are offset by deferred inflows of resources and the assessments are recorded as revenue when collected.

Receivables of the proprietary fund types are recorded as revenues as earned, including services earned but not billed.

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories of supplies in all funds are stated at average cost. The inventories are recorded as an asset in the General Fund, and in the Water and Sewer enterprise funds. The inventories in the General Fund and the enterprise funds are recorded as an expenditure/expense as the inventory is used and are not offset by a reserve.

Interfund Receivables and Payables

In the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “Due from other funds” or “Due to other funds” in the fund financial statements.

During the year, borrowings that occur between funds are classified as interfund loans or advances. The governmental fund financial statements report this as nonspendable fund balance to indicate funds are not available for appropriation and are not expendable financial resources.

In the government-wide financial statements, all interfund receivables and payables are combined and any residual balances between the governmental and business-type activities are reported as due to and due from other funds.

Capital Assets

Capital assets are stated at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the fair market value of such assets at the date of donation. As permitted by GASB Statement No. 34, the City has limited the capitalization of infrastructure to only those which were constructed or acquired after July 1, 2003. Capital assets include land, right-of-way, buildings, improvements, infrastructure and equipment with an estimated life of one year or more with a cost of \$5,000 or more (\$25,000 or more for infrastructure assets). Maintenance and repairs that do not add to the value of the assets or extend the assets' lives are charged to expenditures as incurred and are not capitalized.

Depreciation is computed using the straight-line method over the estimated useful lives of the related capital assets, except for land, right-of-ways and works of art which are considered inexhaustible in nature and are not depreciated. The estimated useful lives of the various categories of assets are as follows:

Buildings	20 to 40 years
Sewer and water system	20 to 50 years
Equipment and other	5 to 20 years

Upon disposal of such assets, the accounts are relieved of the related cost and accumulated depreciation and resulting gains or losses are reflected in income.

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Compensated Absences

Accumulated vacation and compensatory time liabilities are recorded in the Statement of Net Assets and in the proprietary fund financial statements. Accumulated vacation and compensatory time are accrued as expenditures in the governmental fund financial statements when the amounts are expected to be liquidated with expendable available resources. Sick leave does not vest and is recorded as the time is used. Sick leave accumulated in excess of four hundred hours is convertible to cash at the employees' option, accumulated sick pay in excess of four hundred hours is recorded in the Statement of Net Assets and in the proprietary fund financial statements based upon management's estimates. No sick pay in excess of four hundred hours has been requested by eligible employees as of the year ended June 30, 2023.

Long-Term Debt

Long-term debt is reported as a liability in the Statement of Net Assets and proprietary fund financial statements.

Deferred Outflows / Inflows of Resources

In addition to assets, the Statement of Net Position 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 or periods, and so will not be recognized as an expense / expenditure until that time.

In addition to liabilities, the Statement of Net Position 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 or periods, and so will not be recognized as revenue until that time. Additionally, the City has a type of inflow which arises under the modified accrual basis of accounting that qualifies for reporting in this category in the governmental funds balance sheet. The separate financial statement element, *unavailable revenue*, arises from property taxes and assessments receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Capitalized Interest

Interest costs in the enterprise funds are capitalized as part of the cost of fixed assets during the period of construction. No interest was capitalized in the fiscal year ended June 30, 2023.

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the plan administrator. 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.

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balances

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for resale.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the City Council passes an ordinance that places specific constraints on how the resources may be used. The City Council can modify or rescind the ordinance at any time through passage of an additional ordinance.

Resources that are constrained by the government's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the City Council approves which resources should be "reserved" during the adoption of the annual budget. The City Manager uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the City's financial statements.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

Budget

A budget is prepared for each fund in accordance with the modified accrual basis of accounting with certain modifications and legal requirements set forth in the Oregon Local Budget Law (ORS 294.305 to 294.565). The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

Total expenditures by department is the level of control for the General Fund, Public Safety, Community Development Fund and Public Works Fund established by resolution. Other fund expenditures are appropriated by major categories under the appropriation resolution. The detail budget document, however, is required to contain more specific information for the above-mentioned expenditure categories. Also, the detailed budget allocations in the detail budget document are used by the City for its administration control purposes. Unexpected additional resources may be added to the budget through the use of a supplemental budget.

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget (Continued)

A supplemental budget requires hearings before the public, publication in newspapers, and approval by the City Council. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the City Council. The City adopted supplemental budgets during the year ended June 30, 2023. Appropriations lapse as of year-end.

Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed.

NOTE B – CASH AND INVESTMENTS

The City maintains a common cash and investment pool for all City funds. The types of investments in which the City may invest are restricted by State of Oregon statutes and a Council adopted investment policy. Authorized investments include U.S. Treasury obligations, including treasury notes, bond and strips; Federal instrumentality securities from specific Federal Agencies; commercial paper rated at least A-1 or an equivalent rating; corporate bonds rated at least AA or an equivalent rating; bankers acceptances rated at least AA or an equivalent rating; the Oregon State Treasurer's Local Government Investment Pool limited by state statute; certificates of deposits; repurchase agreements and obligations of the states of Oregon, California, Idaho and Washington rated AA or better.

As of June 30, 2023, the City's cash and investments were comprised of the following:

Cash on hand	\$	1,600
Cash held by fiscal agent		56,408
Demand deposits with financial institutions		1,383,792
Investments in Oregon State Treasury Local Government Investment Pool		<u>37,225,932</u>
Total cash and investments	\$	<u>38,667,732</u>

Cash and investments are reflected on the Government-wide Statement of Net Position as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cash and investments	\$ 19,304,419	\$ 18,222,263	\$ 37,526,682
Restricted cash	<u>-</u>	<u>1,141,050</u>	<u>1,141,050</u>
Total cash and investments	<u>\$ 19,304,419</u>	<u>\$ 19,363,313</u>	<u>\$ 38,667,732</u>

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE B – CASH AND INVESTMENTS (CONTINUED)

Deposits

Deposits with financial institutions are comprised of bank demand deposits. The combined total bank balance was \$1,258,268. These deposits were held in non-interest-bearing accounts and are insured by federal depository insurance. As required by Oregon Revised Statutes, all deposits were held at qualified depositories for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer. As a result, the City has no exposure to custodial credit risk for deposits with financial institutions.

Interest Rate Risk

In accordance with its investment policy, the City manages its exposure to declines in fair value by limiting the individual maturities in its investment portfolio to eighteen months or less.

Credit Risk

State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the City's policy to limit its investments in these investment types to the top two ratings issued by NRSROs where applicable. The State of Oregon Local Government Investment Pool (LGIP) is not rated by NRSROs.

Concentration of Credit Risk

The City's investment policy, as it relates to investing outside of the LGIP, does not allow for an investment in any one issuer that is in excess of 5% of the City's total investments (ORS 294.035).

Custodial Credit Risk

Custodial risk is the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. As of June 30, 2023, all the City deposits are insured or collateralized and therefore, are not subject to custodial credit risk.

The City participates in an external investment pool, the State of Oregon Treasury Local Government Investment Pool. The LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. The State's investment policies are governed by state statutes and the Oregon Investment Council (Council). The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury. These funds are invested exercising reasonable care, skill and caution. Investments in the LGIP are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which establishes diversification percentages and specifies the types and maturities of investments. That portion of the external investment pool which belongs to local government participants is reported in an Investment Trust Fund in the State's Comprehensive Annual Financial Report. A copy of the State's Comprehensive Annual Financial Report may be obtained at the Oregon State Treasury, 350 Winter St. NE, Salem, Oregon 97310-0840.

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE B – CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk (Continued)

The City’s position in the LGIP at June 30, 2023 is stated at cost, which approximates fair value.

NOTE C – INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables as of June 30, 2023 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Funds:		
Public Safety Fund	\$ 243,038	\$ -
Public Works Fund	39,863	-
Communiuty Development Fund	66	-
Subtotal General Funds	<u>282,967</u>	<u>-</u>
Tourism Activity Fund	-	1,496,850
Convention Center Fund	1,051,039	-
Water Fund	-	1,284,762
Water System Development Fund	189,588	-
Sewer System Development Fund	-	-
Convention Center Capital Improvements Fund	75,467	-
Convention Center Bond Reserve Fund	1,284,762	-
Special Assessments	-	189,588
Fire Equipment (2018)	-	-
Emergency Readiness Fund	19,289	66
Capital Improvement and Maintenance Fund	37,291	-
Promenade Improvement Fund	<u>30,863</u>	<u>-</u>
Grand total - all funds	<u>\$ 2,971,266</u>	<u>\$ 2,971,266</u>

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE D – CAPITAL ASSETS

Capital asset activity for government activities for the year ended June 30, 2023 was as follows:

<u>Governmental Activities</u>	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance June 30, 2023</u>
Capital assets not being depreciated				
Land	\$ 3,332,722	\$ -	\$ -	\$ 3,332,722
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>3,332,722</u>	<u>-</u>	<u>-</u>	<u>3,332,722</u>
Capital assets being depreciated				
Land improvements	1,284,758	-	-	1,284,758
Buildings	8,496,854	184,369	(17,108)	8,664,115
Infrastructure	19,263,470	40,674	-	19,304,144
Vehicles and equipment	5,688,984	787,700	(135,094)	6,341,590
Total capital assets being depreciated	<u>34,734,066</u>	<u>1,012,743</u>	<u>(152,202)</u>	<u>35,594,607</u>
Less accumulated depreciation				
Land improvements	434,226	36,820		471,046
Buildings	5,844,780	300,402	(10,877)	6,134,305
Infrastructure	7,733,939	735,094	365	8,469,398
Vehicles and equipment	3,730,000	271,531	(139,684)	3,861,847
Total accumulated depreciation	<u>17,742,945</u>	<u>1,343,847</u>	<u>(150,196)</u>	<u>18,936,596</u>
Total capital assets being depreciated - net	<u>16,991,121</u>	<u>(331,104)</u>	<u>(2,006)</u>	<u>16,658,011</u>
Governmental activities capital assets - net	<u>\$ 20,323,843</u>	<u>\$ (331,104)</u>	<u>\$ (2,006)</u>	<u>\$ 19,990,733</u>

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE D – CAPITAL ASSETS (CONTINUED)

Capital asset activity for business-type activities for the year ended June 30, 2023 was as follows:

<u>Business-Type Activities</u>	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance June 30, 2023</u>
Capital assets not being depreciated				
Land	\$ 1,567,550	\$ -	\$ -	\$ 1,567,550
Construction in progress	-	1,059,900	-	1,059,900
Total capital assets not being depreciated	<u>1,567,550</u>	<u>1,059,900</u>	<u>-</u>	<u>2,627,450</u>
Capital assets being depreciated				
Buildings	16,152,808	-	(54,006)	16,098,802
Water system infrastructure	20,828,755	52,114	(835,124)	20,045,745
Sewer system infrastructure	27,754,622	141,064	(854,966)	27,040,720
Equipment	<u>2,972,769</u>	<u>26,372</u>	<u>(83,282)</u>	<u>2,915,859</u>
Total capital assets being depreciated	<u>67,708,954</u>	<u>219,550</u>	<u>(1,827,378)</u>	<u>66,101,126</u>
Less accumulated depreciation				
Buildings	3,503,074	619,252	(1,043,592)	3,078,734
Water system infrastructure	8,830,183	501,140	(479,162)	8,852,161
Sewer system infrastructure	20,019,469	626,790	(304,624)	20,341,635
Equipment	<u>2,052,918</u>	<u>121,391</u>	<u>-</u>	<u>2,174,309</u>
Total accumulated depreciation	<u>34,405,644</u>	<u>1,868,573</u>	<u>(1,827,378)</u>	<u>34,446,839</u>
Total capital assets being depreciated - net	<u>33,303,310</u>	<u>(1,649,023)</u>	<u>-</u>	<u>31,654,287</u>
Business-type activities capital assets - net	<u>\$ 34,870,860</u>	<u>\$ (589,123)</u>	<u>\$ -</u>	<u>\$ 34,281,737</u>

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE D – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to activities as follows:

Governmental Activities

General government	\$	274,425
Public safety		252,974
Highways and streets		775,426
Culture and recreation		<u>41,022</u>
Governmental activities depreciation expense	\$	<u><u>1,343,847</u></u>

Business-Type Activities

Water	\$	509,769
Sewer		657,685
Convention Center		<u>701,119</u>
Business-type activities depreciation expense	\$	<u><u>1,868,573</u></u>

NOTE E – LONG-TERM DEBT

During the fiscal year ended June 30, 2023, the following long-term debt transactions occurred:

	Balance June 30, 2022	Additions	Maturities	Balance June 30, 2023	Due Within Current Year
Governmental Activities					
General Obligation Water Bonds, Series 2007	\$ 1,980,000	\$ -	\$ (340,000)	\$ 1,640,000	\$ 365,000
General Obligation Water Bonds, Series 2012	<u>3,260,000</u>	<u>-</u>	<u>(155,000)</u>	<u>3,105,000</u>	<u>155,000</u>
Total governmental activities	<u><u>\$ 5,240,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (495,000)</u></u>	<u><u>\$ 4,745,000</u></u>	<u><u>\$ 520,000</u></u>
Business-Type Activities					
Wastewater System Revenue Refunding, Series 2022A	\$ 2,935,000	\$ -	\$ (2,935,000)	\$ -	\$ -
Revenue, Series 2022B	-	2,365,000		2,365,000	230,000
	-	4,045,000		4,045,000	140,000
Convention Center Revenue Bonds, Series 2018	13,055,000	-	(585,000)	12,470,000	615,000
Water Tank Loan - OBDD	4,194,613	-	(71,757)	4,122,856	72,345
Sewer WWTP Loan - OBDD	<u>660,155</u>	<u>-</u>	<u>(23,308)</u>	<u>636,847</u>	<u>24,170</u>
Total business-type activities	<u><u>\$ 20,844,768</u></u>	<u><u>\$ 6,410,000</u></u>	<u><u>\$ (3,615,065)</u></u>	<u><u>\$ 23,639,703</u></u>	<u><u>\$ 1,081,515</u></u>

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE E – LONG-TERM DEBT (CONTINUED)

Governmental Activities

General Obligation Bonds

General Obligation Water Bonds, Series 2007

The General Obligation Advance Water Bonds, Series 2007, dated January 23, 2007, were issued to provide funds to finance the construction of a four-million-gallon water storage tank. The series of bonds bear fixed interest rates ranging from 3.8% to 5.0%. The Bonds maturing January 1, 2008 through 2019, inclusive, are not subject to redemption prior to maturity. The Bonds maturing on or after January 1, 2019 are subject to redemption, at the option of the City, in whole or in part, on any date, on or after January 1, 2027, at a price of par, without premium, plus accrued interest, if any, to the date of redemption.

Mandatory redemption: The Term Bonds maturing on January 1, 2022 and on January 1, 2027 are subject to mandatory redemption by lot by the Paying Agent on January 1 of the following years in the following principal amounts:

<u>2027 Term Bonds</u>		
<u>Year</u>		<u>Principal</u>
2024	\$	365,000
2025		395,000
2026		425,000
2027		425,000

The bonds are general obligations of the City payable from ad-valorem taxes levied on all of the taxable property within the City. The City is required by law to include in its annual tax levy the principal and interest maturing on the Bonds to the extent that sufficient funds are not provided from other sources. The City includes in its annual budget amounts of the accruing interest and the annual maturing installments of principal due on the Series 2007 Bonds each fiscal year pursuant to Oregon Revised Statutes Section 223.245, less funds to be received from installment assessment payments.

Annual debt service requirements as of June 30, 2023 for General Obligation Water Bonds, Series 2007 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 365,000	\$ 69,700	\$ 434,700
2025	395,000	54,188	449,188
2026	425,000	37,400	462,400
2027	455,000	19,338	474,338
	<u>\$ 1,640,000</u>	<u>\$ 180,626</u>	<u>\$ 1,820,626</u>

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE E – LONG-TERM DEBT (CONTINUED)

Governmental Activities (Continued)

Water Full Faith and Credit 2012

Full faith and credit Bond 2012 Series was issued September 5, 2012. Series 2012 bonds have a fixed interest rate ranging from 2% and 3.625%. Interest is paid semi-annually and principal is paid annually according to the following schedule:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 155,000	\$ 109,119	\$ 264,119
2025	175,000	103,682	278,682
2026	175,000	96,682	271,682
2027	175,000	89,681	264,681
2028	185,000	82,482	267,482
2029-2033	1,025,000	306,489	1,331,489
2034-2038	1,215,000	113,189	1,328,189
	<u>\$ 3,105,000</u>	<u>\$ 901,324</u>	<u>\$ 4,006,324</u>

Business-Type Activities

Sewer Full Faith and Credit Refunding Note Series 2022A

Sewer Full Faith and Credit Refunding Note, Series 2022A for \$2,365,000, was issued July 13, 2022 to Zions Bancorporation, N.A. (the "Lender") to refinance the Series 2011 Wastewater System Revenue Bonds. The effect of the refunding was sufficient to fully defease the Series 2011 bonds. The Note bears a fixed interest rate of 3.41% payable semi-annually, and matures in annual principal payments commencing July 1, 2023 through July 1, 2031. The Note may be prepaid by the City without penalty upon thirty days written notice to the Lender.

Annual debt service requirements as of June 30, 2023 for Sewer Full Faith and Credit Refunding Note, Series 2022A, are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 230,000	\$ 76,725	\$ 306,725
2025	240,000	68,712	308,712
2026	245,000	60,442	305,442
2027	250,000	52,002	302,002
2028	265,000	43,222	308,222
2029-2031	1,135,000	79,027	1,214,027
	<u>\$ 2,365,000</u>	<u>\$ 380,130</u>	<u>\$ 2,745,130</u>

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE E – LONG-TERM DEBT (CONTINUED)

Business-Type Activities (Continued)

Sewer Full Faith and Credit Note Series 2022B

Sewer Full Faith and Credit Note, Series 2022B for \$4,045,000, was issued July 13, 2022 to Zions Bancorporation, N.A. (the “Lender”) to provide financing for sewer system infrastructure improvements.

