



AMITY SCHOOL DISTRICT NO. 4J

Amity, Oregon

Annual Financial Report

June 30, 2023

AMITY SCHOOL DISTRICT NO. 4J

807 Trade Street
Amity, Oregon 97101
(503) 835-2171

DISTRICT OFFICIALS

TIM HAARSMA PO Box 827, Amity, OR 97101	Board Chair
--	-------------

AMANDA GROVE 8254 SE Sky Vista Dr, Amity, 97101	Vice Chair
--	------------

RAY BOTTENBERG 9605 Yocum Rd, Sheridan, OR 97378	Director
---	----------

RYAN JONES 14870 SW Bellevue Hwy, McMinnville, OR 97128	Director
--	----------

JENNIFER LEPPIN 22500 SE Old Bethel Road, Amity, OR 97101	Director
--	----------

ADMINISTRATION

JEFF CLARK 807 Trade Street, Amity, OR 97101	Superintendent
---	----------------

ANN ADAMS 807 Trade Street, Amity, OR 97101	Business Manager
--	------------------

AMITY SCHOOL DISTRICT NO. 4J

AUDIT REPORT

June 30, 2023

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	i-iii
MANAGEMENT'S DISCUSSION AND ANALYSIS	1-9
BASIC FINANCIAL STATEMENTS:	
<u>Government-wide Financial Statements:</u>	
Statement of Net Position	11
Statement of Activities	12
<u>Fund Financial Statements:</u>	
Balance Sheet - Governmental Funds	14
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	17
<u>Notes To The Basic Financial Statements</u>	19-56
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
General Fund #100	58
Special Revenue Fund #200	59
Schedule of Proportionate Share of the Net Pension Liability	60
Schedule of Employer Contributions	61
Schedule of Proportionate Share of the Net OPEB (RHIA) Liability	62
Schedule of Employer Contributions	63
Schedule of Related Ratios	64
SUPPLEMENTARY INFORMATION:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
Debt Service Fund #300 (A Major Fund)	66
Capital Projects Fund #400 (A Major Fund)	67

AMITY SCHOOL DISTRICT NO. 4J

AUDIT REPORT

June 30, 2023

TABLE OF CONTENTS (Cont.)

	<u>PAGE</u>
OTHER INFORMATION:	
<u>Additional Supporting Schedules:</u>	
Schedule of Long-Term Debt Transactions & Future Requirements	69-71
Form 581-3211-C	72
Revenue Summary – All Governmental Funds	73
Expenditure Summary – General Fund #100	74
Expenditure Summary – Special Revenue Funds #200	75
Expenditure Summary – Debt Service Funds #300	76
Expenditure Summary – Capital Projects Funds #400	77
Schedule of Expenditures of Federal Awards	78
REPORTS ON OTHER LEGAL AND REGULATORY REQUIREMENTS:	
Independent Auditor’s Report Required by Oregon State Regulations	80



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Amity School District No. 4J
807 Trade Street Amity, Oregon 97101

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Amity School District No. 4J as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Amity School District No. 4J'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 and each major fund of Amity School District No. 4J as of June 30, 2023, and the respective changes in financial position in accordance with accounting principles generally accepted in the United States of America.

Basis of 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 Amity School District No. 4J 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.

Change in Accounting Principle

As discussed in Notes to the Basic Financial Statements, in the fiscal year ended June 30, 2023 the District adopted new accounting guidance, GASB No. 96, Subscription-Based Information Technology Arrangements. Our opinions are not modified with respect to this matter.

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 Amity School District No. 4J'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.

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 statement, 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 the Amity School District No. 4J'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 Amity School District No. 4J'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 on pages 1-9, the schedules of revenues, expenditures, and changes in fund balances – budget and actuals on pages 58-59, and the pension and OPEB schedules on pages 60-64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the management's discussion and analysis and the pension and OPEB schedules in accordance with the auditing standards generally accepted in the United States of America, which consisted principally 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals described above on pages 58-59 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic 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 schedules of revenues, expenditures and changes in fund balances – budget and actuals are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Amity School District No. 4J's basic financial statements. The supplementary information on pages 66-67 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Amity School District No. 4J.

The supplementary information on pages 66-67 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other 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, other supplementary data is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Information

The introductory and statistical sections listed in the table of contents, and the other information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

The schedule of expenditures of federal awards, as listed in the Table of Contents, is presented for purposes of additional analysis as required by Oregon Department of Education and Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

Reports on Other Legal and Regulatory Requirements

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated December 26, 2023, on our consideration of the Amity School District No. 4J'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 the District's compliance.



Steve Tuchscherer, CPA
Umpqua Valley Financial, LLC
Roseburg, Oregon
December 26, 2023

MANAGEMENT'S
DISCUSSION
AND ANALYSIS

AMITY SCHOOL DISTRICT NO. 4J

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2023 Unaudited

The discussion and analysis of Amity School District No. 4J's financial performance provides an overview of the District's financial activities for the fiscal year that ended June 30, 2023. This discussion and analysis intend to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to better understand the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year that ended June 30, 2023, are as follows:

- The District's Net Position witnessed a decrease of \$1,151,900, resulting in a significant decline of 31.7% from the previous year. In the current fiscal year, the District incurred expenses totaling \$15,970,064, which is 31.3% higher than the previous fiscal year. The primary cause of the decreased net position was a substantial increase in support service expenses, amounting to \$2,278,687, which is 57% higher than the previous fiscal year.
- In the current fiscal year, the District's governmental activities generated \$14,814,873 in revenue, with general revenues accounting for \$12,575,580 or 84.9%. Charges for services, grants, and contributions accounted for program-specific revenues of \$2,239,239 or 15.1%.
- The total assets of governmental activities increased by \$28,021,820, with current and other assets experiencing an increase of \$32,654,688. Capital assets, on the other hand, witnessed a decrease of \$4,632,868.
- Total liabilities increased by \$34,515,700 during the fiscal year, primarily due to a surge in long-term liabilities, which increased by \$29,736,491.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis introduce the District's basic financial statements. The basic financial statements include: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes additional supplementary information to supplement the basic financial statements.

Government-wide Financial Statements

The first of the government-wide statements is the *Statement of Net Position*. This is the District-wide statement of financial position presenting information that includes all of the District's assets and liabilities. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall economic health of the District would extend to other non-financial factors such as the condition of school buildings and other facilities and changes in the district's enrollment, which dictates the majority of revenue to be collected through the State Funding Formula.

AMITY SCHOOL DISTRICT NO. 4J

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2023 Unaudited

The second government-wide statement is the *Statement of Activities* which reports how the District's net position changed during the current fiscal year. All current-year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the *Statement of Activities* is to show the financial reliance of the distinct activities or functions of the District that are primarily supported by intergovernmental revenues, principally state basic school support and property tax revenues. The governmental activities of the District include instruction, instructional support services, operation and maintenance of plants, student transportation, and non-instructional support services.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, Fund Financial Statements focus on the District's most significant funds rather than the District as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of individual budgets versus actual statements and combining statements in a later section of this report.

Governmental funds, focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. Unlike government-wide financial statements, these statements report short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the fiscal year.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to government-wide statements to assist in understanding the differences between these two perspectives.

Fiduciary funds such as private-purpose trust funds for scholarships are reported in the fiduciary fund financial statements but are excluded from government-wide reporting. Fiduciary fund financial statements report net position and changes in net position on a cash basis.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents as required supplementary information budgetary comparison statements for the General Fund, the Debt Service Fund, and the Capital Improvement Fund. The required supplementary information immediately follows the notes to the financial statements. Other supplementary data includes combining statements, individual fund statements and schedules, and other schedules. These statements and schedules immediately follow the required supplementary information in this report.