The Note bears an initial fixed interest rate of 3.86% through June 30, 2037, and then adjusts based on the Federal Home Loan Bank Des Moines Regular Fixed Advanced Rate Index plus 0.65% (the “Index Rate”) at annual “reset dates” beginning on July 1, 2037 through 2041. The Index Rate shall not be lower than 3.86% nor exceed 8.86%. The Interest is payable semi-annually, and matures in annual principal payments commencing July 1, 2023 through July 1, 2042.

The Note may be prepaid by the City without penalty upon thirty days written notice to the Lender.

Annual debt service requirements as of June 30, 2023 for Sewer Full Faith and Credit Refunding Note, Series 2022B, are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 140,000	\$ 153,435	\$ 293,435
2025	145,000	147,934	292,934
2026	150,000	142,241	292,241
2027	155,000	136,355	291,355
2028	160,000	130,275	290,275
2029-2033	900,000	551,787	1,451,787
2034-2038	1,085,000	360,813	1,445,813
2039-2043	1,310,000	130,275	1,440,275
	\$ 4,045,000	\$ 1,753,115	\$ 5,798,115

Transient Lodgings Tax Revenue Bonds, Series 2019 – Convention Center Fund

Transient Lodgings Tax Revenue Bonds, Series 2019 for \$15,000,000, were issued on March 15, 2019 to finance convention center improvements. The Bonds bear fixed rates that range from 3% to 5%. The Bonds maturing on and after December 15, 2028 are subject to redemption prior to their respective payment dates in whole or in part in authorized denominations on any date after June 15, 2028 at the option of the City, at a price of par, plus accrued interest, if any, to the date of redemption.

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE E – LONG-TERM DEBT (CONTINUED)

Business-Type Activities (continued)

Transient Lodgings Tax Revenue Bonds, Series 2019 – Convention Center Fund (Continued)

Mandatory redemption: If not previously redeemed under the provisions for optional prepayment, the Term Bonds maturing on December 15, 2030, December 15, 2033, and December 15, 2037 are subject to mandatory redemption by lot by the Paying Agent on December 15 of the following years in the following principal amounts, at a price of par, without premium, plus accrued interest to the date of redemption:

2030 Term Bonds		2033 Term Bonds		2037 Term Bonds	
Year	Principal	Year	Principal	Year	Principal
2029	\$ 780,000	2032	\$ 885,000	2035	\$ 1,005,000
2030	820,000 (1)	2033	915,000 (1)	2036	1,055,000
2031	855,000	2034	955,000	2037	1,110,000 (1)

(1) Final maturity.

Annual debt service requirements as of June 30, 2023 for the Transient Lodgings Tax Revenue Bonds Series 2020 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 615,000	\$ 526,050	\$ 1,141,050
2025	640,000	497,875	1,137,875
2026	665,000	471,775	1,136,775
2027	695,000	444,575	1,139,575
2028	725,000	416,175	1,141,175
2029-2033	4,090,000	1,607,751	5,697,751
2034-2038	5,040,000	647,638	5,687,638
	\$ 12,470,000	\$ 4,611,839	\$ 17,081,839

Unamortized bond premium in connection with this bond issue, net of bond costs, was \$741,473 as of June 30, 2023.

Debt Covenants

The terms of the bonds and other debt instruments include certain covenants, including requirements to maintain levels of water and sewer user revenues, compliance with bonded debt limitations, and maintenance of infrastructure assets. The City was in compliance with all such covenants as of June 30, 2023.

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE E – LONG-TERM DEBT (CONTINUED)

Notes Payable to Oregon Infrastructure Finance Authority – OBDD:

Water System Reservoir Tank Loan

In September 2020, the City obtained a loan from the Oregon Infrastructure Finance Authority Business Development Department (the “OBDD”) for up to \$5,000,000 to finance the expenditures made in the Water Capital Construction Fund for a new water storage tank. The loan bears interest at 2.25% with all principal and any unpaid interest maturing in December 2051. The loan is secured by the City’s full faith and net water system service revenues. Maturities of principal and interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 72,345	\$ 165,231	\$ 237,576
2025	77,962	161,614	239,576
2026	83,610	157,716	241,326
2027	84,290	153,535	237,825
2028	90,005	149,321	239,326
2029-2033	522,056	674,072	1,196,128
2034-2038	661,108	530,521	1,191,629
2039-2043	851,213	350,666	1,201,879
2044-2048	997,332	193,696	1,191,028
2049-2051	682,935	41,342	724,277
	\$ 4,122,856	\$ 2,577,714	\$ 6,700,570

Sewer System Stabilization Bank Loan

In June 2015, the City obtained a loan from Oregon Infrastructure Finance Authority Business Development Department (the “OBDD”) for \$769,907 to finance the Wastewater Treatment Plant Bank Stabilization. The note requires annual payments of principal and interest, which accrues at 3.7% annually, until maturity in December 2040. The loan is secured by the City’s full faith and net sewer system service revenues. Maturities of principal and interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 24,170	\$ 23,563	\$ 47,733
2025	25,064	22,669	47,733
2026	25,991	21,742	47,733
2027	26,953	20,780	47,733
2028	27,950	19,783	47,733
2029-2033	156,050	82,615	238,665
2034-2038	187,136	51,529	238,665
2039-2041	163,533	13,469	177,002
	\$ 636,847	\$ 256,150	\$ 892,997

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE F – INTERFUND TRANSFERS

Transfers are routinely made for the following purposes:

- To move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.
- To move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as payments become due.
- To move unrestricted revenues collected in the General Fund to finance various programs and activities accounted for in other funds in accordance with budgetary authorizations.
- To move revenues collected from room taxes and assessments to other funds to pay for direct expenditures.

Interfund transfers for 2023 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 2,641,200	\$ 5,270,928
Public Safety Fund	5,829,951	506,623
Public Works Fund	142,879	102,317
Community Development Fund	-	49,143
Tourism Activity Fund	-	6,131,498
Road District Fund	-	1,301,812
State Tax Street Fund	-	1,226,551
Downtown Maintenance Fund	-	7,618
Fire Equipment Fund	51,079	-
Emergency Readiness Fund	11,000	-
Economic Development Fund	124,135	-
Capital Improvement & Maintenance Fund	133,662	55,000
Promenade Improvement Fund	110,616	-
Airport Fund	3,000	-
Parks Construction Fund	250,000	-
Street Construction Fund	2,500,000	-
Water Fund	-	464,399
Sewer Fund	366,888	3,375,545
Sewer Plant Replacement Fund	3,200,000	-
Sewer Reserve Fund	-	366,888
Convention Center Fund	3,272,394	199,301
Convention Center Capital Improvements Fund	420,819	-
	<u>\$ 19,057,623</u>	<u>\$ 19,057,623</u>

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE G – PENSION PLAN

General Information about the Pension Plan:

Plan description

The Retirement Plan for Employees of the City of Seaside (the “Plan”) was established by the City and is administered by Standard Retirement Services, Inc. The Plan is a single-employer, defined benefit pension plan which covers substantially all employees of the City. The effective date of the plan was March 1, 1973. The most recent plan restatement was July 12, 2012. At that time, the plan anniversary was amended from March 1 to July 1. Effective July 1, 2006, the plan year runs from July 1 to June 30. The Plan does not issue a publicly available financial report.

Benefits provided

The Plan provides for retirement, disability and death benefits to Plan members and beneficiaries. Permanent, full-time employees who have completed six months of employment automatically become participants in the plan. A combination of age and years of service determine the retirement benefit; however, the general employees may retire at age 65 with full benefits regardless of years of service. Several alternatives for receiving benefits are available. Police and fire employees may retire at age 60 with fewer years of service.

All participants reaching normal retirement age are entitled to the benefits described below plus additional benefits derived from their (1) pick-up, (2) required and (3) voluntary contributions. In addition, uniformed participants may be entitled to a unit purchase benefit.

For Uniformed Participants:

The participant's Normal Retirement Benefit is equal to the following formula:

- a. \$4.00 multiplied by years of service before July 1, 1973 to a maximum of 15 years; plus
- b. 1.35% multiplied by basic monthly compensation multiplied by years of service between July 1, 1973 and June 30, 1979; plus
- c. 1.55% multiplied by basic monthly compensation multiplied by years of service after July 1, 1979.

In addition, uniformed participants are guaranteed to receive the above plan formula adjusted by the greater of:

benefits attributable to pre-October 1, 1991 service will be increased by 9.89%;

or benefits will be increased as follows:

<u>Years of service</u>	<u>Increase</u>
Less than 10	0.0%
10 but less than 20	1.0%
20 but less than 25	2.5%
25 or greater	4.0%

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE G – PENSION PLAN (CONTINUED)

For Non-Uniformed Participants

The participant's Normal Retirement Benefit is equal to the following formula:

- a. \$4.00 multiplied by years of service before July 1, 1973 to a maximum of 15 years; plus
- b. 1.00% multiplied by basic monthly compensation multiplied by years of service between July 1, 1973 and June 30, 1979; plus
- c. 1.25% multiplied by basic monthly compensation multiplied by years of service after July 1, 1979.

“Basic Monthly Compensation” means the average earnings for the highest three consecutive years during the last 10 years of employment, based on the January 1 earnings rate.

Annuity Forms

The normal annuity form is a Straight Life Annuity with modified cash refund. At the participant's option, retirement income may be paid with a certain and life period, a straight life annuity, or on a joint-and-survivor basis. Election of an optional form may be made at any time before retirement. Regardless of the form distributed to the participant, it shall be actuarially equivalent to the normal form.

Normal Retirement

Normal retirement date is first of the month coincident with, or immediately following, the attainment of age:

- a. For **uniformed** participants, age 60
- b. For **non-uniformed** participants, age 65

Early Retirement

At any time that a uniformed participant has attained age 50 or a non-uniformed participant has attained age 60, the participant may elect early retirement. The normal retirement benefit accrued to date may be reduced to compensate for the longer period over which benefits will be paid. The reduction is 0.6% for each month by which early retirement precedes (a) age 55 for uniformed participants or (b) age 65 for non-uniformed participants, subject to the provisions following for "subsidized early retirement".

Subsidized Early Retirement

The subsidized early retirement benefit will equal 100% of the participants normal retirement benefit accrued to date under the following circumstances:

- a. For uniformed participants, attainment of age 50 with 25 years of credited service;
- b. For non-uniformed participants, attainment of age 60 with 30 years of credited service, or attainment of age 62 with 25 years of credited service; and
- c. For any participant, completion of 30 years of continuous service, regardless of age.

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE G – PENSION PLAN (CONTINUED)

Late Retirement

If termination of employment is postponed beyond the normal retirement date, benefits will be the greater of continued accrual according to the benefit formula or his normal retirement benefit increased by 7.2% for the first 5 years following normal retirement age plus 3.6% for each additional year thereafter.

Disability Benefits

Service connected:

A disability benefit is provided if the disability is either service-connected or upon completion of 10 years of service if the disability is not service-connected.

The disability benefit is equal to the accrued benefit earned to date of disability plus (1) amount developed by applying the required contribution balance as a premium; (2) amount developed by applying accrued voluntary contributions; (3) benefit based on any unit purchase contributions; and the following adjustments:

- a. For uniformed participants, 64% of the amount the participant would have received as an early retirement benefit at age 55 if the person had continued to accrue future service credit at the same rate of monthly earnings until such date.
- b. For non-uniformed participants, the amount the participant would have received as an early retirement benefit at age 60 assuming the person had continued to accrue future service credit at the same rate of monthly earnings until such date. The early retirement reduction factor is applied to this benefit.

The disability benefit will not be less than \$100 per month. Uniformed participants may elect to receive a monthly disability benefit equal to 50% of average monthly earnings if the disability is service-connected. Any benefit derived from voluntary contributions will be paid in addition to these minimum amounts.

Non-Service Connected:

The disability benefit is equal to the actuarial equivalent of the accrued benefit earned to date of disability plus (1) amount developed by applying the required contribution balance as a premium; (2) amount developed by applying accrued voluntary contributions; and (3) benefit based on any unit purchase contributions.

Death Benefit

In the event of a participant's death before retirement, the participant's beneficiary will receive a lump sum payment equal to (a) 2 times the accrued required and pick-up contribution balances; (b) the accrued voluntary contribution balance; and (c) the unit purchase contribution balance.

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE G – PENSION PLAN (CONTINUED)

Death Benefit (Continued)

In the event of a participant's death during the deferred period prior to commencement of severance benefits, the participant's beneficiary will receive a lump sum payment equal to (a) 2 times the accrued required and pick-up contribution balances; and (b) the accrued voluntary contribution balance.

In the event a uniformed participant dies while receiving any monthly benefit under the plan and there is a surviving spouse or surviving child, the survivor is eligible to receive a monthly benefit equal to 25% of the amount the person was receiving including any COLA adjustments after converting the monthly payments to an amount that could be paid as a straight life annuity.

COLA

Each July 1, retiree benefits may be increased by a factor equal to the percentage difference between the Consumer Price Index averages for the two preceding calendar years, subject to a maximum annual increase of 2%.

Termination Benefit (Before Retirement)

If a participant has not completed 5 years of credited service, in lieu of any other benefit under the plan, they will receive their accrued required contributions, pick-up contributions, voluntary contributions and unit purchase contributions at termination in one lump sum payment. If a participant terminates service before attaining retirement age but after becoming vested, he shall be entitled to a deferred benefit payable at retirement age. In the event such participant withdraws their account balances, they will forfeit their right to any other benefit provided by the plan.

Vesting

Participants are 100% vested upon completion of 5 years of credited service. Participants are always 100% vested in any accrued required contributions, voluntary contributions and unit purchase contribution balances.

Employees covered by benefit terms

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

Inactive employees or beneficiaries receiving benefits	28
Inactive employees entitled to but not receiving benefits	64
Active employees	<u>79</u>
Total	<u><u>171</u></u>

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE G – PENSION PLAN (CONTINUED)

Contributions

The employer contributes whatever amounts are required to pay for the cost of the plan. In addition, the employer picks up supplemental contributions on behalf of participants at the rate of 7% of monthly earnings (excluding overtime and special allowances). Prior to July 1, 1981, employees were required to contribute mandatory after-tax contributions to the plan based on a graded percentage table and the employee's monthly earnings.

Uniformed participants may make "unit purchase contributions" to purchase supplemental benefits in \$10 per month increments (to a maximum of \$80). The unit purchase benefit is paid as a temporary life annuity between normal retirement age and age 65. The employer will provide a matching benefit if the participant continues contributions until retirement age.

The employee may also elect to make voluntary contributions to the plan. Such contributions will be not less than \$10 per month and not more than 10% of the employee's monthly earnings.

Net Pension Liability

The City's net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	July 1, 2023
Actuarial Cost Method	Entry Age Normal with normal cost as a level percent of salary
Amortization Method	Amortized as a level percent of salary over a rolling 20-year period with amortization payments indexed to salary scale
Asset Valuation Method	Fair Market Value
Actuarial Assumptions:	
Inflation Rate	2.00 percent
Discount Rate	4.74 percent
Projected Salary Increases	3.50 percent overall payroll growth; salaries for individuals are assumed to grow at 3.50 percent plus assumed rates of merit/longevity increases based on service
Mortality	RP-2014 Fully generational basis using scale MP-2021

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE G – PENSION PLAN (CONTINUED)

The long-term expected rate of return on pension plan investments was determined based on best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class/Strategy	Target Allocation	Long-term Expected Rate of Return
Domestic equity	40.00 %	
International equity	30.00	
Fixed income	30.00	
Total	100.00 %	5.50 %

Discount Rate

The discount rate used to measure the total pension liability was 4.74%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. 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 active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE G – PENSION PLAN (CONTINUED)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension (a)	Plan (b)	Net Pension (a) - (b)
Balance, June 30, 2022	\$ 35,318,903	\$ 17,258,945	\$ 18,059,958
Changes for the year:			
Service cost	1,188,116	-	1,188,116
Interest	1,645,062	-	1,645,062
Differences between expected and actual experience	305,568	-	305,568
Changes in assumptions	(1,016,884)	-	(1,016,884)
Contributions - employer	-	1,136,155	(1,136,155)
Contributions - employee	-	384,975	(384,975)
Net investment income (loss)	-	1,064,390	(1,064,390)
Benefit payments, including refunds	(2,179,520)	(2,179,520)	-
Administrative expenses	-	(3,300)	3,300
Net changes	(57,658)	402,700	(460,358)
Balance, June 30, 2023	\$ 35,261,245	\$ 17,661,645	\$ 17,599,600

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 4.74 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.74 percent) or 1-percentage point higher (5.74 percent) than the current rate:

	1% Decrease 5.74%	Current Rate 4.74%	1% Increase 3.74%
Net pension (liability)/asset	\$ 22,651,254	\$ 17,599,600	\$ 13,496,940

Pension plan fiduciary net position

The Plan's fiduciary net position is presented in the basic financial statements. The Plan does not issue separately audited financial statements.

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE G – PENSION PLAN (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2023, the City recognized pension expense of \$3,398,905. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected actual experience	\$ 1,317,855	\$ (10,002)
Changes of assumptions	1,665,535	(878,730)
Net difference between projected actual earnings on investments	1,920,454	(2,171,350)
Net Deferred Outflows/(Inflows) of Resources	\$ 4,903,844	\$ (3,060,082)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Subsequent Fiscal Years Ending June 30:	Future Expense Recognition
2024	\$ 1,412,413
2025	327,669
2026	203,713
2027	(100,033)
2028	-
Thereafter	-
Total	\$ 1,843,762

Payable to the Pension Plan

At June 30, 2023, there were no outstanding contributions to be remitted to the pension plan required for the year then ended.

Changes in Assumptions

The only changes in assumptions affecting the net pension liability as of June 30, 2023 were an increase in the expected investment return rate from 5.0% to 5.5% and the change in the discount rate from 4.47% to 4.74% based on a blending of the investment return assumptions and the yield rate on the S&P Municipal Bond 20 Year High Grade Rate Index.

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE H – OTHER POST-EMPLOYMENT BENEFITS

The other postemployment benefits (OPEB) liability arises from the continuation of health care coverage for eligible employees upon retirement (the City provides an implicit rate subsidy for retiree health insurance premiums).

Financial Statement Presentation

The City's OPEB liability, related deferred outflows and inflows of resources, and component of the related pension expense is presented in the aggregate on the Statement of Net Position and Statement of Activities. The amounts on the financial statements related to OPEB are as follows:

Included in Deferred Outflows of Resources:		
Contributions after the measurement date	\$	77,152
Total OPEB Liability	\$	693,445
Included in Deferred Inflows of Resources:		
Changes in assumptions	\$	(127,077)
Included in Pension Expense:		
OPEB Expense	\$	71,451

Implicit Rate Subsidy

Plan Description

The City's single-employer defined benefit postemployment healthcare plan is administered by Citycounty Insurance Services (CIS). Benefit provisions are established through negotiations between the City and representatives of collective bargaining units or through resolutions passed by City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

The City's postemployment healthcare plan administrator issues a publicly available financial report that includes financial statements and required supplementary information for CIS. This report may be obtained by writing to the CIS Main Office, 80 Iron Point Circle, Suite 200, Folsom, CA 95630.

Benefits Provided

The plan provides eligible retirees and their dependents under age 65 the same health care coverage at the same premium rates as offered to active employees. The retiree is responsible for the portion of the premiums not paid by the City. As of the valuation date of July 1, 2022, the following employees were covered by the benefit terms:

Retirees or beneficiaries	7
Active employees	<u>79</u>
Total	<u><u>86</u></u>

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE H – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The City's total OPEB liability of \$693,444 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022.

For the fiscal year ended June 30, 2023, the City recognized OPEB expense from this plan of \$71,451. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 239,997	\$ -
Changes of assumptions		
Net subject to future amortization	12,170	(127,077)
Benefit payments	<u>77,152</u>	<u>-</u>
Net Deferred Outflows/(Inflows) of Resources	\$ <u>329,319</u>	\$ <u>(127,077)</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Years Ending June 30:</u>	<u>Expense (Income) Recognition</u>
2024	\$ 12,038
2025	14,081
2026	15,445
2027	15,445
2028	18,423
Thereafter	<u>49,658</u>
Total future recognition	125,090
Contributions after the measurement date	<u>77,152</u>
Net Deferred Outflows/(Inflows) of Resources	\$ <u>202,242</u>

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE H – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2022 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2022
Measurement Date	June 30, 2022
Discount Rate	3.54 percent
Inflation Rate	2.40 percent
Salary Increases	3.40 percent
Withdrawal, Retirement, & Mortality Rates	December 31, 2021 Oregon PERS Valuation
Election and Lapse Rates	35% of eligible employees 5% annual lapse rate
Actuarial Cost Method	Entry Age Normal

The discount rate was based on Bond Buyer 20-Year General Obligation Bond Index.

Changes in the Total OPEB Liability

Changes in assumptions are the result of the change in the discount rate from 2.16% to 3.54%.

	<u>Total OPEB Liability</u>
Balance as of June 30, 2022	\$ 539,592
Changes for the year:	
Service cost	47,067
Interest on total OPEB liability	12,347
Effect of assumptions changes or inputs	124,689
Benefit payments	<u>(30,250)</u>
Balance as of June 30, 2023	<u>\$ 693,445</u>

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE H – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Total OPEB Liability

The following presents the City’s total OPEB liability, as well as what the liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

Discount Rate:	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
OPEB Liability	\$ 741,745	\$ 693,444	\$ 649,121
 Healthcare Cost Rate:	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
OPEB Liability	\$ 632,883	\$ 693,444	\$ 765,756

Changes in Plan Provisions Subsequent to Measurement Date

As of June 30, 2023, there were no changes in plan provisions subsequent to the measurement date.

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE I – FUND BALANCES

Fund balances by classification for the year ended June 30, 2023 were as follows:

	<u>General Fund</u>	<u>Tourism Activity Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances				
Nonspendable				
Inventories and prepaids	\$ 146,556	\$ -	\$ 86,423	\$ 232,979
Restricted				
Public Safety	369,738	-	-	369,738
American Rescue Plan	-	-	1,577,426	1,577,426
Trust funds	-	-	84,379	84,379
Committed				
Roads District	-	-	510,196	510,196
State Tax Street	-	-	314,321	314,321
Downtown Maintenance	-	-	17,293	17,293
911 Special Revenue	-	-	320,979	320,979
Watershed Enhancement	-	-	509,108	509,108
Economic Development	-	-	2,744	2,744
Emergency Readiness	-	-	82,182	82,182
Systems Development Parks	-	-	785,617	785,617
Systems Development Road	-	-	73,237	73,237
Airport	-	-	13,447	13,447
Park Construction	-	-	108,290	108,290
Assigned				
Public Safety	2,100,326	-	-	2,100,326
Public Works	104,624	-	-	104,624
Community Development	1,492,102	-	-	1,492,102
Debt Service	-	-	1,055,060	1,055,060
Capital Projects	-	-	4,389,927	4,389,927
Other purposes	-	2,145,600	-	2,145,600
Unassigned	<u>4,762,749</u>	<u>-</u>	<u>(32,787)</u>	<u>4,729,962</u>
Total fund balances	<u>\$ 8,976,095</u>	<u>\$ 2,145,600</u>	<u>9,897,842</u>	<u>\$ 21,019,537</u>

CITY OF SEASIDE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

NOTE J – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft and property damage, errors and omissions, injuries to employees, and natural disasters. The City obtains insurance policies from commercial suppliers at varying coverages based on related risks. The City's management believes insurance coverages are adequate and related deductibles are reasonable. Settled claims from these risks have not exceeded commercial insurance limits.

NOTE K – COMMITMENTS AND CONTINGENCIES

The City attorney is aware of no pending litigation or existing claims that will result in material liability to the City.

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. Based upon prior experience, City management believes such disallowances, if any, will be immaterial.

The City has an employment agreement with a key employee whereas the employee will be paid a certain amount specified by agreement upon termination that is not due to cause.

NOTE L – OVER-EXPENDITURES OF BUDGET

The following over-expenditures of budgeted amounts occurred for the year ended June 30, 2023:

Public Safety		
Transfers Out	\$	506,623
Public Works		
Transfers Out	\$	99,317
Community Development		
Transfers Out	\$	49,143
Road District Fund		
Materials and services	\$	20,446
Sewer Fund		
Personal services	\$	15,389
Debt Service	\$	2,762,370
Sewer Reserve Fund		
Transfers Out	\$	366,888
Convention Center Fund		
Materials and services	\$	195,944

CITY OF SEASIDE, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
Year Ended June 30, 2023

NOTE L – OVER-EXPENDITURES OF BUDGET (Continued)

None of the above over-expenditures resulted in deficit fund balances.

The following nonmajor fund had a deficit fund balance as of June 30, 2023:

Special Assessment Fund	\$	45,513
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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SEASIDE, OREGON

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Property taxes	\$ 4,084,849	\$ 4,084,849	\$ 4,270,112	\$ 185,263
Transient room tax	1,920,000	1,920,000	1,595,471	(324,529)
Intergovernmental	50,250	50,250	20,916	(29,334)
Licenses and permits	2,000	2,000	2,075	75
Fines and forfeitures	19,000	19,000	23,295	4,295
Interest income	38,000	38,000	627,478	589,478
Sale of assets	4,000	4,000	7,573	3,573
Donations	-	-	40	40
Miscellaneous	12,000	12,000	61,921	49,921
Total revenues	<u>6,130,099</u>	<u>6,130,099</u>	<u>6,608,881</u>	<u>478,782</u>
Expenditures				
Mayor and City Council				
Personal services	13,030	13,030	13,536	(506)
Materials and services	13,000	43,000	39,119	3,881
Total Mayor and City Council	<u>26,030</u>	<u>56,030</u>	<u>52,655</u>	<u>3,375</u>
City Attorney				
Materials and services	54,100	54,100	34,387	19,713
Business Office				
Personal services	856,467	856,467	817,097	39,370
Materials and services	35,800	55,800	89,770	(33,970)
Total Business Office	<u>892,267</u>	<u>912,267</u>	<u>906,867</u>	<u>5,400</u>
Library				
Personal services	643,955	643,955	551,431	92,524
Materials and services	176,750	176,750	202,942	(26,192)
Capital outlay	60,000	60,000	46,721	13,279
Total Library	<u>880,705</u>	<u>880,705</u>	<u>801,094</u>	<u>79,611</u>
Community Center				
Materials and services	75,700	75,700	63,853	11,847
Non-departmental				
Materials and services	498,650	498,650	421,028	77,622
Capital outlay	50,000	50,000	184	49,816
Debt service	267,994	267,994	267,994	-
Total non-departmental	<u>816,644</u>	<u>816,644</u>	<u>689,206</u>	<u>127,438</u>
Contingency	300,000	250,000	-	250,000
Total expenditures	<u>3,045,446</u>	<u>3,045,446</u>	<u>2,548,062</u>	<u>497,384</u>
Excess (deficiency) of revenues over expenditures	<u>3,084,653</u>	<u>3,084,653</u>	<u>4,060,819</u>	<u>976,166</u>
Other financing sources (uses)				
Transfers in	1,530,309	1,530,309	2,641,200	1,110,891
Transfers out	(5,270,928)	(5,270,928)	(5,270,928)	-
Total other financing sources (uses)	<u>(3,740,619)</u>	<u>(3,740,619)</u>	<u>(2,629,728)</u>	<u>1,110,891</u>
Change in fund balance	(655,966)	(655,966)	1,431,091	2,087,057
Fund balance - Beginning of year	<u>3,625,117</u>	<u>3,625,117</u>	<u>3,414,697</u>	<u>(210,420)</u>
Fund balance - end of year	<u>\$ 2,969,151</u>	<u>\$ 2,969,151</u>	<u>\$ 4,845,788</u>	<u>\$ 1,876,637</u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

TOURISM ACTIVITY FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Transient room tax	\$ 7,698,000	\$ 7,698,000	\$ 7,454,406	\$ (243,594)
Licenses and permits	360,000	360,000	350,760	(9,240)
Interest income	6,000	6,000	52,220	46,220
Intergovernmental	11,000	11,000	6,600	(4,400)
Donations	-	-	-	-
Miscellaneous	100	100	-	(100)
Total revenues	<u>8,075,100</u>	<u>8,075,100</u>	<u>7,863,986</u>	<u>(211,114)</u>
Expenditures				
Personal services	309,453	319,453	307,036	12,417
Materials and services	815,100	815,100	794,533	20,567
Capital outlay	1,000,000	1,000,000	-	1,000,000
Contingency	200,000	190,000	-	190,000
Total expenditures	<u>2,324,553</u>	<u>2,324,553</u>	<u>1,101,569</u>	<u>1,222,984</u>
Excess (deficiency) of revenues over expenditures	<u>5,750,547</u>	<u>5,750,547</u>	<u>6,762,417</u>	<u>1,011,870</u>
Other financing sources (uses)				
Transfers out	<u>(6,730,631)</u>	<u>(6,730,631)</u>	<u>(6,131,498)</u>	<u>599,133</u>
Change in fund balance	(980,084)	(980,084)	630,919	1,611,003
Fund balance - beginning of year	<u>1,504,418</u>	<u>1,504,418</u>	<u>1,514,681</u>	<u>10,263</u>
Fund balance - end of year	<u>\$ 524,334</u>	<u>\$ 524,334</u>	<u>\$ 2,145,600</u>	<u>\$ 1,621,266</u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

**Schedules of Required Supplementary Information - Pension Information
SCHEDULE OF CHANGES IN NET PENSION LIABILITY**

**Year Ended June 30, 2023
Last 10 Fiscal Years***

(Dollar amounts in 000's)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability										
Service cost	\$ 1,188	\$ 1,142	\$ 1,318	\$ 896	\$ 767	\$ 658	\$ 651	\$ 639	\$ 641	N/A
Interest	1,645	1,531	1,293	1,437	1,339	1,246	1,230	1,145	1,127	N/A
Differences between expected and actual experience	306	1,133	1,360	(99)	332	(50)	593	(391)	(468)	N/A
Changes in assumptions	(1,017)	(2,506)	4,620	3,699	-	833	-	-	-	N/A
Benefit payments, including refunds	(2,180)	(906)	(2,050)	(865)	(683)	(893)	(757)	(1,419)	(782)	N/A
Net change in total pension liability	<u>(58)</u>	<u>394</u>	<u>6,541</u>	<u>5,068</u>	<u>1,755</u>	<u>1,794</u>	<u>1,717</u>	<u>(26)</u>	<u>518</u>	N/A
Total pension liability - beginning	<u>35,319</u>	<u>34,925</u>	<u>28,384</u>	<u>23,316</u>	<u>21,561</u>	<u>19,767</u>	<u>18,050</u>	<u>18,076</u>	<u>17,558</u>	N/A
Total pension liability - ending	<u>\$ 35,261</u>	<u>\$ 35,319</u>	<u>\$ 34,925</u>	<u>\$ 28,384</u>	<u>\$ 23,316</u>	<u>\$ 21,561</u>	<u>\$ 19,767</u>	<u>\$ 18,050</u>	<u>\$ 18,076</u>	N/A
Fiduciary Net position										
Contributions - employer	\$ 1,136	\$ 1,107	\$ 712	\$ 707	\$ 663	\$ 608	\$ 578	\$ 598	\$ 545	N/A
Contributions - employee	385	382	368	367	337	309	292	300	306	N/A
Net investment income (loss)	1,066	(1,678)	2,743	595	782	760	1,023	102	168	N/A
Benefit payments, including refunds	(2,180)	(907)	(2,020)	(865)	(683)	(893)	(757)	(1,419)	(782)	N/A
Administrative expenses	(3)	(3)	(6)	(2)	(2)	(2)	(5)	(1)	(2)	N/A
Other changes	-	-	-	-	-	-	-	-	-	N/A
Net change in fiduciary net position	<u>404</u>	<u>(1,099)</u>	<u>1,797</u>	<u>802</u>	<u>1,097</u>	<u>782</u>	<u>1,131</u>	<u>(420)</u>	<u>235</u>	N/A
Fiduciary net position - beginning	<u>17,258</u>	<u>18,357</u>	<u>16,560</u>	<u>15,758</u>	<u>14,661</u>	<u>13,879</u>	<u>12,748</u>	<u>13,168</u>	<u>12,933</u>	N/A
Fiduciary net position - ending	<u>\$ 17,662</u>	<u>\$ 17,258</u>	<u>\$ 18,357</u>	<u>\$ 16,560</u>	<u>\$ 15,758</u>	<u>\$ 14,661</u>	<u>\$ 13,879</u>	<u>\$ 12,748</u>	<u>\$ 13,168</u>	N/A
Net Pension Liability	\$ 17,599	\$ 18,061	\$ 16,568	\$ 11,824	\$ 7,558	\$ 6,900	\$ 5,888	\$ 5,302	\$ 4,908	N/A
Covered-employee payroll	\$ 6,023	\$ 5,827	\$ 5,789	\$ 5,388	\$ 5,323	\$ 4,725	\$ 4,250	\$ 4,242	\$ 4,370	N/A
Net pension liability as a percentage of covered-employee payroll	292.2%	309.9%	286.2%	219.5%	142.0%	146.0%	138.5%	124.9%	112.3%	N/A
Plan fiduciary net position as a percentage of the total pension liability	50.1%	48.8%	52.6%	58.3%	67.6%	68.0%	70.2%	70.6%	72.8%	N/A

* GASB # 68 requires ten-year trend information. However, until a full ten-year trend is established, only the information for the years available is presented.

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

**Schedules of Required Supplementary Information - Pension Information
SCHEDULE OF PENSION CONTRIBUTIONS**

**Year Ended June 30, 2023
Last 10 Fiscal Years**

(Dollar amounts in 000's)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 1,164	\$ 1,092	\$ 741	\$ 621	\$ 538	\$ 471	\$ 407	\$ 361	\$ 388	\$ 389
Contributions in relation to the actuarially determined contribution	<u>1,136</u>	<u>1,107</u>	<u>712</u>	<u>706</u>	<u>663</u>	<u>608</u>	<u>579</u>	<u>598</u>	<u>545</u>	<u>562</u>
Contribution deficiency (excess)	\$ <u><u>28</u></u>	\$ <u><u>(15)</u></u>	\$ <u><u>29</u></u>	\$ <u><u>(85)</u></u>	\$ <u><u>(125)</u></u>	\$ <u><u>(137)</u></u>	\$ <u><u>(172)</u></u>	\$ <u><u>(237)</u></u>	\$ <u><u>(157)</u></u>	\$ <u><u>(173)</u></u>
Covered-employee payroll	\$ 6,023	\$ 5,827	\$ 5,789	\$ 5,388	\$ 5,323	\$ 4,725	\$ 4,250	\$ 4,242	\$ 4,370	\$ 4,370
Contributions as a percentage of covered-employee payroll	18.9%	19.0%	12.3%	13.1%	12.5%	12.9%	13.6%	14.1%	12.8%	12.9%

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

Notes to Pension Supplementary Information

Year Ended June 30, 2023

Changes in Benefit Terms:

There were no significant changes in benefit terms affecting the net pension liability as of June 30, 2023.

Changes in Assumptions:

The only changes in assumptions affecting the net pension liability as of June 30, 2023 were an increase in the expected investment return rate from 5.0% to 5.5% and the change in the discount rate from 4.47% to 4.74% based on a blending of the investment return assumptions and the yield rate on the S&P Municipal Bond 20 Year High Grade Rate Index.

Actuarial assumptions are described in the notes to the accompanying financial statements.