AMITY SCHOOL DISTRICT NO. 4J

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2023 Unaudited

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the District as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The District's net position at fiscal year-end was \$2,486,925. This is a \$1,151,900 decrease from last year's net position, representing a 31.7% decrease from the previous year.

The following table provides a summary of the District's net position. Comparative information from the previous year is provided.

Summary of Net Position

	<u>Governmental Activities</u>		<u>Percentage Change</u>
	<u>June 30, 2023</u>	<u>June 30, 2022</u>	
Assets			
Current and Other Assets	\$ 39,041,107	\$ 6,386,419	511.3%
Capital Assets	-	4,632,868	-100.0%
Total Assets	39,041,107	11,019,287	254.3%
Deferred Outflow of Resources	<u>2,934,653</u>	<u>2,960,297</u>	-0.9%
Liabilities			
Long-Term Liabilities	36,532,852	6,799,253	437.3%
Other Liabilities	<u>5,039,809</u>	<u>260,600</u>	1833.9%
Total Liabilities	<u>41,572,661</u>	<u>7,059,853</u>	488.9%
Deferred Inflow of Resources	<u>2,460,331</u>	<u>3,280,905</u>	-25.0%
Net Position			
Net Investment in Capital Assets	4,462,444	4,282,633	4.2%
Unrestricted	<u>(1,975,519)</u>	<u>(643,808)</u>	206.8%
Total Net Position	<u>\$ 2,486,925</u>	<u>\$ 3,638,825</u>	-31.7%

AMITY SCHOOL DISTRICT NO. 4J**Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2023
Unaudited**

The following table shows the changes in net position. Prior-year information is provided for comparative analysis of government-wide revenue and expense information.

Changes in Net Position			
	Governmental Activities		
	2022-23	2021-22	Percentage Change
Revenues			
Program Revenues			
Charges for Services	\$ 416,726	\$ 63,445	556.8%
Operating Grants and Contributions	1,822,567	1,823,780	-0.1%
General Revenues			
Property Taxes	3,622,867	2,639,594	37.3%
State Basic School Support	7,953,027	7,168,738	10.9%
Other	999,686	388,363	157.4%
Total Revenues	14,814,873	12,083,920	22.6%
Program Expenses			
Instruction	7,679,697	7,290,916	5.3%
Support Services	6,278,778	4,000,091	57.0%
Community Services	331,069	293,568	12.8%
Interest on Long-Term Debt	1,680,520	575,691	191.9%
Total Program Expenses	15,970,064	12,160,267	31.3%
Special Item: Gain (Loss) on disposition of assets	400	(7,872)	
Change in Net Position	\$ (1,154,791)	\$ (84,219)	

AMITY SCHOOL DISTRICT NO. 4J

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2023 Unaudited

The Statement of Activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table shows, for governmental activity, the total cost of the four major functional activities of the District. The table also shows each function's net cost (total cost minus charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District's taxpayers by each of these functions.

Prior-year information is provided below for comparative analysis.

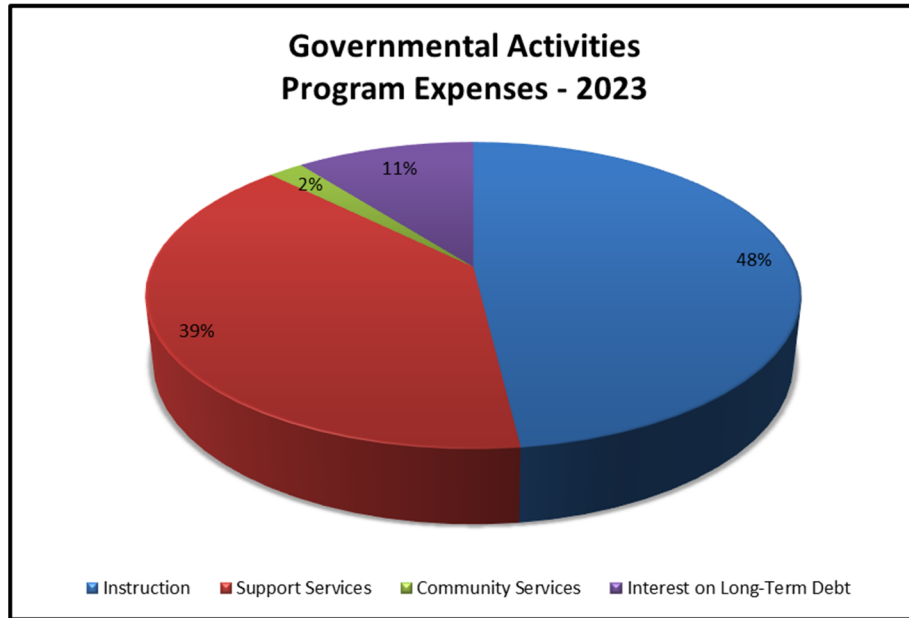
Governmental Activities				
	2022-23		2021-22	
	Total Cost of Services	Net Cost (Profit) of Services	Total Cost of Services	Net Cost (Profit) of Services
Instruction	\$ 7,679,697	\$ 5,869,337	\$ 7,290,916	\$ 6,261,775
Support Services	6,278,778	6,159,339	4,000,091	3,407,635
Community Services	<u>331,069</u>	<u>21,575</u>	<u>293,568</u>	<u>27,940</u>
Total Program Expenses	<u>\$ 15,970,064</u>	<u>\$ 13,730,771</u>	<u>\$ 12,160,267</u>	<u>\$ 10,273,042</u>

General governmental activities heavily rely on general revenues. For the current year, 84.9% of general government activities are supported by general revenues such as property taxes and state basic school support. The remaining 15.1% of governmental activities are funded by program revenues such as charges for services, operating grants, and contributions.

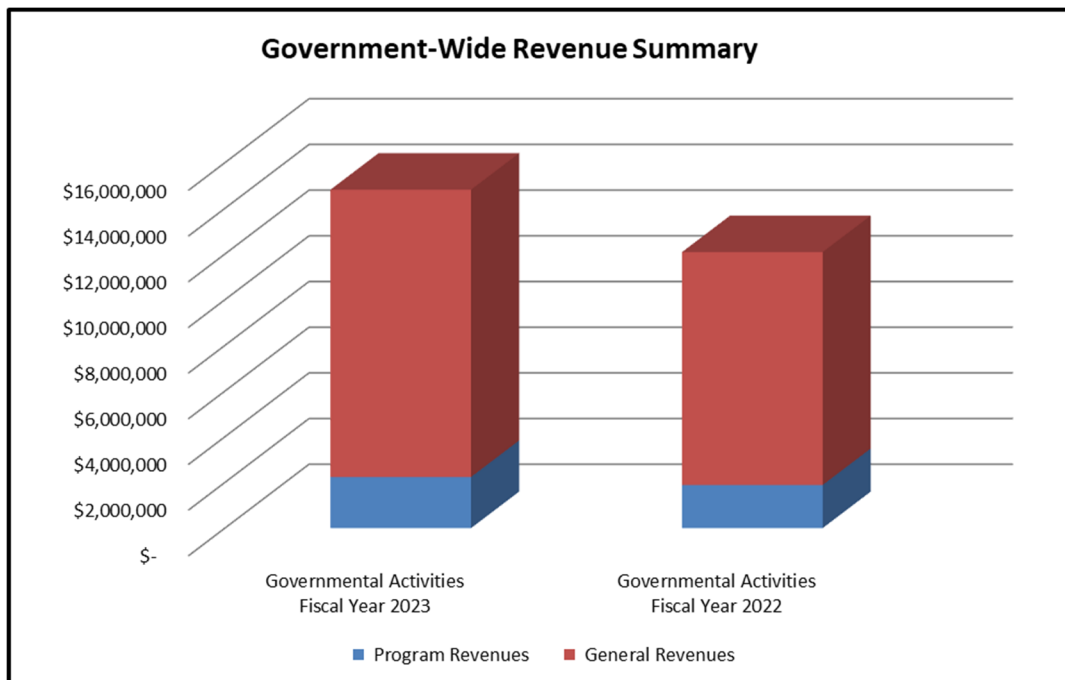
AMITY SCHOOL DISTRICT NO. 4J

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2023 Unaudited

This graph represents the cost of the District's Program expenses by governmental activities.