CITY OF SEASIDE, OREGON

**Schedules of Required Supplementary Information - Pension Information
SCHEDULE OF CHANGES IN OPEB LIABILITY**

**Year Ended June 30, 2023
Last 10 Fiscal Years**

(Dollar amounts in 000's)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total OPEB Liability										
Service cost	\$ 47	\$ 46	\$ 36	\$ 32	\$ 35	37	N/A	N/A	N/A	N/A
Interest	12	12	17	18	18	15	N/A	N/A	N/A	N/A
Effect of changes to benefits terms	-	-	-	-	79	-	N/A	N/A	N/A	N/A
Changes in assumptions	124	3	35	13	(110)	(25)	N/A	N/A	N/A	N/A
Benefit payments, including refunds	(30)	(41)	(41)	(40)	(68)	(63)	N/A	N/A	N/A	N/A
Net change in total pension liability	<u>153</u>	<u>20</u>	<u>47</u>	<u>23</u>	<u>(46)</u>	<u>(36)</u>	N/A	N/A	N/A	N/A
Total OPEB liability - beginning	<u>540</u>	<u>520</u>	<u>473</u>	<u>450</u>	<u>496</u>	<u>532</u>	N/A	N/A	N/A	N/A
Total OPEB liability - ending	<u>\$ 693</u>	<u>\$ 540</u>	<u>\$ 520</u>	<u>\$ 473</u>	<u>\$ 450</u>	<u>\$ 496</u>	N/A	N/A	N/A	N/A
Covered-employee payroll	\$ 6,023	\$ 5,827	\$ 5,789	\$ 5,388	\$ 5,323	\$ 4,725	N/A	N/A	N/A	N/A
OPEB liability as a percentage of covered payroll	11.5%	9.3%	9.0%	8.8%	8.5%	10.5%	N/A	N/A	N/A	N/A

*GASB #75 requires ten-year trend information. However, until a full ten years trend is established, only the information for the years available is presented.

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

OTHER SUPPLEMENTARY INFORMATION
GENERAL FUND COMBINING STATEMENTS

CITY OF SEASIDE, OREGON

GENERAL FUND

COMBINING BALANCE SHEET

June 30, 2023

	General Fund	Public Safety Fund	Public Works Fund	Community Development Fund	Total
Assets					
Cash and investments	\$ 4,581,200	\$ 1,226,802	\$ 52,863	\$ 1,564,905	\$ 7,425,770
Property taxes receivable	270,915	4,642	-	-	275,557
Accounts receivable, net of allowance for doubtful accounts	511,073	1,193,127	45,491	-	1,749,691
Inventories and prepaid costs	83,039	1,786	61,731	-	146,556
Due from other funds	-	243,038	39,863	66	282,967
Total assets	<u>\$ 5,446,227</u>	<u>\$ 2,669,395</u>	<u>\$ 199,948</u>	<u>\$ 1,564,971</u>	<u>\$ 9,880,541</u>
Liabilities					
Accounts payable	\$ 389,256	\$ 187,636	\$ 33,593	\$ 72,869	\$ 683,354
Deferred inflows Unavailable revenue	211,183	9,909	-	-	221,092
Total liabilities and deferred inflows	<u>600,439</u>	<u>197,545</u>	<u>33,593</u>	<u>72,869</u>	<u>904,446</u>
Fund balances					
Nonspendable	83,039	1,786	61,731	-	146,556
Restricted	-	369,738	-	-	369,738
Assigned	-	2,100,326	104,624	1,492,102	3,697,052
Unassigned	4,762,749	-	-	-	4,762,749
Total fund balances	<u>4,845,788</u>	<u>2,471,850</u>	<u>166,355</u>	<u>1,492,102</u>	<u>8,976,095</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 5,446,227</u>	<u>\$ 2,669,395</u>	<u>\$ 199,948</u>	<u>\$ 1,564,971</u>	<u>\$ 9,880,541</u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

GENERAL FUND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Year Ended June 30, 2023

	<u>General Fund</u>	<u>Public Safety Fund</u>	<u>Public Works Fund</u>	<u>Community Development Fund</u>	<u>Total</u>
Revenues					
Property taxes	\$ 4,270,112	\$ 109,295	\$ -	\$ -	\$ 4,379,407
Transient room tax	1,595,471	-	-	-	1,595,471
Other taxes	-	179,895	-	-	179,895
Intergovernmental	20,916	798,725	126	-	819,767
Franchise fees	-	-	876,105	-	876,105
Licenses and permits	2,075	1,580	-	162,452	166,107
Fines and forfeitures	23,295	210,179	-	-	233,474
Interest income	627,478	18,044	2,576	16,113	664,211
Charges for goods/services	-	90,558	1,655	140,776	232,989
Sale of assets	7,573	20,667	33,909	-	62,149
Donations and Bequests	40	-	-	-	40
Miscellaneous	61,921	107,691	14,750	3,256	187,618
Total revenues	<u>6,608,881</u>	<u>1,536,634</u>	<u>929,121</u>	<u>322,597</u>	<u>9,397,233</u>
Expenditures					
Current					
General government	1,478,790	-	960,869	575,438	3,015,097
Public safety	-	6,336,856	-	-	6,336,856
Culture and recreation	754,373	-	245,089	-	999,462
Debt service	267,994	-	-	-	267,994
Capital outlay	46,905	688,733	40,336	-	775,974
Total expenditures	<u>2,548,062</u>	<u>7,025,589</u>	<u>1,246,294</u>	<u>575,438</u>	<u>11,395,383</u>
Excess (deficiency) of revenues over expenditures	<u>4,060,819</u>	<u>(5,488,955)</u>	<u>(317,173)</u>	<u>(252,841)</u>	<u>(1,998,150)</u>
Other financing sources (uses)					
Transfers in	2,641,200	5,829,951	142,879	-	8,614,030
Transfers out	(5,270,928)	(506,623)	(102,317)	(49,143)	(5,929,011)
Total other financing sources (uses)	<u>(2,629,728)</u>	<u>5,323,328</u>	<u>40,562</u>	<u>(49,143)</u>	<u>2,685,019</u>
Change in fund balance	1,431,091	(165,627)	(276,611)	(301,984)	686,869
Fund balance - beginning of year	<u>3,414,697</u>	<u>2,637,477</u>	<u>442,966</u>	<u>1,794,086</u>	<u>8,289,226</u>
Fund balance - end of year	<u>\$ 4,845,788</u>	<u>\$ 2,471,850</u>	<u>\$ 166,355</u>	<u>\$ 1,492,102</u>	<u>\$ 8,976,095</u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

PUBLIC SAFETY FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Property taxes	\$ 122,450	\$ 122,450	\$ 109,295	\$ (13,155)
Licenses and permits	1,500	1,500	1,580	80
Other taxes	240,000	240,000	179,895	(60,105)
Intergovernmental	183,000	183,000	798,725	615,725
Fines and forfeitures	325,600	325,600	210,179	(115,421)
Interest income	11,525	11,525	18,044	6,519
Charges for services	137,249	137,249	90,558	(46,691)
Donations	500	500	-	(500)
Sale of assets	22,000	22,000	20,667	(1,333)
Miscellaneous	25,000	25,000	107,691	82,691
Total revenues	<u>1,068,824</u>	<u>1,068,824</u>	<u>1,536,634</u>	<u>467,810</u>
Expenditures				
Municipal Court				
Personal services	108,262	133,262	118,695	14,567
Materials and services	94,250	94,250	100,542	(6,292)
Total Municipal Court	<u>202,512</u>	<u>227,512</u>	<u>219,237</u>	<u>8,275</u>
Police				
Personal services	3,933,698	3,833,698	3,798,985	34,713
Materials and services	426,200	426,200	586,669	(160,469)
Capital outlay	320,000	320,000	179,878	140,122
Total Police	<u>4,679,898</u>	<u>4,579,898</u>	<u>4,565,532</u>	<u>14,366</u>
Lifeguards				
Personal services	67,871	67,871	55,621	12,250
Materials and services	16,500	16,500	13,447	3,053
Total Lifeguards	<u>84,371</u>	<u>84,371</u>	<u>69,068</u>	<u>15,303</u>
Fire				
Personal services	1,039,116	1,314,116	1,140,837	173,279
Materials and services	404,650	404,650	477,061	(72,411)
Capital outlay	430,000	430,000	508,854	(78,854)
Total Fire	<u>1,873,766</u>	<u>2,148,766</u>	<u>2,126,752</u>	<u>22,014</u>
Non-departmental				
Materials and services	551,623	551,623	45,000	506,623
Contingency	200,000	-	-	-
Total expenditures	<u>7,592,170</u>	<u>7,592,170</u>	<u>7,025,589</u>	<u>566,581</u>
Excess (deficiency) of revenues over expenditures	<u>(6,523,346)</u>	<u>(6,523,346)</u>	<u>(5,488,955)</u>	<u>1,034,391</u>
Other financing sources (uses)				
Transfers in	6,072,675	6,072,675	5,829,951	(242,724)
Transfers out	-	-	(506,623)	(506,623)
Total other financing sources (uses)	<u>6,072,675</u>	<u>6,072,675</u>	<u>5,323,328</u>	<u>(749,347)</u>
Change in fund balance	(450,671)	(450,671)	(165,627)	285,044
Fund balance - beginning of year	<u>2,634,468</u>	<u>2,634,468</u>	<u>2,637,477</u>	<u>3,009</u>
Fund balance - end of year	<u>\$ 2,183,797</u>	<u>\$ 2,183,797</u>	<u>\$ 2,471,850</u>	<u>\$ 288,053</u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

PUBLIC WORKS FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Intergovernmental	\$ 7,200	\$ 7,200	\$ 126	\$ (7,074)
Franchise fees	850,000	850,000	876,105	26,105
Charges for services	1,000	1,000	1,655	655
Interest income	1,000	1,000	2,576	1,576
Sale of assets	3,000	3,000	33,909	30,909
Donations	20,273	20,273	-	(20,273)
Miscellaneous	14,500	14,500	14,750	250
Total revenues	<u>896,973</u>	<u>896,973</u>	<u>929,121</u>	<u>32,148</u>
Expenditures				
Public works				
Personal services	591,396	591,396	573,706	17,690
Materials and services	295,675	295,675	387,162	(91,487)
Capital outlay	160,000	160,000	40,337	119,663
Total public works	<u>1,047,071</u>	<u>1,047,071</u>	<u>1,001,205</u>	<u>45,866</u>
City parks				
Personal services	88,357	88,357	88,746	(389)
Materials and services	133,800	158,800	156,343	2,457
Capital outlay	-	-	-	-
Total city parks	<u>222,157</u>	<u>247,157</u>	<u>245,089</u>	<u>2,068</u>
Non-departmental				
Materials and services	99,317	99,317	-	99,317
Contingency	50,000	25,000	-	25,000
Total expenditures	<u>1,418,545</u>	<u>1,418,545</u>	<u>1,246,294</u>	<u>172,251</u>
Excess (deficiency) of revenues over expenditures	(521,572)	(521,572)	(317,173)	204,399
Other financing sources (uses)				
Transfers in	531,447	531,447	142,879	(388,568)
Transfers out	(3,000)	(3,000)	(102,317)	(99,317)
Total other financing sources (uses)	<u>528,447</u>	<u>528,447</u>	<u>40,562</u>	<u>(487,885)</u>
Change in fund balance	6,875	6,875	(276,611)	(283,486)
Fund balance - beginning of year	<u>503,282</u>	<u>503,282</u>	<u>442,966</u>	<u>(60,316)</u>
Fund balance - end of year	<u>\$ 510,157</u>	<u>\$ 510,157</u>	<u>\$ 166,355</u>	<u>\$ (343,802)</u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

COMMUNITY DEVELOPMENT FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Licenses and permits	245,000	245,000	162,452	(82,548)
Charges for services	165,000	165,000	140,776	(24,224)
Interest on investments	10,000	10,000	16,113	6,113
Miscellaneous	5,000	5,000	3,256	(1,744)
Total revenues	<u>425,000</u>	<u>425,000</u>	<u>322,597</u>	<u>(102,403)</u>
Expenditures				
Planning				
Personal services	244,944	244,944	209,294	35,650
Materials and services	129,800	129,800	79,399	50,401
Total planning	<u>374,744</u>	<u>374,744</u>	<u>288,693</u>	<u>86,051</u>
Building official				
Personal services	265,370	265,370	208,650	56,720
Materials and services	54,400	54,400	78,095	(23,695)
Capital outlay	-	-	-	-
Total building official	<u>319,770</u>	<u>319,770</u>	<u>286,745</u>	<u>33,025</u>
Non-departmental				
Materials and services	<u>49,143</u>	<u>49,143</u>	-	49,143
Contingency	<u>200,000</u>	<u>200,000</u>	-	200,000
Total expenditures	<u>943,657</u>	<u>943,657</u>	<u>575,438</u>	<u>368,219</u>
Excess (deficiency) of revenues over expenditures	<u>(518,657)</u>	<u>(518,657)</u>	<u>(252,841)</u>	<u>265,816</u>
Other financing sources (uses)				
Transfers in	265,000	265,000	-	(265,000)
Transfers out	-	-	(49,143)	(49,143)
Total other financing sources (uses)	<u>265,000</u>	<u>265,000</u>	<u>(49,143)</u>	<u>(314,143)</u>
Change in fund balance	(253,657)	(253,657)	(301,984)	(48,327)
Fund balance - beginning of year	<u>1,776,449</u>	<u>1,776,449</u>	<u>1,794,086</u>	<u>17,637</u>
Fund balance - end of year	<u>\$ 1,522,792</u>	<u>\$ 1,522,792</u>	<u>\$ 1,492,102</u>	<u>\$ (30,690)</u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

OTHER SUPPLEMENTARY INFORMATION

ENTERPRISE FUNDS

CITY OF SEASIDE, OREGON
WATER FUND
COMBINING BALANCE SHEET

June 30, 2023

	Water Fund	Water System Development Fund	Total
Assets			
Current assets			
Cash and investments	\$ 2,005,654	\$ 956,315	\$ 2,961,969
Accounts receivable, net of allowance	236,252	(39,768)	196,484
Inventories and prepaid costs	208,022	-	208,022
Due from other funds	-	189,588	189,588
Total current assets	2,449,928	1,106,135	3,556,063
Noncurrent assets			
Capital assets, net	11,401,741	-	11,401,741
Total noncurrent assets	11,401,741	-	11,401,741
Deferred outflows of resources	407,274	-	407,274
Total assets and deferred outflows	\$ 14,258,943	\$ 1,106,135	\$ 15,365,078
Liabilities			
Current liabilities			
Accounts payable and accrued expenses	\$ 42,854	\$ -	\$ 42,854
Accrued compensated absences	39,248	-	39,248
Due to other funds	1,284,762	-	1,284,762
Note payable, current portion	72,345	-	72,345
Total current liabilities	1,439,209	-	1,439,209
Long-term liabilities			
Net pension liability	1,369,698	-	1,369,698
OPEB liability	53,968	-	53,968
Note payable - OBDD Loan	4,050,511	-	4,050,511
Total long-term liabilities	5,474,177	-	5,474,177
Total liabilities	6,913,386	-	6,913,386
Deferred inflows of resources	248,043	-	248,043
Net position			
Invested in capital assets, net of related debt	7,278,885		7,278,885
Unrestricted	(181,371)	1,106,135	924,764
Total net position	7,097,514	1,106,135	8,203,649
Total liabilities, deferred inflows, and net position	\$ 14,258,943	\$ 1,106,135	\$ 15,365,078

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

WATER FUND

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Year Ended June 30, 2023

	<u>Water Fund</u>	<u>Water System Development Fund</u>	<u>Total</u>
Operating revenues			
User service charges	\$ 2,039,058	\$ 47,783	\$ 2,086,841
Connection charges	87,966	-	87,966
Total operating revenues	<u>2,127,024</u>	<u>47,783</u>	<u>2,174,807</u>
Operating expenses			
Salaries and wages	543,969	-	543,969
Employee costs	607,099	-	607,099
Utilities	100,781	-	100,781
Operating supplies and maintenance	318,277	-	318,277
Insurance	53,187	-	53,187
Professional services	75,316	-	75,316
Depreciation	509,769	-	509,769
Total operating expenses	<u>2,208,398</u>	<u>-</u>	<u>2,208,398</u>
Operating income (loss)	<u>(81,374)</u>	<u>47,783</u>	<u>(33,591)</u>
Nonoperating revenues (expenses)			
Interest income	34,828	6,261	41,089
Interest expense	(168,819)	-	(168,819)
Miscellaneous income	11,348	-	11,348
Total nonoperating revenues (expenses)	<u>(122,643)</u>	<u>6,261</u>	<u>(116,382)</u>
Income before transfers and other changes in net position	<u>(204,017)</u>	<u>54,044</u>	<u>(149,973)</u>
Other financing sources (uses)			
Transfers out	<u>(464,399)</u>	<u>-</u>	<u>(464,399)</u>
Change in net position	(668,416)	54,044	(614,372)
Net position - beginning of year	<u>7,765,930</u>	<u>1,052,091</u>	<u>8,818,021</u>
Net position - end of year	<u>\$ 7,097,514</u>	<u>\$ 1,106,135</u>	<u>\$ 8,203,649</u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

WATER FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Charges for services	\$ 2,273,500	\$ 2,273,500	\$ 2,127,020	\$ (146,480)
Interest	5,000	5,000	34,828	29,828
Miscellaneous	8,000	8,000	11,348	3,348
Total revenues	<u>2,286,500</u>	<u>2,286,500</u>	<u>2,173,196</u>	<u>(113,304)</u>
Expenditures				
Personal services	878,894	878,894	877,633	1,261
Materials and services	658,250	858,250	545,142	313,108
Capital outlay	245,000	145,000	70,965	74,035
Debt service	1,525,338	1,525,338	240,576	1,284,762
Contingency	100,000	-	-	-
Total expenditures	<u>3,407,482</u>	<u>3,407,482</u>	<u>1,734,316</u>	<u>1,673,166</u>
Excess (deficiency) of revenues over expenditures	(1,120,982)	(1,120,982)	438,880	1,559,862
Other financing sources (uses)				
Interfund loan - Conv Ctr	-	-	-	-
Transfers out	(824,104)	(824,104)	(464,399)	359,705
Change in fund balance	(1,945,086)	(1,945,086)	(25,519)	1,919,567
Fund balance - beginning of year	<u>2,368,772</u>	<u>2,368,772</u>	<u>2,432,593</u>	<u>63,821</u>
Fund balance - end of year	\$ <u>423,686</u>	\$ <u>423,686</u>	2,407,074	\$ <u>1,983,388</u>
Reconciliation of budgetary basis to GAAP basis:				
Interfund loan			(1,284,762)	
Invested in capital assets			11,401,741	
Notes payable			(4,122,856)	
Deferred outflows of resources			407,274	
Accrued compensated absences			(39,248)	
Net pension liability			(1,369,698)	
OPEB liability			(53,968)	
Deferred inflows of resources			<u>(248,043)</u>	
Net position - GAAP basis			\$ <u>7,097,514</u>	