The following chart analyzes the revenue between governmental activities from the prior fiscal year to the current.



AMITY SCHOOL DISTRICT NO. 4J

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2023

Unaudited

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$36,851,031, an increase of \$32,294,601. The fund balance consists of restricted, committed, assigned, and unassigned amounts. Of the current fund balances, \$33,182,243 is restricted, \$1,180,401 is committed and \$2,474,757 is unassigned and available for spending at the District's discretion.

The District's primary operating fund is the General Fund. The fund started the fiscal year with a balance of \$2,037,502, which increased by \$437,255, ending with a balance of \$2,474,757 representing a 21% increase.

BUDGETARY HIGHLIGHTS

Over the year, the District made only minor changes to its various funds' budgets.

The General Fund revenue for the fiscal year was budgeted at \$10,062,980, but the actual amount collected was \$10,676,398, representing a surplus of \$613,418. Moreover, the General Fund expenditures budget was under-spent by \$2,273,437, which resulted in an ending fund balance of \$2,474,757.

Similarly, the Special Revenue Fund #200 had an increased budgetary ending fund balance of \$1,180,401, despite the actual revenues being less than the budgeted revenues by \$8,480,246. The District had anticipated the receipt of federal and state grants and other fees and charges, which were not earned and received during the fiscal year. However, the actual expenditures were \$9,518,096 under-budgeted expenditures, due to the District's budgeting for potential grant spending that did not occur during the fiscal year, thus increasing the ending fund balance.

The Debt Service Fund #300 had an ending fund balance increase of \$433,986, primarily due to the unanticipated miscellaneous revenue of \$331,951. Additionally, the actual expenditures were \$39,896 under the budgeted expenditures.

Lastly, the Capital Projects Fund #400 had an ending fund balance increase of \$32,277,675. This increase was attributed to the actual revenues being less than budgeted revenues by \$319,238, primarily from not receiving the anticipated earnings on investments, and actual expenditures being \$28,940,138 under the budgeted expenditures, mainly due to facilities acquisition and construction.

AMITY SCHOOL DISTRICT NO. 4J

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2023 Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2023, the District had invested \$12,450,310 in capital assets, including school buildings, athletic facilities, land, vehicles, computers, and other equipment and furnishings before accumulated depreciation. This amount represents a net increase prior to the depreciation of \$429,145 from last year due to additions of \$305,383 and deletions of \$7,820.

Total depreciation expense for the year was \$429,145. Additional information on the District's capital assets can be found in the Capital Asset Note in the notes to the basic financial statements section of this report.

Long-Term Debt

On June 30, 2023, the District's long-term debt outstanding amounted to \$32,926,662, indicating a staggering increase of \$28,882,741 or 87.7% from the previous year. The significant rise in long-term debt is attributable to the District's procurement of a new bond worth \$29,400,000 on August 23rd, 2022. In the current fiscal year, the District paid \$2,271,655 toward its long-term debt. Out of this payment, \$517,259 was allocated for principal repayment, while \$1,754,396 was devoted to interest repayment. The District's fiscal responsibility and adherence to debt repayment obligations are salient indicators of its financial prudence and stability.

Additional information on the District's long-term debt can be found in the Long-Term Debt Note in the notes to the basic financial statements section of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The proposed 2023-2024 budget document reflects Amity School District's continued commitment to providing quality education programs for all of our students while maintaining fiscal responsibility to our community. This budget has been prepared, emphasizing the need to maintain critical staffing by matching our available resources with our most pressing student needs. Thus, provides the educational and support services for the three schools, and approximately 760 students are projected to attend this next fiscal year.

The District's adopted budget for the fiscal year ending June 30, 2024, represents an overall increase of \$2,570,479 representing an estimated 4.4% increase when compared with the current fiscal year. The total budget for the fiscal year ending June 30, 2024, is \$61,119,347. Of the total budget, the primarily budgeted appropriation is allocated towards the Capital Projects Fund for \$34,083,550, mainly to satisfy the cost associated with Facilities Acquisition & Construction. The remaining operating costs of governmental activities are expected to be similar to those of the current period.

The District will levy its maximum permanent property tax rate of \$4.7796 per \$1,000 of assessed property valuation.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives.

If you have any questions about this report or need additional information, contact the Amity School District No. 4J at 807 Trade Street, Amity, Oregon 97101.

BASIC FINANCIAL
STATEMENTS

Government-Wide
Financial Statements

AMITY SCHOOL DISTRICT NO. 4J**STATEMENT OF NET POSITION**

For the Fiscal Year Ended June 30, 2023

		Governmental Activities
<u>ASSETS:</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 37,048,120	
Property Taxes Receivable	151,553	
Accounts Receivable	387,986	
Inventory-Food, Supplies & Commodities	13,630	
Total Current Assets		\$ 37,601,289
Restricted Assets:		
Net OPEB Asset (RHIA)	163,168	
Total Restricted Assets		163,168
Capital Assets:		
Capital Assets, Non-Depreciable	404,901	
Capital Assets, Depreciable, Net	4,104,205	
Total Capital Assets		4,509,106
Subscription Assets:		
Subscription Based Information Technology Agreements - Net	9,524	
Total Subscription Assets		9,524
Right-to-Use Assets		
Leased Assets, Net	25,527	
Total Right-to-Use Assets		25,527
Other Assets:		
Prepaid Expense - Pension Obligation	6,618,174	
Less: Accumulated Amortization	(5,341,524)	
Total Other Assets, Net of Amortization		1,276,650
Total Assets		43,585,264
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pension Related Deferrals	2,916,205	
OPEB Related Deferrals - RHIA	17,616	
OPEB Related Deferrals - OEBB	832	
Total Deferred Outflow of Resources		2,934,653
<u>LIABILITIES:</u>		
Accounts Payable	\$ 632,008	
Accrued Interest Payable	139,949	
Bonds Payable		
Due within one year	788,334	
Due in more than one year	32,138,328	
Unamortized Bond Premium	3,444,901	
Subscription Liabilities:		
Due within one year	1,898	
Due in more than one year	7,508	
GASB 87 Lease Liabilities:		
Due within one year	5,088	
Due in more than one year	20,123	
Net OPEB Obligation - OEBB	323,020	
Net Pension Liability	4,071,504	
Total Liabilities		41,572,661
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pension Related Deferrals	2,402,180	
OPEB Related Deferrals - RHIA	22,305	
OPEB Related Deferrals - OEBB	35,846	
Total Deferred Inflow of Resources		2,460,331
<u>NET POSITION:</u>		
Net Investment in Capital Assets	4,462,444	
Unrestricted	(1,975,519)	
Total Net Position		\$ 2,486,925

The accompanying notes to the basic financial statements are an integral part of this statement.

AMITY SCHOOL DISTRICT NO. 4J**STATEMENT OF ACTIVITIES****For the Fiscal Year Ended June 30, 2023**

		Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
	(Expenses)				Governmental Activities
<u>GOVERNMENTAL ACTIVITIES:</u>					
Instruction	\$ 7,679,697	\$ 362,199	\$ 1,448,161	\$ -	\$ (5,869,337)
Support Services	6,278,778	-	119,439	-	(6,159,339)
Enterprise and Community Services	331,069	54,527	254,967	-	(21,575)
Interest on Long-Term Debt	1,680,520	-	-	-	(1,680,520)
Total Governmental Activities	\$ 15,970,064	\$ 416,726	\$ 1,822,567	\$ -	\$ (13,730,771)
<u>GENERAL REVENUES:</u>					
Local Sources:					
Property Taxes, Levied for General Purposes					\$ 2,166,442
Property Taxes, Levied for Debt Service					1,456,425
Earnings on Investments					643,573
Unrestricted State and Local Revenue					73,498
Intermediate Sources					
State School Fund for Education and Support Services					174,864
State Common School Fund					7,953,027
					107,751
Subtotal - General Revenues					12,575,580
Special Items:					
Gain on Disposition of Assets					400
Change in Net Position					(1,154,791)
Net Position, July 1, 2022					3,638,824
Net Position, June 30, 2023					\$ 2,484,033

The accompanying notes to the basic financial statements are an integral part of this statement.

BASIC FINANCIAL
STATEMENTS

Governmental Fund
Financial Statements

AMITY SCHOOL DISTRICT NO. 4J**BALANCE SHEET****GOVERNMENTAL FUNDS****For the Fiscal Year Ended June 30, 2023**

	General Fund #100	Special Revenue Fund #200	Debt Service Fund #300	Capital Projects Fund #400	Total Governmental Funds
<u>ASSETS:</u>					
Cash and Cash Equivalents	\$ 2,386,160	\$ 893,719	\$ 889,116	\$ 32,879,125	\$ 37,048,120
Property Taxes Receivable	95,963	-	55,590	-	151,553
Accounts Receivable	101,304	286,682	-	-	387,986
Inventory-Food, Supplies & Commodities	-	13,630	-	-	13,630
Total Assets	\$ 2,583,427	\$ 1,194,031	\$ 944,706	\$ 32,879,125	\$ 37,601,289
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u>					
LIABILITIES:					
Accounts Payable	\$ 30,558	\$ -	\$ -	\$ 601,450	\$ 632,008
Total Liabilities	30,558	-	-	601,450	632,008
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue - Property Taxes	78,112	-	40,138	-	118,250
Total Deferred Inflows of Resources	78,112	-	40,138	-	118,250
FUND BALANCES:					
Unspendable	-	13,630	-	-	13,630
Restricted for:					
Debt Service	-	-	904,568	32,277,675	33,182,243
Committed for:					
Special Programs	-	1,180,401	-	-	1,180,401
Unassigned	2,474,757	-	-	-	2,474,757
Total Fund Balances	2,474,757	1,194,031	904,568	32,277,675	36,851,031
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,583,427	\$ 1,194,031	\$ 944,706	\$ 32,879,125	\$ 37,601,289

AMITY SCHOOL DISTRICT NO. 4J

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

For the Fiscal Year Ended June 30, 2023

Total Fund Balances - Governmental Funds \$ 36,851,031

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Cost of assets	<u>\$6,619,136</u>	
Net Value of Capital Assets		6,619,136

Subscription Assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Cost of assets	9,524	
Net Value of Subscription Assets		9,524

Right-to-use Assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Net Value of Right-to-Use Assets		316
---	--	-----

Property taxes receivable that will not be available to pay for current-period expenditures are deferred in the governmental funds. 118,250

Deferred inflows and outflows of pension and OPEB contributions and earnings are not reported in the governmental funds.

Deferred Pension/OPEB Contributions	2,934,653	
Deferred Earnings on Pension/OPEB Assets	<u>(2,460,331)</u>	
Net Value of Deferrals		474,322

Amounts paid to Oregon Public Retirement System to reduce the unfunded pension obligation of the District are not financial resources and therefore are not capitalized as a prepaid expense in the governmental funds.

Original prepaid amount	6,618,174	
Accumulated amortization	<u>(5,341,524)</u>	
Net Value of Prepaid Expense		1,276,650

Some liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

These liabilities consist of :

Bonds Payable	32,926,662	
SBITA Payable	9,406	
Unamortized Bond Premium	3,444,901	
Net Pension Liability	4,071,504	
Net OPEB Obligations	<u>159,852</u>	
Total		<u>(40,752,274)</u>

Net Position of Governmental Activities

\$4,596,955

The accompanying notes to the basic financial statements are an integral part of this statement.

AMITY SCHOOL DISTRICT NO. 4J

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

For the Fiscal Year Ended June 30, 2023

	General Fund #100	Special Revenue Fund #200	Debt Service Fund #300	Capital Projects Fund #400	Total Governmental Funds
<u>REVENUES:</u>					
Taxes	\$ 2,153,098	\$ -	\$ 1,446,918	\$ -	\$ 3,600,016
Earnings on Investments	94,500	7,713	32,864	282,008	417,085
Fees and Charges	45,821	356,397	-	-	402,218
Miscellaneous Revenue	44,178	41,420	1,184,521	21,754	1,291,873
Intermediate Government Aid	174,864	-	-	-	174,864
State Aid	8,163,937	1,092,656	-	-	9,256,593
Federal Aid	-	833,586	-	-	833,586
Total Revenues	10,676,398	2,331,772	2,664,303	303,762	15,976,235
<u>EXPENDITURES:</u>					
Current:					
Instruction	5,851,895	1,681,835	-	-	7,533,730
Support Services	3,909,314	438,974	-	40,939	4,389,227
Enterprise and Community Services	-	331,724	-	-	331,724
Facilities Acquisition and Construction	-	153,678	-	2,061,382	2,215,060
Debt Service	43,334	-	2,228,321	-	2,271,655
Total Expenditures	9,804,543	2,606,211	2,228,321	2,102,321	16,741,396
Excess (Deficiency) of Revenues Over Expenditures	871,855	(274,439)	435,982	(1,798,559)	(765,161)
<u>OTHER FINANCING SOURCES (USES):</u>					
Interfund Transfers In	-	140,000	-	295,000	435,000
Interfund Transfers Out	(435,000)	-	-	-	(435,000)
Long Term Debt Financing Sources	-	-	-	33,059,362	33,059,362
Proceeds from Sale of Assets	400	-	-	-	400
Total Other Financing Sources (Uses)	(434,600)	140,000	-	33,354,362	33,059,762
Net Change in Fund Balance	437,255	(134,439)	435,982	31,555,803	32,294,601
Beginning Fund Balance	2,037,502	1,328,470	468,586	721,872	4,556,430
Ending Fund Balance	\$ 2,474,757	\$ 1,194,031	\$ 904,568	\$ 32,277,675	\$ 36,851,031

The accompanying notes to the basic financial statements are an integral part of this statement.