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

WATER SYSTEM DEVELOPMENT FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
System development charges	\$ 91,900	\$ 91,900	\$ 47,715	\$ (44,185)
System development interest	5,500	5,500	68	(5,432)
Interest on investments	200	200	6,261	6,061
Total revenues	97,600	97,600	54,044	(43,556)
Expenditures				
Materials and services	25,000	25,000	-	25,000
Capital outlay	450,000	450,000	-	450,000
Contingency	100,000	100,000	-	100,000
Total expenditures	575,000	575,000	-	575,000
Excess (deficiency) of revenues over expenditures	(477,400)	(477,400)	54,044	531,444
Other financing sources (uses)				
Repayment from other fund - Special Assessment	50,000	50,000	50,000	-
Repayment from other fund - Fire Equipment	329,578	329,578	329,578	-
Loan to other fund - Special Assessment	(118,024)	(118,024)	(118,024)	-
Loan to other fund - Fire Equipment	-	-	-	-
Transfers out	(50,000)	(50,000)	-	50,000
Total other financing sources (uses)	211,554	211,554	261,554	50,000
Change in fund balance	(265,846)	(265,846)	315,598	581,444
Fund balance - beginning of year	670,075	670,075	600,949	(69,126)
Fund balance - end of year	\$ 404,229	\$ 404,229	916,547	\$ 512,318
Reconciliation of budgetary basis to GAAP basis:				
Due from Special Assessment Fund			189,588	
Due from Fire Equipment Fund			-	
Net position - GAAP basis			\$ 1,106,135	

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON
SEWER FUND
COMBINING BALANCE SHEET
June 30, 2023

	Sewer Fund	Sewer System Development Fund	Sewer Plant Replacement Fund	Sewer Reserve Fund	Total
Assets					
Current assets					
Cash and cash equivalents	\$ 1,681,598	\$ 2,360,800	\$ 2,392,615	\$ 26,657	\$ 6,461,670
Accounts and assessments receivable, net of allowance for doubtful accounts	304,018	(61,051)	-	-	242,967
Inventories and prepaid costs	39,797	-	-	-	39,797
Total current assets	2,025,413	2,299,749	2,392,615	26,657	6,744,434
Noncurrent assets					
Capital assets, net	7,894,063	-	1,059,900	-	8,953,963
Total noncurrent assets	7,894,063	-	1,059,900	-	8,953,963
Deferred outflows of resources	364,836	-	-	-	364,836
Total assets and deferred outflows	\$ 10,284,312	\$ 2,299,749	\$ 3,452,515	\$ 26,657	\$ 16,063,233
Liabilities					
Current liabilities					
Accounts payable and accrued expenses	\$ 27,034	\$ -	\$ -	\$ -	\$ 27,034
Accrued compensated absences	74,220	-	-	-	74,220
Accrued interest	128,390	-	-	-	128,390
Note payable, current portion	24,170	-	-	-	24,170
Bonds payable, current portion	370,000	-	-	-	370,000
Total current liabilities	623,814	-	-	-	623,814
Long-term liabilities					
Net pension liability	1,226,976	-	-	-	1,226,976
OPEB liability	48,344	-	-	-	48,344
Note payable	612,677	-	-	-	612,677
Bonds payable	6,040,000	-	-	-	6,040,000
Total long-term liabilities	7,927,997	-	-	-	7,927,997
Total liabilities	8,551,811	-	-	-	8,551,811
Deferred inflows of resources	222,196	-	-	-	222,196
Net position					
Invested in capital assets, net of related debt	847,216	-	1,059,900	-	1,907,116
Restricted for:					
Debt service	-	-	-	26,657	26,657
Capital projects	-	-	2,392,615	-	2,392,615
Unrestricted	663,089	2,299,749	-	-	2,962,838
Total net position	1,510,305	2,299,749	3,452,515	26,657	7,289,226
Total liabilities, deferred inflows, and net position	\$ 10,284,312	\$ 2,299,749	\$ 3,452,515	\$ 26,657	\$ 16,063,233

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

SEWER FUND

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Year Ended June 30, 2023

	<u>Sewer Fund</u>	<u>Sewer System Dev'ment Fund</u>	<u>Sewer Plant Replacement Fund</u>	<u>Sewer Reserve Fund</u>	<u>Total</u>
Operating revenues					
User service charges	\$ 2,724,135	\$ 86,293	\$ -	\$ -	\$ 2,810,428
Operating expenses					
Salaries and wages	496,050	-	-	-	496,050
Employee costs	151,859	-	-	-	151,859
Utilities	311,910	-	-	-	311,910
Operating supplies and maintenance	805,257	-	-	-	805,257
Insurance	37,098	-	-	-	37,098
Professional services	55,568	-	61,750	-	117,318
Depreciation	657,685	-	-	-	657,685
Total operating expenses	<u>2,515,427</u>	<u>-</u>	<u>61,750</u>	<u>-</u>	<u>2,577,177</u>
Operating income (loss)	<u>208,708</u>	<u>86,293</u>	<u>(61,750)</u>	<u>-</u>	<u>233,251</u>
Nonoperating revenues (expenses)					
Interest income	32,540	21,447	2,841	3,614	60,442
Miscellaneous income	16,175	-	-	-	16,175
Interest expense	(299,597)	-	-	-	(299,597)
Total nonoperating revenues (expenses)	<u>(250,882)</u>	<u>21,447</u>	<u>2,841</u>	<u>3,614</u>	<u>(222,980)</u>
Income before transfers and other changes in net position	<u>(42,174)</u>	<u>107,740</u>	<u>(58,909)</u>	<u>3,614</u>	<u>10,271</u>
Transfers and other changes in net position					
Transfers in	366,888	-	3,200,000	-	3,566,888
Transfers out	<u>(3,375,545)</u>	<u>-</u>	<u>-</u>	<u>(366,888)</u>	<u>(3,742,433)</u>
Total transfers and other changes in net position	<u>(3,008,657)</u>	<u>-</u>	<u>3,200,000</u>	<u>(366,888)</u>	<u>(175,545)</u>
Change in net position	(3,050,831)	107,740	3,141,091	(363,274)	(165,274)
Net position - beginning of year	<u>4,561,136</u>	<u>2,192,009</u>	<u>311,424</u>	<u>389,931</u>	<u>7,454,500</u>
Net position - end of year	<u>\$ 1,510,305</u>	<u>\$ 2,299,749</u>	<u>\$ 3,452,515</u>	<u>\$ 26,657</u>	<u>\$ 7,289,226</u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

SEWER FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Charges for services	\$ 2,740,000	\$ 2,740,000	\$ 2,724,135	\$ (15,865)
Interest	2,000	2,000	32,540	30,540
Miscellaneous	24,000	24,000	16,175	(7,825)
Total revenues	2,766,000	2,766,000	2,772,850	6,850
Expenditures				
Personal services	756,135	756,135	771,524	(15,389)
Materials and services	832,613	1,222,613	1,207,837	14,776
Capital outlay	245,000	245,000	143,060	101,940
Debt service				
Principal	263,934	263,934	2,958,308	(2,694,374)
Interest	141,411	141,411	209,407	(67,996)
Contingency	150,000	-	-	-
Total expenditures	2,389,093	2,629,093	5,290,136	(2,661,043)
Excess (deficiency) of revenues over expenditures	376,907	136,907	(2,517,286)	(2,654,193)
Other financing sources (uses)				
Bond proceeds	3,200,000	3,200,000	6,410,000	3,210,000
Transfers in - Sewer Reserve	-	-	366,888	366,888
Transfers out - Administrative	(175,545)	(175,545)	(175,545)	-
Transfers out - Sewer Replacement	(3,200,000)	(3,200,000)	(3,200,000)	-
Transfers out - Public works	(193,480)	(386,960)	-	386,960
Transfers out - Street construction	(200,000)	(246,520)	-	246,520
Total other financing sources (uses)	(569,025)	(809,025)	3,401,343	4,210,368
Change in fund balance	(192,118)	(672,118)	884,057	1,556,175
Fund balance - beginning of year	1,136,829	1,136,829	1,114,322	(22,507)
Fund balance - end of year	\$ 944,711	\$ 464,711	1,998,379	\$ 1,533,668
Reconciliation of budgetary basis to GAAP basis:				
Invested in capital assets			7,894,063	
Notes and bonds payable			(7,046,847)	
Deferred outflows of resources			364,836	
Accrued interest payable			(128,390)	
Accrued compensated absences			(74,220)	
Net pension liability			(1,226,976)	
OPEB liability			(48,344)	
Deferred inflows of resources			(222,196)	
Net position - GAAP basis			\$ 1,510,305	

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

SEWER SYSTEM DEVELOPMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Systems development charges	\$ 98,000	\$ 98,000	\$ 86,177	\$ (11,823)
Systems development interest	350	350	116	(234)
Interest on investments	12,000	12,000	21,447	9,447
Total revenues	<u>110,350</u>	<u>110,350</u>	<u>107,740</u>	<u>(2,610)</u>
Expenditures				
Materials and services	50,000	50,000	-	50,000
Capital outlay	1,000,000	1,000,000	-	1,000,000
Contingency	-	-	-	-
Total expenditures	<u>1,050,000</u>	<u>1,050,000</u>	<u>-</u>	<u>1,050,000</u>
Excess (deficiency) of revenues over expenditures	<u>(939,650)</u>	<u>(939,650)</u>	<u>107,740</u>	<u>1,047,390</u>
Other financing sources (uses)				
Transfers out	(550,000)	(550,000)	-	550,000
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>(550,000)</u>	<u>(550,000)</u>	<u>-</u>	<u>550,000</u>
Change in fund balance	(1,489,650)	(1,489,650)	107,740	1,597,390
Fund balance - beginning of year	<u>2,170,937</u>	<u>2,170,937</u>	<u>2,192,009</u>	<u>21,072</u>
Fund balance - end of year	<u><u>\$ 681,287</u></u>	<u><u>\$ 681,287</u></u>	<u><u>\$ 2,299,749</u></u>	<u><u>\$ 1,618,462</u></u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

SEWER PLANT REPLACEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Interest on investments	\$ 2,000	\$ 2,000	\$ 2,841	\$ 841
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>2,841</u>	<u>841</u>
Expenditures				
Materials and services	100,000	100,000	61,750	38,250
Capital outlay	3,913,301	3,913,301	1,059,900	2,853,401
Total expenditures	<u>4,013,301</u>	<u>4,013,301</u>	<u>1,121,650</u>	<u>2,891,651</u>
Excess (deficiency) of revenues over expenditures	(4,011,301)	(4,011,301)	(1,118,809)	2,892,492
Other financing sources (uses)				
Transfers in	3,700,000	3,700,000	3,200,000	(500,000)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>3,700,000</u>	<u>3,700,000</u>	<u>3,200,000</u>	<u>(500,000)</u>
Change in fund balance	(311,301)	(311,301)	2,081,191	2,392,492
Fund balance - beginning of year	<u>311,301</u>	<u>311,301</u>	<u>311,424</u>	<u>123</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	2,392,615	<u>\$ 2,392,615</u>
Reconciliation of budgetary basis to GAAP basis:				
Invested in capital assets			<u>1,059,900</u>	
Net position - GAAP basis			<u>\$ 3,452,515</u>	

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

SEWER RESERVE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Interest on investments	\$ 2,500	\$ 2,500	\$ 3,614	\$ 1,114
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>3,614</u>	<u>1,114</u>
Expenditures				
Capital outlay	31,023	31,023	-	31,023
Total expenditures	<u>31,023</u>	<u>31,023</u>	<u>-</u>	<u>31,023</u>
Excess (deficiency) of revenues over expenditures	(28,523)	(28,523)	3,614	32,137
Other financing sources (uses)				
Transfers out	-	-	(366,888)	(366,888)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(366,888)</u>	<u>(366,888)</u>
Change in fund balance	(28,523)	(28,523)	(363,274)	(334,751)
Fund balance - beginning of year	<u>389,931</u>	<u>389,931</u>	<u>389,931</u>	<u>-</u>
Fund balance - end of year	<u>\$ 361,408</u>	<u>\$ 361,408</u>	<u>\$ 26,657</u>	<u>\$ (334,751)</u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON
CONVENTION CENTER FUND
COMBINING BALANCE SHEET

June 30, 2023

	<u>Convention Center Fund</u>	<u>Convention Center Capital Improvements Fund</u>	<u>Convention Center Bond Reserve Fund</u>	<u>Total</u>
Assets				
Current assets				
Cash and investments	\$ 6,342,714	\$ 2,065,743	\$ 390,167	\$ 8,798,624
Accounts receivable, net of allowance for doubtful accounts	120,786	-	-	120,786
Inventories and prepaid costs	1,456	-	-	1,456
Due from other funds	1,051,039	75,467	1,284,762	2,411,268
Total current assets	<u>7,515,995</u>	<u>2,141,210</u>	<u>1,674,929</u>	<u>11,332,134</u>
Noncurrent assets				
Cash restricted for bond reserve	-	-	1,141,050	1,141,050
Capital assets, net	13,926,033	-	-	13,926,033
Deferred outflows of resources	<u>587,115</u>	<u>-</u>	<u>-</u>	<u>587,115</u>
Total assets and deferred outflows	<u>\$ 22,029,143</u>	<u>\$ 2,141,210</u>	<u>\$ 2,815,979</u>	<u>\$ 26,986,332</u>
Liabilities				
Current liabilities				
Accounts payable and accrued expenses	\$ 6,345	\$ 56,617	\$ -	\$ 62,962
Accrued compensated absences	96,523	-	-	96,523
Accrued interest	237,374	-	-	237,374
Bonds payable, current portion	615,000	-	-	615,000
Total current liabilities	<u>955,242</u>	<u>56,617</u>	<u>-</u>	<u>1,011,859</u>
Bonds payable, net of current portion	11,855,000	-	-	11,855,000
Unamortized bond premium, less issuance costs	741,473	-	-	741,473
Bonds payable, long-term portion	12,596,473	-	-	12,596,473
Net pension liability	1,974,519	-	-	1,974,519
OPEB liability	77,799	-	-	77,799
Total pension liabilities	<u>2,052,318</u>	<u>-</u>	<u>-</u>	<u>2,052,318</u>
Total liabilities	<u>15,604,033</u>	<u>56,617</u>	<u>-</u>	<u>15,660,650</u>
Deferred inflows of resources	<u>357,571</u>	<u>-</u>	<u>-</u>	<u>357,571</u>
Net position				
Invested in capital assets, net of related debt	714,560	-	-	714,560
Restricted for:				
Debt service	-	-	2,815,979	2,815,979
Capital projects	-	2,084,593	-	2,084,593
Unrestricted	5,352,979	-	-	5,352,979
Total net position	<u>6,067,539</u>	<u>2,084,593</u>	<u>2,815,979</u>	<u>10,968,111</u>
Total liabilities, deferred inflows, and net position	<u>\$ 22,029,143</u>	<u>\$ 2,141,210</u>	<u>\$ 2,815,979</u>	<u>\$ 26,986,332</u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

CONVENTION CENTER FUND

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Year Ended June 30, 2023

	Convention Center Fund	Convention Center Capital Improvements Fund	Convention Center Bond Reserve Fund	Total
Operating revenues				
Charges for services	\$ 193,640	\$ 61,904	\$ -	\$ 255,544
Franchise fees - food and beverage	1,264,276	-	-	1,264,276
Total operating revenues	<u>1,457,916</u>	<u>61,904</u>	<u>-</u>	<u>1,519,820</u>
Operating expenses				
Salaries and wages	796,596	-	-	796,596
Employee costs	1,089,829	-	-	1,089,829
Utilities	89,959	-	-	89,959
Material and service	1,375,284	82,604	-	1,457,888
Insurance	98,345	-	-	98,345
Advertising	38,522	-	-	38,522
Professional services	68,083	-	-	68,083
Depreciation	701,119	-	-	701,119
Total operating expenses	<u>4,257,737</u>	<u>82,604</u>	<u>-</u>	<u>4,340,341</u>
Operating income (loss)	<u>(2,799,821)</u>	<u>(20,700)</u>	<u>-</u>	<u>(2,820,521)</u>
Nonoperating revenues (expenses)				
Interest income	59,970	15,546	14,297	89,813
Miscellaneous income	7,367	-	-	7,367
Interest expense	(447,082)	-	-	(447,082)
Total nonoperating revenues (expenses)	<u>(379,745)</u>	<u>15,546</u>	<u>14,297</u>	<u>(349,902)</u>
Income (loss) before operating transfers	<u>(3,179,566)</u>	<u>(5,154)</u>	<u>14,297</u>	<u>(3,170,423)</u>
Transfers and other changes in net position				
Transfers in	3,272,394	420,819	-	3,693,213
Transfers out	(199,301)	-	-	(199,301)
Capitalized costs expended in another fund	10,303	(10,303)	-	-
Total transfers and other changes in net position	<u>3,083,396</u>	<u>410,516</u>	<u>-</u>	<u>3,493,912</u>
Change in net position	(96,170)	405,362	14,297	323,489
Net position - beginning of year	<u>6,163,709</u>	<u>1,679,231</u>	<u>2,801,682</u>	<u>10,644,622</u>
Net position - end of year	<u>\$ 6,067,539</u>	<u>\$ 2,084,593</u>	<u>\$ 2,815,979</u>	<u>\$ 10,968,111</u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