AMITY SCHOOL DISTRICT NO. 4J

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2023**

Net Changes in Fund Balances - Total Governmental Funds	\$ 32,294,601
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.	
Expenditures for capitalized assets	\$ 305,383
Less current year depreciation	<u>(429,145)</u>
	(123,762)
Governmental funds report subscription payments as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives as amortization expense.	
Net change in subscription assets and subscription liabilities	118
Some property tax revenues will not be collected for several months after the District's fiscal year end and are therefore not considered "available" revenues in the governmental funds, instead these funds are shown as deferred revenue.	
Deferred revenues increased by this amount this year.	22,851
Gain (Loss) on disposition of capital assets is not reported in the fund financial statements.	400
Proceeds from Sales of Assets is not reported as income in the Statement of Activities	(400)
Governmental funds report lease payments as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives as amortization expense.	
Net change in right-to-use assets and lease liabilities	316
Proceeds from loans are reported in the governmental funds as a source of financing.	
The loan proceeds are not revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Position.	
Bond at Face Value	(29,400,000)
Premium from Bond Issuance	<u>(3,659,362)</u>
	(33,059,362)
Prepaid expenses were originally reported in the governmental funds as an expenditure. In the Statement of Activities the amount to be charged each year as an expense over the estimated expense incurred to pay the obligation is amortized, rather than expensed at the time of the prepayment.	
Amount of current year amortization - Pension obligation	<u>(255,331)</u>
	(255,331)
Repayment of principal on long term debt and leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	
Retirement of principal is as follows:	
Bonds	<u>517,259</u>
	517,259
Amortization of Bond Premium is not a governmental fund reduction of interest expense, but is a reduction in interest expense for the Statement of Activities	
	214,461
Government funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense and changes in deferred inflows and outflows related to the net pension asset/(liability) are recorded based upon an actuarial valuation of such activity.	
This is the net change in pension related items.	(618,848)
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
The activities consist of:	
Net increase/(decrease) in accrued interest expense	(139,949)
Increase/(decrease) in accrued OPEB	<u>(7,145)</u>
	(147,094)
Change in Net Position of Governmental Activities	<u>\$ (1,154,791)</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

BASIC FINANCIAL
STATEMENTS

Notes to the Basic
Financial Statements

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Amity School District No. 4J was organized under the provisions of Oregon Statutes pursuant to ORS Chapter 332 to operate elementary and secondary schools. The District is governed by a separately elected Board of Directors who approve the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

The basic financial statements of Amity School District No. 4J have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below.

Reporting Entity

In determining the financial reporting entity, the Amity School District No. 4J complies with Governmental Accounting Standards Board Statement 14 as amended, "The Financial Reporting Entity." The criteria for including organizations as component units within the District's reporting entity, include whether 1) the organization is legally separate (can sue and be sued in their name); 2) the District holds the corporate powers of the organization; 3) the District appoints a voting majority of the organization's board; 4) the District can impose its will on the organization; 5) the organization has the potential to impose a financial benefit/burden on the District; and 6) there is fiscal dependency by the organization on the District. Based on the aforementioned criteria, the Amity School District No. 4J has no component units.

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District with most of the inter-fund activities removed to minimize the double counting of internal activities. Governmental activities include programs supported primarily by taxes, state school support payments, grants, and other intergovernmental revenues. The District has no business-type activities that rely, to a significant extent, on fees and charges for support. The District also reports no fiduciary activities.

The statement of activities demonstrates the degree to which direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a program of function and, therefore, are identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Basis of Presentation (Cont.)

Fund Financial Statements: During the fiscal year, the District segregates transactions related to school district functions or activities in separate funds to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds.

The fund financial statements provide reports on the financial condition and results of operations for governmental activities. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

General Fund - The General Fund is the main operating fund of the District. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund. This fund accounts for all general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund. General Fund expenditures are categorized by "Instruction" which is the direct teaching of students or the interaction between teacher and students. "Support Services" covers all the support activities for students, teachers, and facilities. Major activities in support services are transportation, maintenance of facilities (i.e., heating, phones, electricity, cleaning,) administration, counseling for students, and technology support.

Special Revenue Fund – The Special Revenue Fund accounts for the revenues and expenditures of local, state, and federal grants, student body activities, food service and other special programs.

Debt Service Fund – Revenues accounted for in the Debt Service Fund are from local property taxes levied to make general obligation bond payments, which are also accounted for in this fund according to the bond repayment schedule.

Capital Projects Fund – Accounting for this fund is for the use of capital improvements.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; the basis of accounting refers to when transactions are recognized in the financial records and reported on the financial statements. The basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized when the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within sixty days after year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt which are reported when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

The revenues susceptible to accrual are property taxes, charges for services, interest income and intergovernmental revenues. All other governmental fund revenues are recognized when received, as they are deemed immaterial. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when the revenue recognition is met or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Budgeting

The District budgets all funds as required by state law. The District budgets for all funds on a modified accrual basis. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total expenditures are controlled by annual appropriations at the following organizational levels: instruction, support services, community services, facilities acquisition and construction, and other expenditures. Appropriations lapse as of the fiscal year-end. A detailed budget document is required that contains more detailed information for the above-mentioned expenditure categories.

Unexpected additional resources may be added to the budget with a supplemental budget and appropriations resolution. A supplemental budget may require hearings before the public, publications in newspapers, and approval by the District Board of Directors. Original and supplemental budgets may be modified using appropriations transfers between the levels of control. Such transfers require approval by the District Board of Directors.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Cash and Investments

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts, and any short-term, highly liquid investments with initial maturity dates of three months or less.

The District has adopted an investment policy requiring compliance with Oregon statutes, which authorizes the District to invest in obligations of the United States, the agencies and instrumentalities of the United States and the State of Oregon, and numerous other investment instruments.

The District's investments may consist of time certificates of deposit, banker's acceptances, commercial paper, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The District's investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings. The LGIP is stated at cost, which approximates fair value. The fair value of the LGIP is the same as the District's value in the pool shares.

The Oregon State Treasury administers the LGIP. It is an open-ended, non-load diversified portfolio offered to any agency, political subdivision, or public corporation of the State that by law is made the custodian of, or has control of, any fund. LGIP is included in the Oregon Short-Term Fund (OSTF) which was established by the State Treasurer. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury on the management and investment options of the LGIP.

Receivables

Amounts due from individuals, organizations or other governmental units are recorded as receivables at year-end. These amounts include charges for services rendered, or for goods and material provided by the District. All receivables are expected to be collected. Accordingly, receivables are reported at the gross amount without an allowance for uncollectible accounts.

Receivables are also recognized for property taxes and intergovernmental grants. Property taxes receivable consist of uncollected taxes levied and payable at the end of the fiscal year. All taxes are considered collectible. Consequently, no allowance for uncollectible taxes has been established. In the governmental fund financial statements, property taxes not collected within sixty days of the end of the fiscal year are reported as a deferred inflow or resources.

Intergovernmental grant reimbursement and entitlement amounts for which all eligibility requirements imposed by the provider have been met, but which were not received by the fiscal year end, are reported as accounts receivable.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Inventory

Food and supply inventories in the Food Service Fund are valued at cost determined by the FIFO method. Commodities inventory in the Food Service Fund is valued at estimated fair market value. Inventory is treated as being expended when used rather than when purchased. Inventories of non-food service supplies are not considered significant. The District records the cost of non-food service supplies as expenses and expenditures when purchased rather than when used.

Restricted Assets and Liabilities

Assets with use restricted to future bond payments and the related liability are segregated in the statements of net position.

Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost, or estimated cost when original cost is not available. Donated capital assets are valued at their estimated fair market value on the date received. Maintenance and repairs of capital assets are not capitalized but rather are charged to expenditures in the governmental funds. The District does not possess any infrastructure. The capitalization threshold used by the District as recommended by the State of Oregon is \$5,000.

In the government-wide financial statements, all reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

<u>Asset Class</u>	<u>Estimated Years of Useful Lives</u>
Buildings	20-50
Building Improvements	20-50
Land Improvements	15-25
Vehicles	10
Equipment	5-10

In the governmental fund financial statements, fixed assets are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized, and related depreciation is not reported in the fund financial statements.

Compensated Absences and Accrued Liabilities:

The liability for accrued vacation benefits reported in the government-wide statements consists of unpaid, accumulated annual vacation. The early retirement liability has been calculated using the accrual method for benefit amounts due to former employees who currently are receiving early-termination benefits. Early retirement benefits are available to a limited number of employees each year.

All payables and accrued liabilities are reported on government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid on time and in full by current financial resources are reported as obligations of the funds.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial 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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, deferred pension contributions.

In addition to liabilities, the statement of financial 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item that qualifies for reporting in this category, deferred earnings on pension assets. In the governmental funds' balance sheet, a different category of deferred inflow of resources, delinquent property tax revenue not available, is reported. Property taxes levied and considered receivable at the end of the fiscal year, but not collected within sixty days of the end of the fiscal year are reported in this category. These amounts are recognized as an inflow of resources (revenue) in the period that the amounts become available.

Long-Term Debt

All bonds, notes, and capital lease payable are recognized in the government-wide financial statements as liabilities of the District. Amounts of the long-term debt due within the following fiscal year are included in the current liabilities section of the Statement of Net Position.

In the governmental fund financial statements, proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources. Principal and interest payments on long-term debt are recorded as debt service in the expenditure section of the statement and schedules.

Equity Classifications

Government-wide Statements

Equity is classified as net position, which represents the difference between assets, liabilities, and deferred accounts. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantor, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Equity Classifications (Cont.)

Governmental Fund Financial Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

A. Nonspendable: This classification includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

B. Restricted: This classification includes fund balance amounts that are constrained for specific purposes that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

C. Committed: This classification includes fund balance amounts that are constrained for specific purpose that are internally imposed by the government through resolution of the highest level of decision-making authority, the District Board, and does not lapse at year-end.

D. Assigned: This classification includes fund balance amounts that are intended to be used for specific purposes that are neither restricted nor committed. This intent can be expressed by the District Board or through the District Board delegating this responsibility to selected staff members or through the budgetary process.

E. Unassigned: This classification includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories, and negative fund balances of other governmental funds.

The District's policy is to use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise but reserves the right to selectively spend unassigned resources first to defer the use of the constrained fund balances.

Property Taxes

Real and personal property taxes are attached as an enforceable lien on property as of January 1. All taxes are levied as of the lien date and are payable in three installments on November 15, February 15, and May 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Uncollected property taxes are recorded on the statement of net position. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectable taxes has been established. All property taxes receivable is due from property owners within the District.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Inter-Fund Transactions

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers in the fund financial statements. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers. For the Statement of Activities, all inter-fund transfers between individual governmental funds have been eliminated.

Use of Estimates

The preparation of 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 amount of assets and liabilities as well as disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Pensions

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 Oregon Public Employees Retirement Fund (OPERF) and the Oregon Public Service Retirement Plan (OPSRP) and additions to/deductions from OPERF's and OPSRP's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

CASH AND INVESTMENTS:

For a discussion of deposit and investment policies and other related information, see the Cash and Investments note under the Summary of Significant Accounting Policies.

The District follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by state statutes. These restrictions are summarized in the Cash and Investments note under the Summary of Significant Accounting Policies.

Investments, including amounts held in pool cash and investments, are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Fair value is determined at the quoted market prices, 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, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

Deposits - All cash is deposited in compliance with Oregon statutes. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of \$250,000 applies to the deposits in each depository. ORS 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Oregon Public Funds Collateralization Program (PFCP). Where balances continually exceed \$250,000, ORS 295 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the state treasurer's website.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits exists when, in the event of a depository failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk.

As of June 30, 2023, the reported amount of the District's deposits was \$357,213.48, the bank balance was \$1,250,336.96. Of the bank balance, the entire amount was insured by the FDIC or covered by the collateral held in a multiple financial institutions collateral pool administered by the Oregon State Treasurer. The District also reported \$75 in petty cash.

Investments - Oregon statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, banker's acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Governmental Investment Pool. The District has no credit risk policy or investment policy that would further limit its investment choices.

Credit Risk - Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. As of June 30, 2023, the District's investment in the Oregon State Treasurer's Local Government Investment Pool (LGIP) was unrated.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

CASH AND INVESTMENTS (Cont.):

On June 30, 2023, the District's investments in financial institutions are as follows:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Oregon State Treasurer's Local Government Investment Pool (LGIP)	\$ 36,688,310	N/A
Total Investments	<u>\$ 36,688,310</u>	

Concentration of Credit Risk - An increased risk of loss occurs as more investments are acquired from one issuer. This results in a *concentration of credit risk*. The District places no limit on the amount that may be invested in any one issuer. More than 5 percent of the District's investments are in the Oregon State Treasurer's Local Government Investment Pool (LGIP). This investment is 99.9% of the District's total investments.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

CAPITAL ASSETS:

The following is a summary of capital asset activity for the fiscal year ended June 30, 2023:

Depreciable Assets Schedule
For the Fiscal Year Ended June 30, 2023

Governmental Activities	Beginning Balances	Additions	Deletions	Ending Balances
Assets not being depreciated:				
Land	\$ 288,227	\$ -	\$ -	\$ 288,227
Construction in Progress	82,734	33,940	-	116,674
Total assets not being depreciated	370,961	33,940	-	404,901
Assets being depreciated:				
Land Improvement	871,055	-	-	871,055
Building and Building Improvement	9,614,663	80,563	-	9,695,227
Machinery and Equipment	1,296,068	190,880	7,820	1,479,128
Total Depreciable Assets	11,781,786	271,443	7,820	12,045,409
Less: Accumulated Depreciation				
Land Improvement	727,146	29,325	-	756,471
Building and Building Improvement	5,861,482	308,201	-	6,169,683
Machinery and Equipment	931,251	91,619	7,820	1,015,051
Total Accumulated Depreciation	7,519,879	429,145	7,820	7,941,204
Net Value of Capital Assets Being Depreciated	4,261,907	(157,702)	-	4,104,205
Total Governmental Activities --				
Net Value of Capital Assets	<u>\$ 4,632,868</u>	<u>\$ (123,762)</u>	<u>\$ -</u>	<u>\$ 4,509,106</u>
Depreciation expense was charged to governmental functions as follows:				
Instruction	\$ 357,844			
Support Services	66,108			
Enterprise and Community Services	5,193			
Total Depreciation Expense	<u>\$ 429,145</u>			

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS:

A summary of debt transactions for the year ended June 30, 2023, is as follows:

Leases Payable

For the year ended 6/30/2023, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On 04/24/2023, Amity School District, OR entered into a 60-month lease as Lessee for the use of Copiers (POA). An initial lease liability was recorded for \$26,514.19. As of 06/30/2023, the value of the lease liability is \$25,210.60. Amity School District OR is required to make monthly fixed payments of \$466.54. The lease has an interest rate of 2.2300%. The Other estimated useful life was 0 months as of the contract commencement. The value of the right to use the asset as of 06/30/2023 of \$26,514.19 with accumulated amortization of \$986.92 is included with Other on the Lease Class activities table found below.