CONVENTION CENTER FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Franchise fee - food and beverage	\$ 1,000,000	\$ 1,000,000	\$ 1,264,276	\$ 264,276
Rental and event	100,000	100,000	153,232	53,232
Convention fees	20,000	20,000	40,408	20,408
Interest income	28,000	28,000	59,970	31,970
Miscellaneous	1,000	1,000	7,367	6,367
Total revenues	1,149,000	1,149,000	1,525,253	376,253
Expenditures				
Personal services	1,142,515	1,192,515	1,172,155	20,360
Materials and services	1,471,050	1,471,050	1,666,994	(195,944)
Debt Service				
Principle	585,000	585,000	585,000	-
Interest	556,050	556,050	556,050	-
Capital outlay	-	-	-	-
Contingency	450,000	400,000	-	400,000
Total expenditures	4,204,615	4,204,615	3,980,199	224,416
Excess (deficiency) of revenues over expenditures	(3,055,615)	(3,055,615)	(2,454,946)	600,669
Other financing sources (uses)				
Transfers in	4,023,225	4,023,225	3,272,394	(750,831)
Transfers out	(199,301)	(199,301)	(199,301)	-
Total other financing sources (uses)	3,823,924	3,823,924	3,073,093	(750,831)
Change in fund balance	768,309	768,309	618,147	(150,162)
Fund balance - beginning of year	6,814,111	6,814,111	6,891,503	77,392
Fund balance - end of year	\$ 7,582,420	\$ 7,582,420	7,509,650	\$ (72,770)
Reconciliation of budgetary basis to GAAP basis:				
Invested in capital assets			13,926,033	
Deferred outflows of resources			587,115	
Notes and bonds payable			(12,470,000)	
Bond premium net of issuance cost			(741,473)	
Accrued compensated absences			(96,523)	
Accrued interest			(237,374)	
Net pension liability			(1,974,519)	
OPEB liability			(77,799)	
Deferred inflows of resources			(357,571)	
Net position - GAAP basis			\$ 6,067,539	

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

CONVENTION CENTER CAPITAL IMPROVEMENTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Charges for services	\$ 94,522	\$ 94,522	\$ 61,904	\$ (32,618)
Interest income	10,000	10,000	15,546	5,546
Total revenues	<u>104,522</u>	<u>104,522</u>	<u>77,450</u>	<u>(27,072)</u>
Expenditures				
Materials and services	30,000	30,000	4,189	25,811
Capital outlay	500,000	500,000	88,718	411,282
Contingency	300,000	300,000	-	300,000
Total expenditures	<u>830,000</u>	<u>830,000</u>	<u>92,907</u>	<u>737,093</u>
Excess (deficiency) of revenues over expenditures	<u>(725,478)</u>	<u>(725,478)</u>	<u>(15,457)</u>	<u>710,021</u>
Other financing sources (uses)				
Transfers in	350,300	350,300	420,819	70,519
Total other financing sources (uses)	<u>350,300</u>	<u>350,300</u>	<u>420,819</u>	<u>70,519</u>
Change in fund balance	(375,178)	(375,178)	405,362	780,540
Fund balance - beginning of year	<u>1,612,874</u>	<u>1,612,874</u>	<u>1,679,231</u>	<u>66,357</u>
Fund balance - end of year	<u><u>\$ 1,237,696</u></u>	<u><u>\$ 1,237,696</u></u>	<u><u>\$ 2,084,593</u></u>	<u><u>\$ 846,897</u></u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

CONVENTION CENTER BOND RESERVE FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Interest income	\$ 16,000	\$ 16,000	\$ 14,297	\$ (1,703)
Total revenues	16,000	16,000	14,297	(1,703)
Expenditures				
Materials and services	-	-	-	-
Capital outlay	1,674,598	1,674,598	-	1,674,598
Contingency	-	-	-	-
Total expenditures	1,674,598	1,674,598	-	1,674,598
Excess (deficiency) of revenues over expenditures	(1,658,598)	(1,658,598)	14,297	1,672,895
Change in fund balance	(1,658,598)	(1,658,598)	14,297	1,672,895
Fund balance - beginning of year	1,516,920	1,516,920	1,516,920	-
Fund balance - end of year	\$ (141,678)	\$ (141,678)	1,531,217	\$ 1,672,895
Reconciliation of budgetary basis to GAAP basis:				
Due from Water Fund			1,284,762	
Net position - GAAP basis			\$ 2,815,979	

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

OTHER SUPPLEMENTARY INFORMATION
NONMAJOR GOVERNMENTAL FUNDS

CITY OF SEASIDE, OREGON
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

June 30, 2023

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total
Assets					
Cash and investments	\$ 3,376,506	\$ 1,069,643	\$ 5,591,975	\$ 84,379	\$ 10,122,503
Property taxes receivable	40,078	61,069	-	-	101,147
Accounts and grants receivable	103,820	-	-	-	103,820
Assessments receivable	-	-	21,707	-	21,707
Prepaid and other	-	-	86,423	-	86,423
Due from other funds	19,289	-	68,154	-	87,443
Total assets	<u>\$ 3,539,693</u>	<u>\$ 1,130,712</u>	<u>\$ 5,768,259</u>	<u>\$ 84,379</u>	<u>\$ 10,523,043</u>
Liabilities					
Accounts payable and accrued expenses	\$ 153,769	\$ 40,714	\$ 143,428	\$ -	\$ 337,911
Deferred revenue - property taxes	38,883	34,938	-	-	73,821
Deferred revenue - other	-	-	23,815	-	23,815
Due to other funds	66	-	189,588	-	189,654
Total liabilities	<u>192,718</u>	<u>75,652</u>	<u>356,831</u>	<u>-</u>	<u>625,201</u>
Fund balances					
Nonspendable	-	-	86,423	-	86,423
Restricted	1,577,426	-	-	84,379	1,661,805
Committed	1,756,823	-	980,591	-	2,737,414
Assigned	-	1,055,060	4,389,927	-	5,444,987
Unassigned	12,726	-	(45,513)	-	(32,787)
Total fund balances	<u>3,346,975</u>	<u>1,055,060</u>	<u>5,411,428</u>	<u>84,379</u>	<u>9,897,842</u>
Total liabilities and fund balances	<u>\$ 3,539,693</u>	<u>\$ 1,130,712</u>	<u>\$ 5,768,259</u>	<u>\$ 84,379</u>	<u>\$ 10,523,043</u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Year Ended June 30, 2023

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Permanent Funds</u>	<u>Total</u>
Revenues					
Property taxes	\$ 760,994	\$ 925,268	\$ -	\$ -	\$ 1,686,262
Assessments	-	-	37,290	-	37,290
Intergovernmental	1,530,776	-	-	-	1,530,776
Interest income	138,069	37,088	27,886	792	203,835
Charges for services	-	-	2,051	-	2,051
Bequests and donations	-	-	29,220	500	29,720
Miscellaneous	6,546	-	-	-	6,546
Total revenues	<u>2,436,385</u>	<u>962,356</u>	<u>96,447</u>	<u>1,292</u>	<u>3,496,480</u>
Expenditures					
Current					
General government	-	-	-	-	-
Economic development	12,000	-	-	-	12,000
Public safety	175,858	-	-	-	175,858
Highways and streets	230,151	-	6,740	-	236,891
Culture and recreation	-	-	65,697	-	65,697
Debt service					
Principal	-	340,000	-	-	340,000
Interest	-	76,925	-	-	76,925
Capital outlay	280,596	-	249,387	-	529,983
Total expenditures	<u>698,605</u>	<u>416,925</u>	<u>321,824</u>	<u>-</u>	<u>1,437,354</u>
Excess (deficiency) of revenues over expenditures	<u>1,737,780</u>	<u>545,431</u>	<u>(225,377)</u>	<u>1,292</u>	<u>2,059,126</u>
Other financing sources (uses)					
Transfers in	186,214	-	2,997,278	-	3,183,492
Transfers out	(2,535,981)	-	(55,000)	-	(2,590,981)
Total other financing sources (uses)	<u>(2,349,767)</u>	<u>-</u>	<u>2,942,278</u>	<u>-</u>	<u>592,511</u>
Change in fund balance	(611,987)	545,431	2,716,901	1,292	2,651,637
Fund balance - beginning of year	<u>3,958,962</u>	<u>509,629</u>	<u>2,694,527</u>	<u>83,087</u>	<u>7,246,205</u>
Fund balance - end of year	<u>\$ 3,346,975</u>	<u>\$ 1,055,060</u>	<u>\$ 5,411,428</u>	<u>\$ 84,379</u>	<u>\$ 9,897,842</u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

OTHER SUPPLEMENTARY INFORMATION
NONMAJOR SPECIAL REVENUE FUNDS

CITY OF SEASIDE, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

June 30, 2023

	Road District Fund	State Tax Street Fund	Downtown Maintenance District Fund	911 Special Revenue Fund	Watershed Enhance- ment Fund	Fire Equipment 2018 Fund	Economic Develop- ment Fund	Emergency Readiness Fund	American Rescue Plan Fund	Total
Assets										
Cash and investments	\$ 506,924	\$ 262,251	\$ 16,082	\$ 418,558	\$ 509,108	\$ 16,014	\$ 2,744	\$ 67,399	\$ 1,577,426	\$ 3,376,506
Property taxes receivable	23,496	-	5,925	-	-	10,657	-	-	-	40,078
Accounts and notes receivable	-	52,070	-	51,750	-	-	-	-	-	103,820
Due from other funds	-	-	-	-	-	-	-	19,289	-	19,289
Total assets	\$ 530,420	\$ 314,321	\$ 22,007	\$ 470,308	\$ 509,108	\$ 26,671	\$ 2,744	\$ 86,688	\$ 1,577,426	\$ 3,539,693
Liabilities										
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ 149,329	\$ -	\$ -	\$ -	\$ 4,440	\$ -	\$ 153,769
Due to other funds	-	-	-	-	-	-	-	66	-	66
Deferred revenue - property taxes	20,224	-	4,714	-	-	13,945	-	-	-	38,883
Total liabilities	20,224	-	4,714	149,329	-	13,945	-	4,506	-	192,718
Fund balances										
Restricted	-	-	-	-	-	-	-	-	1,577,426	1,577,426
Committed	510,196	314,321	17,293	320,979	509,108	-	2,744	82,182	-	1,756,823
Unassigned	-	-	-	-	-	12,726	-	-	-	12,726
Total fund balances	510,196	314,321	17,293	320,979	509,108	12,726	2,744	82,182	1,577,426	3,346,975
Total liabilities and fund balances	\$ 530,420	\$ 314,321	\$ 22,007	\$ 470,308	\$ 509,108	\$ 26,671	\$ 2,744	\$ 86,688	\$ 1,577,426	\$ 3,539,693

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Year Ended June 30, 2023

	<u>Road District Fund</u>	<u>State Tax Street Fund</u>	<u>Downtown Maintenance District Fund</u>	<u>911 Special Revenue Fund</u>	<u>Watershed Enhancement Fund</u>	<u>Fire Equipment 2018 Fund</u>	<u>Economic Development Fund</u>	<u>Emergency Readiness Fund</u>	<u>American Rescue Plan Fund</u>	<u>Total</u>
Revenues										
Property taxes	\$ 397,930	\$ -	\$ 94,126	\$ -	\$ -	\$ 268,938	\$ -	\$ -	\$ -	\$ 760,994
Intergovernmental	-	567,495	-	196,637	-	-	1,236	-	765,408	1,530,776
Interest income	30,955	32,404	4,138	9,235	4,761	11,965	62	1,168	43,381	138,069
Miscellaneous	-	5,921	-	-	-	-	-	625	-	6,546
Total revenues	<u>428,885</u>	<u>605,820</u>	<u>98,264</u>	<u>205,872</u>	<u>4,761</u>	<u>280,903</u>	<u>1,298</u>	<u>1,793</u>	<u>808,789</u>	<u>2,436,385</u>
Expenditures										
General government	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	12,000	-	-	12,000
Public safety	-	-	-	117,812	-	-	-	58,046	-	175,858
Highways and streets	29,546	110,039	90,566	-	-	-	-	-	-	230,151
Capital outlay	24,630	123,143	-	-	-	-	-	132,823	-	280,596
Total expenditures	<u>54,176</u>	<u>233,182</u>	<u>90,566</u>	<u>117,812</u>	<u>-</u>	<u>-</u>	<u>12,000</u>	<u>190,869</u>	<u>-</u>	<u>698,605</u>
Excess (deficiency) of revenues over expenditures	<u>374,709</u>	<u>372,638</u>	<u>7,698</u>	<u>88,060</u>	<u>4,761</u>	<u>280,903</u>	<u>(10,702)</u>	<u>(189,076)</u>	<u>808,789</u>	<u>1,737,780</u>
Other financing sources (uses)										
Transfers in	-	-	-	-	-	51,079	11,000	124,135	-	186,214
Transfers out	(1,301,812)	(1,226,551)	(7,618)	-	-	-	-	-	-	(2,535,981)
Total other financing sources (uses)	<u>(1,301,812)</u>	<u>(1,226,551)</u>	<u>(7,618)</u>	<u>-</u>	<u>-</u>	<u>51,079</u>	<u>11,000</u>	<u>124,135</u>	<u>-</u>	<u>(2,349,767)</u>
Change in fund balance	<u>(927,103)</u>	<u>(853,913)</u>	<u>80</u>	<u>88,060</u>	<u>4,761</u>	<u>331,982</u>	<u>298</u>	<u>(64,941)</u>	<u>808,789</u>	<u>(611,987)</u>
Fund balance - beginning of year	<u>1,437,299</u>	<u>1,168,234</u>	<u>17,213</u>	<u>232,919</u>	<u>504,347</u>	<u>(319,256)</u>	<u>2,446</u>	<u>147,123</u>	<u>768,637</u>	<u>3,958,962</u>
Fund balance - end of year	<u>\$ 510,196</u>	<u>\$ 314,321</u>	<u>\$ 17,293</u>	<u>\$ 320,979</u>	<u>\$ 509,108</u>	<u>\$ 12,726</u>	<u>\$ 2,744</u>	<u>\$ 82,182</u>	<u>\$ 1,577,426</u>	<u>\$ 3,346,975</u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

ROAD DISTRICT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Property taxes	\$ 421,959	\$ 421,959	\$ 397,930	\$ (24,029)
Interest income	9,400	9,400	30,955	21,555
Total revenues	<u>431,359</u>	<u>431,359</u>	<u>428,885</u>	<u>(2,474)</u>
Expenditures				
Materials and services	9,100	9,100	29,546	(20,446)
Capital outlay	530,351	530,351	24,630	505,721
Total expenditures	<u>539,451</u>	<u>539,451</u>	<u>54,176</u>	<u>485,275</u>
Excess (deficiency) of revenues over expenditures	<u>(108,092)</u>	<u>(108,092)</u>	<u>374,709</u>	<u>482,801</u>
Other financing sources (uses)				
Transfers out	<u>(1,301,812)</u>	<u>(1,301,812)</u>	<u>(1,301,812)</u>	<u>-</u>
Change in fund balance	(1,409,904)	(1,409,904)	(927,103)	482,801
Fund balance - beginning of year	<u>1,438,734</u>	<u>1,438,734</u>	<u>1,437,299</u>	<u>(1,435)</u>
Fund balance - end of year	<u><u>\$ 28,830</u></u>	<u><u>\$ 28,830</u></u>	<u><u>\$ 510,196</u></u>	<u><u>\$ 481,366</u></u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

STATE TAX STREET FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET -
BUDGET AND ACTUAL

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Intergovernmental	\$ 1,175,000	\$ 1,175,000	\$ 567,495	\$ (607,505)
Interest	5,500	5,500	32,404	26,904
Miscellaneous	7,500	7,500	5,921	(1,579)
Total revenues	<u>1,188,000</u>	<u>1,188,000</u>	<u>605,820</u>	<u>(582,180)</u>
Expenditures				
Materials and services	233,850	233,850	110,039	123,811
Capital outlay	777,194	777,194	123,143	654,051
Total expenditures	<u>1,011,044</u>	<u>1,011,044</u>	<u>233,182</u>	<u>777,862</u>
Excess (deficiency) of revenues over expenditures	<u>176,956</u>	<u>176,956</u>	<u>372,638</u>	<u>195,682</u>
Other financing sources (uses)				
Transfers out	<u>(1,226,551)</u>	<u>(1,226,551)</u>	<u>(1,226,551)</u>	<u>-</u>
Change in fund balance	(1,049,595)	(1,049,595)	(853,913)	195,682
Fund balance - beginning of year	<u>1,149,595</u>	<u>1,149,595</u>	<u>1,168,234</u>	<u>18,639</u>
Fund balance - end of year	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 314,321</u>	<u>\$ 214,321</u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

DOWNTOWN MAINTENANCE DISTRICT FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Property taxes	\$ 110,124	\$ 110,124	\$ 94,126	\$ (15,998)
Interest	425	425	4,138	3,713
Total revenues	110,549	110,549	98,264	(12,285)
Expenditures				
Materials and services	87,249	91,749	90,566	1,183
Contingency	10,000	5,500	-	5,500
Total expenditures	97,249	97,249	90,566	6,683
Excess (deficiency) of revenues over expenditures	13,300	13,300	7,698	(5,602)
Other financing sources (uses)				
Transfers out	(7,618)	(7,618)	(7,618)	-
Change in fund balance	5,682	5,682	80	(5,602)
Fund balance - beginning of year	17,214	17,214	17,213	(1)
Fund balance - end of year	\$ 22,896	\$ 22,896	\$ 17,293	\$ (5,603)

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

911 SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Intergovernmental	\$ 197,500	\$ 197,500	\$ 196,637	\$ (863)
Interest	800	800	9,235	8,435
Total revenues	<u>198,300</u>	<u>198,300</u>	<u>205,872</u>	<u>7,572</u>
Expenditures				
Personal services	116,822	118,322	117,805	517
Materials and services	6,525	5,025	7	5,018
Capital outlay	303,931	303,931	-	303,931
Contingency	-	-	-	-
Total expenditures	<u>427,278</u>	<u>427,278</u>	<u>117,812</u>	<u>309,466</u>
Excess (deficiency) of revenues over expenditures	(228,978)	(228,978)	88,060	317,038
Fund balance - beginning of year	<u>228,978</u>	<u>228,978</u>	<u>232,919</u>	<u>3,941</u>
Fund balance - end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 320,979</u></u>	<u><u>\$ 320,979</u></u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