Amount of Lease Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-end	
	Lease Asset Value	Accumulated Amortization
Other	\$ 26,514	\$ 987
Total Leases	\$ 26,514	\$ 987

Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 5,088	\$ 510	\$ 5,598
2025	5,203	396	5,598
2026	5,320	279	5,598
2027	5,440	159	5,598
2028	4,160	39	4,199

GOVERNMENTAL ACTIVITIES:

	Balance as of July 1, 2022	Additions	Reductions	Balance as of June 30, 2023
Lease Liability				
Other				
Copiers (POA)	\$ -	\$ 26,514	\$ 1,304	\$ 25,211
Total Other Lease Liability	-	26,514	1,304	25,211
Total Lease Liability	\$ -	\$ 26,514	\$ 1,304	\$ 25,211

AMITY SCHOOL DISTRICT NO. 4J

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

GOVERNMENTAL ACTIVITIES:	Balance as of		Additions	Reductions	Balance as of
	July 1, 2022				June 30, 2023
Lease Assets					
Other					
Copiers (POA)	\$ -	\$ 26,514	\$ -	\$ -	26,514
Total Other Lease Assets	-	26,514	-	-	26,514
Total Lease Assets	-	26,514	-	-	26,514
Lease Accumulated Amortization					
Other					
Copiers (POA)	-	987	-	-	987
Total Other Lease Accumulated Amortization	-	987	-	-	987
Total Lease Accumulated Amortization	-	987	-	-	987
Total Governmental Lease Assets, Net	\$ -	\$ 25,527	\$ -	\$ -	25,527

Bonds Payable

April 21, 2003, the District participated with other school districts in a pooled issuance of Oregon School Boards Association Limited Tax Pension Obligation Bonds, Series 2003. The bonds are held by Wells Fargo Corporate Trust Services. Except for the payment of its pension bond payment and additional charges when due, each school district has no obligation or liability to any other participating school district's pension bonds or liabilities to PERS. The original balance was \$6,618,174 and the bond proceeds were paid to the Oregon Public Employees Retirement System for the District's pension actuarial obligation. An intercept agreement with the State of Oregon was required as a condition of issuance; therefore, a portion of State School Fund support is withheld monthly to repay debt. Funds are accumulated and invested by a trust officer and annual principal interest payments are made each June 30, and interest payments are made December 30, beginning June 2003, and ending June 2028. The debt has a variable interest rate on the bonds varying from 1.5% to 6.27%. The District records the amount deposited with PERS as a prepayment of its actuarial obligation and accounts for the payment of principal and interest as a pension expense annually. The prepayment is being amortized over the life of the bonds based on the straight-line method, as a percentage of pension bond debt service costs. This method most closely recognizes the remaining prepaid asset.

Qualified Zone Academy Bond (QZAB), original balance of \$650,000, dated April 6, 2016, for the purchase of equipment and improvements to real property. The bonds are held by Columbia Bank. Deposit amounts of \$43,334 per year are required, with the first deposit due April 6, 2017. Bond interest is computed at 0.00%.

On August 23rd, 2022, the District issued a General Obligation Bond, Series 2022. The bonds are held by US Bank. The original balance of the 2022 bonds was \$29,400,000 and has a variable interest rate on the bonds varying from 4.00% to 5.00%.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

LONG-TERM DEBT (Cont.):

The following is a schedule of transactions during the year:

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2023

	Outstanding Balance July 1, 2022	New Issues	Reductions	Interest Paid	Outstanding Balance June 30, 2023	Due Within One Year
Bonds Payable:						
OSBA Limited Tax Pension Bond, Series 2003	3,653,925	-	173,925	628,290	3,480,000	645,000
QZAB held by Columbia Bank	389,996	-	43,334	-	346,662	43,334
GO Bonds, Series 2022	\$ -	\$ 29,400,000	\$ 300,000	\$ 1,126,106	\$ 29,100,000	\$ 100,000
Total Bonds Payable	\$ 4,043,921	\$ 29,400,000	\$ 517,259	\$ 1,754,396	\$ 32,926,662	\$ 788,334
Bond Premium	-	3,659,362	214,461	-	3,444,901	
Total Bonds Payable, net of Premium	4,043,921	33,059,362	731,720	-	36,371,563	

The future debt service requirements on the above debt are as follows:

Bonds Payable:	Due Fiscal Year Ending June 30,	Principal	Interest	Total
	2024	\$ 788,334	\$ 1,570,566	\$ 2,358,900
	2025	958,334	1,529,378	2,487,712
	2026	1,103,334	1,478,732	2,582,066
	2027	1,258,334	1,420,292	2,678,626
	2028	858,334	1,353,490	2,211,824
	2029 - 2033	3,249,992	6,279,750	9,529,742
	Total	<u>\$ 32,926,662</u>	<u>\$ 24,002,408</u>	<u>\$ 56,929,070</u>

The District has no unused lines of credit.

The District has not pledged any assets as collateral for their debt.

For further detail on debt service, see the 'Schedule of Long-Term Debt Transactions' in the Other Information section of this report.

AMITY SCHOOL DISTRICT NO. 4J

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

Subscriptions Payable (Subscription Based Information Technology Agreements)

For the year ended 6/30/2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

On 04/24/2023, Amity School District, OR entered into a 60-month subscription for the use of Papercut (POA). An initial subscription liability was recorded in the amount of \$9,892.10. As of 06/30/2023, the value of the subscription liability is \$9,405.75. Amity School District OR is required to make monthly fixed payments of \$174.06. The subscription has an interest rate of 2.2300%. The value of the right to use asset as of 06/30/2023 of \$9,892.10 with accumulated amortization of \$368.21 is included with Software on the Subscription Class activities table found below.

Amount of Subscription Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-end			
	Subscription Asset Value		Accumulated Amortization	
Software	\$	9,892	\$	368
Total Subscriptions	\$	9,892	\$	368

Principal and Interest Requirements to Maturity

Fiscal Year	Business-Type Activities			
	Principal Payments		Interest Payments	
2024	\$	1,898	\$	190
2025		1,941		148
2026		1,985		104
2027		2,030		59
2028		1,552		14
				1,567

BUSINESS-TYPE ACTIVITIES:

	Balance as of July 1, 2022	Additions	Reductions	Balance as of June 30, 2023
Subscription Liability				
Software				
Papercut (POA)	\$ -	\$ 9,892	\$ 486	\$ 9,406
Total Software Subscription Liability	-	9,892	486	9,406
Total Subscription Liability	\$ -	\$ 9,892	\$ 486	\$ 9,406

BUSINESS-TYPE ACTIVITIES:

	Balance as of July 1, 2022	Additions	Reductions	Balance as of June 30, 2023
Subscription Assets				
Software				
Papercut (POA)	\$ -	\$ 9,892	\$ -	\$ 9,892
Total Software Subscription Assets	-	9,892	-	9,892
Total Subscription Assets	-	9,892	-	9,892

Subscription Accumulated Amortization

Software				
Papercut (POA)	-	368	-	368
Total Software Subscription Accumulated Amortization	-	368	-	368
Total Subscription Accumulated Amortization	-	368	-	368
Total Business-Type Subscription Assets, Net	\$ -	\$ 9,524	\$ -	\$ 9,524

AMITY SCHOOL DISTRICT NO. 4J

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN:

Amity School District No. 4J offers various retirement plans to qualified employees as described below.

Name of Pension Plan

Amity School District No. 4J participates with other state agencies in the Oregon Public Employees Retirement System (OPERS) which is a cost-sharing multiple-employer defined benefit pension plan.

Description of Benefit Terms

Plan Benefits

OPERS is administered in accordance with Oregon Revised Statutes (ORS) Chapter 238, Chapter 238A, and Internal Revenue Code Section 401(a). The Oregon Legislature has delegated authority to the Public Employees Retirement Board (PERS Board) to administer and manage the System.

1. Tier One/Tier Two Retirement Benefit (Chapter 238). OPERS is a defined benefit pension plan that provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. Benefits are established by state statute. This defined benefit pension plan portion of OPERS is closed to new members hired on or after August 29, 2003.

Pension Benefits

The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years, or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

During the 2019 Legislative session, Senate Bill 1049 was approved and signed into law by the governor. Under Senate Bill 1049, several components of the bill have significantly impacted the System, and the bill continues to be implemented.