WATERSHED ENHANCEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Interest	\$ 4,000	\$ 4,000	\$ 4,761	\$ 761
Timber sales	25,000	25,000	-	(25,000)
Total revenues	<u>29,000</u>	<u>29,000</u>	<u>4,761</u>	<u>(24,239)</u>
Expenditures				
Materials and services	25,000	25,000	-	25,000
Capital outlay	502,258	502,258	-	502,258
Total expenditures	<u>527,258</u>	<u>527,258</u>	<u>-</u>	<u>527,258</u>
Excess (deficiency) of revenues over expenditures	(498,258)	(498,258)	4,761	503,019
Fund balance - beginning of year	<u>498,258</u>	<u>498,258</u>	<u>504,347</u>	<u>6,089</u>
Fund balance - end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 509,108</u></u>	<u><u>\$ 509,108</u></u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

FIRE EQUIPMENT (2018) FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Property taxes	\$ 287,630	\$ 287,630	\$ 268,938	\$ (18,692)
Interest income	350	350	11,965	11,615
Total revenues	<u>287,980</u>	<u>287,980</u>	<u>280,903</u>	<u>(7,077)</u>
Expenditures				
Materials and services	2,200	2,200	-	2,200
Contingency	-	-	-	-
Total expenditures	<u>2,200</u>	<u>2,200</u>	<u>-</u>	<u>2,200</u>
Excess (deficiency) of revenues over expenditures	285,780	285,780	280,903	(4,877)
Other financing sources (uses)				
Loan Repayment - Systems Dev (Water)	(329,578)	(329,578)	(329,578)	-
Transfers in	<u>51,079</u>	<u>51,079</u>	<u>51,079</u>	<u>-</u>
Change in fund balance	7,281	7,281	2,404	(4,877)
Fund balance - beginning of year	<u>12,849</u>	<u>12,849</u>	<u>10,322</u>	<u>(2,527)</u>
Fund balance - end of year	<u><u>\$ 20,130</u></u>	<u><u>\$ 20,130</u></u>	<u><u>\$ 12,726</u></u>	<u><u>\$ (7,404)</u></u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

ECONOMIC DEVELOPMENT FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	\$ 1,410	\$ 1,410	\$ 1,236	\$ (174)
Interest	20	20	62	42
Total revenues	1,430	1,430	1,298	(132)
Expenditures				
Materials and services	12,000	12,000	12,000	-
Excess (deficiency) of revenues over expenditures	(10,570)	(10,570)	(10,702)	(132)
Other financing sources (uses)				
Transfers in	11,000	11,000	11,000	-
Total other financing sources (uses)	11,000	11,000	11,000	-
Change in fund balance	430	430	298	(132)
Fund balance - beginning of year	2,496	2,496	2,446	(50)
Fund balance - end of year	\$ 2,926	\$ 2,926	\$ 2,744	\$ (182)

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

EMERGENCY READINESS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Donations and matching	\$ 1,200	\$ 610	\$ 625	\$ 15
Miscellaneous	50	-	-	-
Interest	750	1,402	1,168	(234)
Total revenues	<u>2,000</u>	<u>2,012</u>	<u>1,793</u>	<u>(219)</u>
Expenditures				
Personal services	51,079	51,079	39,098	11,981
Materials and services	82,700	32,700	18,948	13,752
Capital outlay	20,000	135,000	132,823	2,177
Contingency	35,000	25,000	-	25,000
Total expenditures	<u>188,779</u>	<u>243,779</u>	<u>190,869</u>	<u>52,910</u>
Excess (deficiency) of revenues over expenditures	<u>(186,779)</u>	<u>(241,767)</u>	<u>(189,076)</u>	<u>52,691</u>
Other financing sources (uses)				
Transfers in	86,256	113,559	124,135	10,576
Transfers out	-	-	-	-
Change in fund balance	(100,523)	(128,208)	(64,941)	63,267
Fund balance - beginning of year	<u>147,123</u>	<u>147,123</u>	<u>147,123</u>	<u>-</u>
Fund balance - end of year	<u><u>\$ 46,600</u></u>	<u><u>\$ 18,915</u></u>	<u><u>\$ 82,182</u></u>	<u><u>\$ 63,267</u></u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

AMERICAN RESCUE PLAN FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Intergovernmental	\$ 764,978	\$ 764,978	\$ 765,408	\$ 430
Interest	4,000	4,000	43,381	39,381
Total revenues	<u>768,978</u>	<u>768,978</u>	<u>808,789</u>	<u>39,811</u>
Expenditures				
Materials and services	100,000	100,000	-	100,000
Capital outlay	1,437,056	1,437,056	-	1,437,056
Total expenditures	<u>1,537,056</u>	<u>1,537,056</u>	<u>-</u>	<u>1,537,056</u>
Excess (deficiency) of revenues over expenditures	(768,078)	(768,078)	808,789	1,576,867
Fund balance - beginning of year	<u>768,078</u>	<u>768,078</u>	<u>768,637</u>	<u>559</u>
Fund balance - end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,577,426</u></u>	<u><u>\$ 1,577,426</u></u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

OTHER SUPPLEMENTARY INFORMATION

NONMAJOR DEBT SERVICE FUNDS

CITY OF SEASIDE, OREGON
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET

June 30, 2023

	Greater Seaside Debt Service Fund	Southeast Seaside Debt Service Fund	Water General Obligation Bond Debt Service Fund	Total
Assets				
Cash and investments	\$ 32	\$ 596,520	\$ 473,091	\$ 1,069,643
Property taxes receivable	1,032	46,249	13,788	61,069
Total assets	\$ 1,064	\$ 642,769	\$ 486,879	\$ 1,130,712
Liabilities				
Accounts payable	\$ -	\$ -	\$ 40,714	\$ 40,714
Deferred revenue - property taxes	934	19,896	14,108	34,938
Total Liabilities	934	19,896	54,822	75,652
Fund balances				
Assigned	130	622,873	432,057	1,055,060
Total fund balances	130	622,873	432,057	1,055,060
Total liabilities and fund balances	\$ 1,064	\$ 642,769	\$ 486,879	\$ 1,130,712

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

NONMAJOR DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Year Ended June 30, 2023

	Greater Seaside Debt Service Fund	Southeast Seaside Debt Service Fund	Water General Obligation Bond Debt Service Fund	Total
Revenues				
Property taxes	\$ 18	\$ 585,301	\$ 339,949	\$ 925,268
Interest income	14	21,717	15,357	37,088
Total revenues	<u>32</u>	<u>607,018</u>	<u>355,306</u>	<u>962,356</u>
Expenditures				
Debt service				
Principal	-	-	340,000	340,000
Interest	-	-	76,925	76,925
Total expenditures	<u>-</u>	<u>-</u>	<u>416,925</u>	<u>416,925</u>
Excess (deficiency) of revenues over expenditures	<u>32</u>	<u>607,018</u>	<u>(61,619)</u>	<u>545,431</u>
Other financing sources (uses)				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	32	607,018	(61,619)	545,431
Fund balance - beginning of year	<u>98</u>	<u>15,855</u>	<u>493,676</u>	<u>509,629</u>
Fund balance - end of year	<u>\$ 130</u>	<u>\$ 622,873</u>	<u>\$ 432,057</u>	<u>\$ 1,055,060</u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

GREATER SEASIDE DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Property taxes	\$ 100	\$ 100	\$ 18	\$ (82)
Interest	151	151	14	(137)
Total revenue	<u>251</u>	<u>251</u>	<u>32</u>	<u>(219)</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over exper	251	251	32	(219)
Other financing sources (uses)				
Transfers out	<u>(251)</u>	<u>(251)</u>	<u>-</u>	<u>251</u>
Change in fund balance	-	-	32	32
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>98</u>	<u>98</u>
Fund balance - end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 130</u></u>	<u><u>\$ 130</u></u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

SOUTHEAST SEASIDE DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Property taxes	\$ 569,653	\$ 569,653	\$ 585,301	\$ 15,648
Interest income	700	700	21,717	21,017
Total revenues	<u>570,353</u>	<u>570,353</u>	<u>607,018</u>	<u>36,665</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over exper	570,353	570,353	607,018	36,665
Other financing sources (uses)				
Transfers out	<u>(537,875)</u>	<u>(537,875)</u>	-	537,875
Total other Financing sources	<u>(537,875)</u>	<u>(537,875)</u>	<u>-</u>	<u>537,875</u>
Change in fund balance	32,478	32,478	607,018	574,540
Fund balance - beginning of year	<u>17,146</u>	<u>17,146</u>	<u>15,855</u>	<u>(1,291)</u>
Fund balance - end of year	<u>\$ 49,624</u>	<u>\$ 49,624</u>	<u>\$ 622,873</u>	<u>\$ 573,249</u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

WATER GENERAL OBLIGATION BOND DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Property taxes	\$ 362,234	\$ 362,234	\$ 339,949	\$ (22,285)
Interest income	3,800	3,800	15,357	11,557
Total revenues	<u>366,034</u>	<u>366,034</u>	<u>355,306</u>	<u>(10,728)</u>
Expenditures				
Debt service				
Principal	340,000	340,000	340,000	-
Interest	84,150	84,150	76,925	7,225
Total expenditures	<u>424,150</u>	<u>424,150</u>	<u>416,925</u>	<u>7,225</u>
Excess (deficiency) of revenues over exper	(58,116)	(58,116)	(61,619)	(3,503)
Fund balance - beginning of year	<u>493,676</u>	<u>493,676</u>	<u>493,676</u>	<u>-</u>
Fund balance - end of year	<u><u>\$ 435,560</u></u>	<u><u>\$ 435,560</u></u>	<u><u>\$ 432,057</u></u>	<u><u>\$ (3,503)</u></u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

OTHER SUPPLEMENTARY INFORMATION
NONMAJOR CAPITAL PROJECTS FUNDS

CITY OF SEASIDE, OREGON
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET

June 30, 2023

	Special Assessment Fund	Systems Development Parks Fund	Capital Improvement and Maintenance Fund	Systems Development Road Fund	Airport Fund	Promenade Improvement Fund	Parks Construction Fund	Street Construction Fund	Southeast Seaside Construction	Greater Seaside Construction	Total
Assets											
Cash and investments	\$ 152,338	\$ 806,046	\$ 461,657	\$ 74,494	\$ 12,439	\$ 546,198	\$ 109,832	\$ 2,503,083	\$ 849,508	\$ 76,380	\$ 5,591,975
Assessments receivable	20,699	-	-	-	1,008	-	-	-	-	-	21,707
Prepaid expenses	-	-	-	-	-	-	-	-	86,423	-	86,423
Due from other funds	-	-	37,291	-	-	30,863	-	-	-	-	68,154
Total assets	\$ 173,037	\$ 806,046	\$ 498,948	\$ 74,494	\$ 13,447	\$ 577,061	\$ 109,832	\$ 2,503,083	\$ 935,931	\$ 76,380	\$ 5,768,259
Liabilities											
Accounts payable and accrued expenses	\$ 514	\$ 25,106	\$ -	\$ 1,213	\$ -	\$ -	\$ 1,542	\$ -	\$ 115,053	\$ -	\$ 143,428
Deferred revenue - other	28,448	(4,677)	-	44	-	-	-	-	-	-	23,815
Due to other funds	189,588	-	-	-	-	-	-	-	-	-	189,588
Total liabilities	218,550	20,429	-	1,257	-	-	1,542	-	115,053	-	356,831
Fund balances											
Nonspendable	-	-	-	-	-	-	-	-	86,423	-	86,423
Committed	-	785,617	-	73,237	13,447	-	108,290	-	-	-	980,591
Assigned	-	-	498,948	-	-	577,061	-	2,503,083	734,455	76,380	4,389,927
Unassigned	(45,513)	-	-	-	-	-	-	-	-	-	(45,513)
Total fund balances	(45,513)	785,617	498,948	73,237	13,447	577,061	108,290	2,503,083	820,878	76,380	5,411,428
Total liabilities and fund balances	\$ 173,037	\$ 806,046	\$ 498,948	\$ 74,494	\$ 13,447	\$ 577,061	\$ 109,832	\$ 2,503,083	\$ 935,931	\$ 76,380	\$ 5,768,259

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

NONMAJOR CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

Year Ended June 30, 2023

	Special Assessment Fund	Systems Develop- ment Parks Fund	Capital Improvement and Maintenance Fund	Systems Development Road Fund	Airport Fund	Promenade Improvement Fund	Parks Construction Fund	Street Construction Fund	Southeast Seaside Construction	Greater Seaside Construction	Total
Revenues											
Assessments	\$ -	\$ 34,182	\$ -	\$ 3,108	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,290
Interest income	1,590	7,286	5,275	755	31	4,205	18	11	7,953	762	27,886
Charges for service	43	-	-	-	2,008	-	-	-	-	-	2,051
Donations	-	-	-	-	520	28,700	-	-	-	-	29,220
Total revenues	<u>1,633</u>	<u>41,468</u>	<u>5,275</u>	<u>3,863</u>	<u>2,559</u>	<u>32,905</u>	<u>18</u>	<u>11</u>	<u>7,953</u>	<u>762</u>	<u>96,447</u>
Expenditures											
Current											
Highways and streets	-	-	-	-	2,649	-	-	-	4,091	-	6,740
Culture and recreation	-	-	-	-	-	65,697	-	-	-	-	65,697
Capital outlay	-	-	135,277	-	-	4,475	81,005	-	28,630	-	249,387
Total expenditures	<u>-</u>	<u>-</u>	<u>135,277</u>	<u>-</u>	<u>2,649</u>	<u>4,475</u>	<u>146,702</u>	<u>-</u>	<u>32,721</u>	<u>-</u>	<u>321,824</u>
Excess (deficiency) of revenues over expenditures	1,633	41,468	(130,002)	3,863	(90)	28,430	(146,684)	11	(24,768)	762	(225,377)
Other financing source (uses)											
Transfers in	-	-	133,662	-	3,000	110,616	250,000	2,500,000	-	-	2,997,278
Transfers out	-	-	(55,000)	-	-	-	-	-	-	-	(55,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>78,662</u>	<u>-</u>	<u>3,000</u>	<u>110,616</u>	<u>250,000</u>	<u>2,500,000</u>	<u>-</u>	<u>-</u>	<u>2,942,278</u>
Change in fund balance	1,633	41,468	(51,340)	3,863	2,910	139,046	103,316	2,500,011	(24,768)	762	2,716,901
Fund balance - beginning of year	<u>(47,146)</u>	<u>744,149</u>	<u>550,288</u>	<u>69,374</u>	<u>10,537</u>	<u>438,015</u>	<u>4,974</u>	<u>3,072</u>	<u>845,646</u>	<u>75,618</u>	<u>2,694,527</u>
Fund balance - end of year	<u>\$ (45,513)</u>	<u>\$ 785,617</u>	<u>\$ 498,948</u>	<u>\$ 73,237</u>	<u>\$ 13,447</u>	<u>\$ 577,061</u>	<u>\$ 108,290</u>	<u>\$ 2,503,083</u>	<u>\$ 820,878</u>	<u>\$ 76,380</u>	<u>\$ 5,411,428</u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

SPECIAL ASSESSMENT FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Assessments	\$ 6,500	\$ 6,500	\$ -	\$ (6,500)
Interest income	-	-	1,590	1,590
Assessment penalties	-	-	43	43
Total revenues	6,500	6,500	1,633	(4,867)
Expenditures				
Materials and services	3,300	3,300	-	3,300
Capital outlay	75,000	75,000	-	75,000
Total expenditures	78,300	78,300	-	78,300
Excess (deficiency) of revenues over expenditures	(71,800)	(71,800)	1,633	73,433
Other financing sources (uses)				
Loan from other funds	118,024	118,024	118,024	-
Loan repaid to other funds	(50,000)	(50,000)	(50,000)	-
Total other financing sources (uses)	68,024	68,024	68,024	-
Change in fund balance	(3,776)	(3,776)	69,657	73,433
Fund balance - beginning of year	-	-	74,418	74,418
Fund balance - end of year	\$ (3,776)	\$ (3,776)	144,075	\$ 147,851
Reconciliation of budgetary basis to GAAP basis:				
Due to Water System Development Fund			(189,588)	
Net position - GAAP basis			\$ (45,513)	

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

SYSTEMS DEVELOPMENT - PARKS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Assessments	\$ 54,150	\$ 54,150	\$ 34,182	\$ (19,968)
Interest income	2,500	2,500	7,286	4,786
Total revenues	<u>56,650</u>	<u>56,650</u>	<u>41,468</u>	<u>(15,182)</u>
Expenditures				
Materials and services	75,000	75,000	-	75,000
Capital outlay	174,251	174,251	-	174,251
Total expenditures	<u>249,251</u>	<u>249,251</u>	<u>-</u>	<u>249,251</u>
Excess (deficiency) of revenues over expenditures	<u>(192,601)</u>	<u>(192,601)</u>	<u>41,468</u>	<u>234,069</u>
Other financing sources (uses)				
Loan repaid to other funds	<u>(550,000)</u>	<u>(550,000)</u>	<u>-</u>	<u>550,000</u>
Total other financing sources (uses)	<u>(550,000)</u>	<u>(550,000)</u>	<u>-</u>	<u>550,000</u>
Fund balance - beginning of year	<u>742,601</u>	<u>742,601</u>	<u>744,149</u>	<u>1,548</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 785,617</u>	<u>\$ 785,617</u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

CAPITAL IMPROVEMENT AND MAINTENANCE FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Interest income	\$ 2,500	\$ 2,500	\$ 5,275	\$ 2,775
Donations	-	-	-	-
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>5,275</u>	<u>2,775</u>
Expenditures				
Materials and services	25,500	25,500	-	25,500
Capital outlay	695,550	640,550	135,277	505,273
Total expenditures	<u>721,050</u>	<u>666,050</u>	<u>135,277</u>	<u>530,773</u>
Excess (deficiency) of revenues over expenditures	<u>(718,550)</u>	<u>(663,550)</u>	<u>(130,002)</u>	<u>533,548</u>
Other financing sources (uses)				
Transfers in	166,762	166,762	133,662	(33,100)
Transfers out	-	(55,000)	(55,000)	-
Total other financing sources (uses)	<u>166,762</u>	<u>111,762</u>	<u>78,662</u>	<u>(33,100)</u>
Change in fund balance	(551,788)	(551,788)	(51,340)	500,448
Fund balance - beginning of year	<u>551,788</u>	<u>551,788</u>	<u>550,288</u>	<u>(1,500)</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 498,948</u>	<u>\$ 498,948</u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

SYSTEMS DEVELOPMENT - ROAD FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Assessments	\$ 3,996	\$ 3,996	\$ 3,108	\$ (888)
Interest income	435	435	755	320
Total revenues	<u>4,431</u>	<u>4,431</u>	<u>3,863</u>	<u>(568)</u>
Expenditures				
Capital outlay	<u>72,871</u>	<u>72,871</u>	<u>-</u>	<u>72,871</u>
Excess (deficiency) of revenues over expenditures	(68,440)	(68,440)	3,863	72,303
Fund balance - beginning of year	<u>68,440</u>	<u>68,440</u>	<u>69,374</u>	<u>934</u>
Fund balance - end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 73,237</u></u>	<u><u>\$ 73,237</u></u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

AIRPORT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Charges for service	\$ 1,000	\$ 1,000	\$ 2,008	\$ 1,008
Donations	-	-	520	520
Interest	40	40	31	(9)
Total revenues	<u>1,040</u>	<u>1,040</u>	<u>2,559</u>	<u>1,519</u>
Expenditures				
Materials and services	3,650	3,650	2,649	1,001
Capital outlay	9,909	9,909	-	9,909
Total expenditures	<u>13,559</u>	<u>13,559</u>	<u>2,649</u>	<u>10,910</u>
Excess (deficiency) of revenues over expenditures	(12,519)	(12,519)	(90)	12,429
Other financing sources (uses)				
Transfers in	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Change in fund balance	(9,519)	(9,519)	2,910	12,429
Fund balance - beginning of year	<u>9,519</u>	<u>9,519</u>	<u>10,537</u>	<u>1,018</u>
Fund balance - end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 13,447</u></u>	<u><u>\$ 13,447</u></u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

PROMENADE IMPROVEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Donations and bequests	\$ 20,000	\$ 20,000	\$ 28,700	\$ 8,700
Interest income	2,000	2,000	4,205	2,205
Total revenues	<u>22,000</u>	<u>22,000</u>	<u>32,905</u>	<u>10,905</u>
Expenditures				
Materials and services	80,000	80,000	-	80,000
Capital outlay	300,000	300,000	4,475	295,525
Contingency	100,000	100,000	-	100,000
Total expenditures	<u>480,000</u>	<u>480,000</u>	<u>4,475</u>	<u>475,525</u>
Excess (deficiency) of revenues over expenditures	(458,000)	(458,000)	28,430	486,430
Other financing sources (uses)				
Transfers in	138,010	138,010	110,616	(27,394)
Total other financing sources (uses)	<u>138,010</u>	<u>138,010</u>	<u>110,616</u>	<u>(27,394)</u>
Change in fund balance	(319,990)	(319,990)	139,046	459,036
Fund balance - beginning of year	<u>431,360</u>	<u>431,360</u>	<u>438,015</u>	<u>6,655</u>
Fund balance - end of year	<u>\$ 111,370</u>	<u>\$ 111,370</u>	<u>577,061</u>	<u>\$ 465,691</u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

PARKS CONSTRUCTION FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Intergovernmental	\$ 550,000	\$ 550,000	\$ -	\$ (550,000)
Interest income	-	-	18	18
Total revenues	<u>550,000</u>	<u>550,000</u>	<u>18</u>	<u>(549,982)</u>
Expenditures				
Materials and services	300,000	300,000	65,697	234,303
Capital outlay	754,972	754,972	81,005	673,967
Total expenditures	<u>1,054,972</u>	<u>1,054,972</u>	<u>146,702</u>	<u>908,270</u>
Excess (deficiency) of revenues over expenditures	(504,972)	(504,972)	(146,684)	358,288
Other financing sources (uses)				
Loan from other funds	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Total other financing sources (uses)	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Change in fund balance	(254,972)	(254,972)	103,316	358,288
Fund balance - beginning of year	<u>4,974</u>	<u>4,974</u>	<u>4,974</u>	<u>-</u>
Fund balance - end of year	<u><u>\$ (249,998)</u></u>	<u><u>\$ (249,998)</u></u>	<u><u>\$ 108,290</u></u>	<u><u>\$ 358,288</u></u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

STREET CONSTRUCTION FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Intergovernmental	\$ 5,400,000	\$ 5,400,000	\$ -	\$ (5,400,000)
Interest income	1,000	1,000	11	(989)
Total revenues	<u>5,401,000</u>	<u>5,401,000</u>	<u>11</u>	<u>(5,400,989)</u>
Expenditures				
Materials and services	104,071	104,071	-	104,071
Capital outlay	8,300,000	8,300,000	-	8,300,000
Total expenditures	<u>8,404,071</u>	<u>8,404,071</u>	<u>-</u>	<u>8,404,071</u>
Excess (deficiency) of revenues over expenditures	<u>(3,003,071)</u>	<u>(3,003,071)</u>	<u>11</u>	<u>3,003,082</u>
Other financing sources (uses)				
Transfers in	<u>3,000,000</u>	<u>3,000,000</u>	<u>2,500,000</u>	<u>(500,000)</u>
Change in fund balance	(3,071)	(3,071)	2,500,011	2,503,082
Fund balance - beginning of year	<u>353,072</u>	<u>353,072</u>	<u>3,072</u>	<u>(350,000)</u>
Fund balance - end of year	<u>\$ 350,001</u>	<u>\$ 350,001</u>	<u>\$ 2,503,083</u>	<u>\$ 2,153,082</u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

SOUTHEAST SEASIDE CONSTRUCTION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Interest income	\$ 4,500	\$ 4,500	\$ 7,953	\$ 3,453
Total revenues	<u>4,500</u>	<u>4,500</u>	<u>7,953</u>	<u>3,453</u>
Expenditures				
Materials and services	33,000	33,000	4,091	28,909
Capital outlay	1,353,520	1,353,520	28,630	1,324,890
Contingency	-	-	-	-
Total expenditures	<u>1,386,520</u>	<u>1,386,520</u>	<u>32,721</u>	<u>1,353,799</u>
Excess (deficiency) of revenues over expenditures	<u>(1,382,020)</u>	<u>(1,382,020)</u>	<u>(24,768)</u>	<u>1,357,252</u>
Other financing sources (uses)				
Transfers in	<u>537,875</u>	<u>537,875</u>	<u>-</u>	<u>(537,875)</u>
Total other financing sources (uses)	<u>537,875</u>	<u>537,875</u>	<u>-</u>	<u>(537,875)</u>
Change in fund balance	(844,145)	(844,145)	(24,768)	819,377
Fund balance - beginning of year	<u>844,145</u>	<u>844,145</u>	<u>845,646</u>	<u>1,501</u>
Fund balance - end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 820,878</u></u>	<u><u>\$ 820,878</u></u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

GREATER SEASIDE CONSTRUCTION FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Interest income	\$ 400	\$ 400	\$ 762	\$ 362
Total revenues	<u>400</u>	<u>400</u>	<u>762</u>	<u>362</u>
Expenditures				
Materials and services	-	-	-	-
Capital Outlay	76,095	76,095	-	76,095
Total expenditures	<u>76,095</u>	<u>76,095</u>	<u>-</u>	<u>76,095</u>
Excess (deficiency) of revenues over expenditures	<u>(75,695)</u>	<u>(75,695)</u>	<u>762</u>	<u>76,457</u>
Other financing sources (uses)				
Transfers in	251	251	-	(251)
Total other financing sources (uses)	<u>251</u>	<u>251</u>	<u>-</u>	<u>(251)</u>
Change in fund balance	(75,444)	(75,444)	762	76,206
Fund balance - beginning of year	<u>75,444</u>	<u>75,444</u>	<u>75,618</u>	<u>174</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,380</u>	<u>\$ 76,380</u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

OTHER SUPPLEMENTARY INFORMATION

NONMAJOR PERMANENT FUND

CITY OF SEASIDE, OREGON
NONMAJOR PERMANENT FUND

BALANCE SHEET

June 30, 2023

	Library Trust Fund
Assets	
Cash and investments	\$ <u>84,379</u>
Total assets	\$ <u><u>84,379</u></u>
Liabilities	
Accounts payable	\$ <u>-</u>
Fund balances	
Restricted	<u>84,379</u>
Total fund balances	<u>84,379</u>
Total liabilities and fund balances	\$ <u><u>84,379</u></u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON
NONMAJOR PERMANENT FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Year Ended June 30, 2023

	Library Trust Fund
Revenues	
Interest	\$ 792
Bequests and donations	500
Total revenues	1,292
Expenditures	
Materials and services	-
Capital outlay	-
Total expenditures	-
Change in fund balance	1,292
Fund balance - beginning of year	83,087
Fund balance - end of year	\$ 84,379

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

LIBRARY TRUST FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Bequests and donations	\$ 1,500	\$ 1,500	\$ 500	\$ (1,000)
Interest	400	400	792	392
Total revenues	<u>1,900</u>	<u>1,900</u>	<u>1,292</u>	<u>(608)</u>
Expenditures				
Materials and services	7,000	7,000	-	7,000
Capital outlay	-	-	-	-
Contingency	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total expenditures	<u>37,000</u>	<u>37,000</u>	<u>-</u>	<u>37,000</u>
Change in fund balance	(35,100)	(35,100)	1,292	36,392
Fund balance - beginning of year	<u>76,391</u>	<u>76,391</u>	<u>83,087</u>	<u>6,696</u>
Fund balance - end of year	<u>\$ 41,291</u>	<u>\$ 41,291</u>	<u>\$ 84,379</u>	<u>\$ 43,088</u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

OTHER FINANCIAL SCHEDULES

CITY OF SEASIDE, OREGON

CITY LEVIES

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES

Year Ended June 30, 2023

Fiscal Year	Taxes Uncollected June 30, 2022	Add Levy as Extended by Assessor	Interest, Discounts & Adjustments	Collections	Taxes Uncollected June 30, 2023
2022-23	\$ -	\$ 5,124,861	\$ (53,468)	\$ (4,851,124)	\$ 220,269
2021-22	107,847	-	(22,906)	(46,603)	38,338
2020-21	42,048	-	(2,988)	(15,704)	23,356
2019-20	26,057	-	(3,633)	(11,775)	10,649
2018-19	8,378	-	451	(6,222)	2,607
2017-18 and prior	5,442	-	(56)	(603)	4,783
	\$ 189,772	\$ 5,124,861	\$ (82,600)	\$ (4,932,031)	\$ 300,002

Summary:

General Fund	\$ 270,915
Fire Equipment Fund	10,657
Public Safety Fund	4,642
Water G.O. Bond Debt Service Fund	13,788
	\$ 300,002

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

ROAD DISTRICT LEVIES

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES

Year Ended June 30, 2023

Fiscal Year	Taxes Uncollected June 30, 2022	Add Levy as Extended by Assessor	Interest, Discounts & Adjustments	Collections	Taxes Uncollected June 30, 2023
2022-23	\$ -	\$ 418,310	\$ (7,827)	\$ (394,227)	\$ 16,256
2021-22	8,760	-	(1,739)	(3,804)	3,217
2020-21	3,397	-	(152)	(1,282)	1,963
2019-20	2,097	-	(162)	(961)	974
2018-19	671	-	195	(508)	358
2017-18 and prior	452	-	325	(49)	728
	\$ 15,377	\$ 418,310	\$ (9,360)	\$ (400,831)	\$ 23,496

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

DOWNTOWN MAINTENANCE DISTRICT LEVIES

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES

Year Ended June 30, 2023

Fiscal Year	Taxes Uncollected June 30, 2022	Add Levy as Extended by Assessor	Interest, Discounts & Adjustments	Collections	Taxes Uncollected June 30, 2023
2022-23	\$ -	\$ 98,516	\$ (1,441)	\$ (92,847)	\$ 4,228
2021-22	2,023	-	(384)	(896)	743
2020-21	779	-	(27)	(302)	450
2019-20	491	-	(37)	(226)	228
2018-19	155	-	48	(120)	83
2017-18 and prior	120	-	85	(12)	193
	<u>\$ 3,568</u>	<u>\$ 98,516</u>	<u>\$ (1,756)</u>	<u>\$ (94,403)</u>	<u>\$ 5,925</u>

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

SEASIDE URBAN RENEWAL AGENCY

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES

Year Ended June 30, 2023

Fiscal Year	Taxes Uncollected June 30, 2022	Add Levy as Extended by Assessor	Interest, Discounts & Adjustments	Collections	Taxes Uncollected June 30, 2023
2022-23	\$ -	\$ 594,705	\$ 10,314	\$ (562,940)	\$ 42,079
2021-22	9,642	-	(804)	(5,408)	3,430
2020-21	2,533	-	697	(1,822)	1,408
2019-20	856	-	861	(1,366)	351
2018-19	43	-	692	(722)	13
2017-18 and prior	-	-	70	(70)	-
	\$ 13,074	\$ 594,705	\$ 11,830	\$ (572,328)	\$ 47,281

Summary:

Greater Seaside Debt Service Fund
Southeast Seaside Debt Service Fund

**Receivable
June 30, 2023**

\$ 1,032
46,249
\$ 47,281

The accompanying notes and independent auditor's report should be read with the supplemental schedules.

CITY OF SEASIDE, OREGON

SCHEDULE OF ACCOUNTABILITY OF INDEPENDENTLY ELECTED OFFICIALS

Year Ended June 30, 2023

Oregon Revised Statutes (ORS) Section 297 requires a statement of accountability for each independently elected official collecting or receiving money in the municipal corporation. In compliance with ORS 297, there are no independently elected officials that collect or receive money on behalf of the City of Seaside.

**REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS
AND THE MINIMUM STANDARDS FOR AUDITS
OF OREGON MUNICIPAL CORPORATIONS**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH OREGON MINIMUM AUDIT STANDARDS**

To the Honorable Mayor and City Council
City of Seaside, Oregon
Seaside, Oregon

We have audited the basic financial statements of the City of Seaside, Oregon (the City) as of and for the year ended June 30, 2023, and have issued our report thereon dated March 1, 2024. 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.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its 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 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.**
- Highway revenues used for public highways, roads, and streets.**
- Authorized investment of surplus funds (ORS Chapter 294).**
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

In connection with our testing nothing came to our attention that caused us to believe the City 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*. Over-expenditures of certain budgeted amounts are disclosed in Note L to the accompanying financial statements.

OAR 162-10-0230 Internal Control

Our report on internal control over financial reporting, including our findings, is presented separately under this cover.

Restricted Use

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

KERN & THOMPSON, LLC
Certified Public Accountants



Richard V. Proulx, CPA
Partner

Portland, Oregon
March 1, 2024

**INDEPENDENT AUDITOR'S 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**

To the Honorable Mayor and City Council
City of Seaside, Oregon
Seaside, Oregon

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 financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Seaside, Oregon (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated March 1, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's 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, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a material weakness in internal control as described in the accompanying Schedule of Findings as item 2023-01.

Report on Compliance and Other Matters

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

To the Honorable Mayor and City Council
City of Seaside, Oregon

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 City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KERN & THOMPSON, LLC

Portland, Oregon
March 1, 2024

CITY OF SEASIDE, OREGON

SCHEDULE OF FINDINGS

Year Ended June 30, 2023

Finding 2023-01 – Material Weakness in Internal Control over Financial Reporting

Criteria/Requirement:

Control procedures should be adequately designed and operated to prevent or timely detect and correct material misstatements of the City's financial statements. This includes reconciling accounts to agree to supporting documentation in a timely manner.

Condition/Context:

During our audit, we identified errors in the financial statements that required further investigation and adjustment by management and/or audit adjustment. These included material adjustments to cash, accounts receivable, accounts payable, debt service, and transfers. We also noted the bank reconciliation for June 30, 2023 was not completed properly and required revision due to inadequate training on the City's accounting software for new personnel. This condition prevented City Management from timely identifying over-expenditures of certain budgeted items which could have been remedied by adoption of a supplemental budget. We did not detect inappropriate costs.

Cause:

The City experienced significant turn-over of accounting personnel in the middle of the fiscal year, and had difficulty finding qualified full-time replacement staff during fiscal year 2023. Due to a lack of available personnel, training was not available and reconciliations were not performed correctly in a timely manner. Based on the subsequent hire of qualified accounting staff and the City's consultations with its accounting software provider, we noted the fiscal 2023 reconciliations were corrected and that the documentation appeared sufficient for the City's needs.

Effect:

In our judgment, without adequate reconciliation processes in place, the City's financial statements could contain material errors that are not detected and corrected by management.

Recommendation:

We recommend review and re-implementation of reconciliation processes for all balance sheet accounts as part of the month end closing procedures. Procedures should include documented reviews of the reconciliations by the finance director to ensure accuracy and timeliness.

Views of responsible officials:

We concur and acknowledge that reconciliation procedures were not correct nor completed in a timely manner. During this time period, the City was unable to find and hire qualified employees for the vacated accounting roles. As a consequence of periods of insufficient staffing and inadequate training availability, monthly processes were inconsistently performed.

A Finance Director and a Senior Accountant have been hired and trained. Further, a checklist for monthly closing has been implemented to include documentary evidence of performance and supervision. Management believes these actions will minimize the risks of material misstatements in future periods.