1. Employer Programs Project (effective July 1, 2019): established the Employer Incentive Fund (EIF) Program, which allows eligible employers to receive matching funds if they apply and make a qualifying deposit into a side account.
2. Salary Limit Project: A new limitation on subject final average salary used for PERS benefit calculations and contributions is used to determine member IAP contributions, employer contributions to fund the pension program, and the Final Average Salary (FAS) used in calculating retirement benefits under formula methods was added, (\$210,582 as of January 1, 2022). This amount is indexed annually to the Consumer Price Index (CPI).

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

3. Work After Retirement Project (effective January 1, 2020): The 1,039-hour Work After Retirement limit for all PERS retirees is removed for calendar years 2020 through 2024. If a member retires on or after normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations. If a member retires earlier than normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations if the date of their employment is more than six months after their retirement date.
4. Member Redirect Project (effective July 1, 2020): For all currently employed Tier One/Tier Two and OPSRP members earning \$2,500/month or more, (adjusted to \$3,333/month in House Bill 2906 effective June 2021), a portion of their 6 percent monthly IAP contributions will be redirected to an “Employee Pension Stability Account.” The Employee Pension Stability Account will be used to pay for part of the member’s future pension benefit.
 - Tier One/Tier Two members: 2.5 percent of each member’s IAP contribution amount, currently contributed to the IAP, (whether paid by the member or employer) will start going into an Employee Pension Stability Account (EPSA). The remainder will continue to go to the member’s existing IAP account.
 - Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full, 6 percent contribution to the IAP.
5. Member Choice Project (effective January 1, 2021): IAP accounts are currently invested in Target-Date Funds based on a member’s birth year. Beginning in 2021, members may choose to invest their IAP balance in a fund that is more reflective of their risk tolerance than the default based on their age.
6. Additionally, the Legislature directed the PERS Board to enact a one-time re-amortization of Tier 1/Tier 2 UAL over 22 years. This means that, effective with the December 31, 2019 rate-setting valuation, the entire unamortized Tier 1/Tier 2 UAL for each rate pool and independent employer will be re-amortized over a 22 year period as a level percentage of projected future payroll.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member’s account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by an OPERS employer at the time of death,
- the member died within 120 days after termination of OPERS-covered employment,
- the member died as a result of injury sustained while employed in an OPERS-covered job, or
- the member was on an official leave of absence from an OPERS-covered job at the time of death.

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including OPERS judge members) for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

Benefit Changes After Retirement

Members may choose to continue participation in a variable account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

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

Pension Benefits

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

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

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

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

During the 2019 Legislative session, Senate Bill 1049 was approved and signed into law by the governor. Under Senate Bill 1049, several components of the bill have significantly impacted the System, and the bill continues to be implemented.

1. Employer Programs Project (effective July 1, 2019): established the Employer Incentive Fund (EIF) Program, which allows eligible employers to receive matching funds if they apply and make a qualifying deposit into a side account.
2. Salary Limit Project (effective January 1, 2020): A new \$195,000 limitation on subject salary used for PERS benefit calculations and contributions is used to determine member IAP contributions, employer contributions to fund the pension program, and the Final Average Salary (FAS) used in calculating retirement benefits under formula methods. This amount will be indexed annually to the Consumer Price Index (CPI).
3. Work After Retirement Project (effective January 1, 2020): The 1,039-hour Work After Retirement limit for all PERS retirees is removed for calendar years 2020 through 2024. If a member retires on or after normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations. If a member retires earlier than normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations if the date of their employment is more than six months after their retirement date.
4. Member Redirect Project (effective July 1, 2020): For all currently employed Tier One/Tier Two and OPSRP members earning \$3,333/month in House Bill 2906 as of June 2021), a portion of their 6 percent monthly IAP contributions will be redirected to an "Employee Pension Stability Account." The Employee Pension Stability Account will be used to pay for part of the member's future pension benefit.
 - OPSRP members: 0.75 percent of each member's contribution, currently contributed to the IAP, (whether paid by the member or employer) will start going into their EPSA. The remaining 5.25 percent of the members contribution will continue to go to the member's existing IAP account.
 - Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full, 6 percent contribution to the IAP.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

5. Member Choice Project (effective January 1, 2021): IAP accounts are currently invested in Target-Date Funds based on a member's birth year. Beginning in 2021, members may choose to invest their IAP balance in a fund that is more reflective of their risk tolerance than the default based on their age.

Death Benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits

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

3. Individual Account Program (IAP).

Benefit Terms

The IAP is an individual account-based program under the PERS tax-qualified governmental plan as defined under ORS 238A.400.

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option.

Death Benefits

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

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

4. Postemployment Healthcare Benefits.

ORS 238.420 established the Retirement Health Insurance Account (RHIA) and authorizes a payment of up to \$60 from RHIA toward the monthly cost of health insurance for eligible PERS members. RHIA is a cost-sharing, multiple-employer OPEB plan for 898 participating employers. The plan was closed to new entrants hired on or after August 29, 2003.

To be eligible to receive this monthly payment toward the premium costs, the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

Description of Funding and Contributions for PERS Benefit Plans

OPERS' funding policy provides for periodic member and employer contributions at rates established by the Public Employees Retirement Board, subject to limits set in statute. Contributions for employers are recognized on the accrual basis of accounting. Employer contributions to OPERS are calculated based on creditable compensation for active members reported by employers. The rates established for member and employer contributions were approved based on the recommendations of the System's third-party actuary. The contribution rate for every employer has at least two major components; Normal Cost Rate and Unfunded Actuarial Liability (UAL) Rate.

The District's employer contributions to PERS for the year ended June 30, 2023 were \$1,216,433 before Side Account Amortization, and excluding amounts to fund employer specific liabilities.

Amortization of the PERS Side Account resulted in a PERS savings to the District of \$1,129,180 for FY 2022-2023 from the required PERS contribution rate of \$1,216,433, netting to a net contribution of \$87,253.

In addition to the above PERS defined benefit required contribution, a Lump Sum Contribution in the amount of \$78,750 was contributed to PERS by the District. The Lump Sum Contribution will be converted to a PERS Side Account and be amortized over a 20 year period starting with the most recent PERS rate setting actuarial valuation, thus providing a PERS rate reduction for the District for those years. The amortization and PERS rate reduction for this Side Account will begin on July 1, 2024 and continue through December 31, 2043.

The current year contribution rates in effect for PERS have been reduced while the District receives amortization of the PERS Side Account funded by retirement bonds (described in Long Term Debt). Because of the side account amortization, the adjusted PERS reduced contribution rates in effect for the period July 1, 2021 to June 30, 2023 were: Tier1/Tier2 – 2.19%, and OPSRP General Service – 0.00%.

Member Contributions

Beginning January 1, 2004, all member contributions, except for contributions by judge members, were placed in the OPSRP Individual Account Program (IAP). Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 percent of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members' behalf.

During FY 2022-2023, approximately \$333,373 in employee IAP contributions were paid or picked up by the District.

Employer Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and OPEB (Other Post Employment Benefit) Plans. Employer contribution rates during the period were based on the December 31, 2019, actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivisions have made supplemental unfunded actuarial liability payments, and their rates have been reduced. Effective January 1, 2020, Senate Bill 1049 required employers to pay contributions on re-employed PERS retirees' salary as if they were an active member, excluding IAP (6%) contributions. Re-employed retirees do not accrue additional benefits while they work after retirement.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

For **Oregon PERS Defined Benefit Plans**, Effective July 1, 2021, the contribution rate for State Agencies was 20.36%, the State and Local Government Rate Pool 28.08%, School Districts 27.54%, and judiciary 24.56% of PERS-covered salaries.

For **Oregon PERS OPSRP Benefit Plans**, all PERS employers with OPSRP Pension Program members are actuarially pooled and share the same contribution rate.

Members of OPSRP are required to contribute 6.0% of their salary covered under the plan which is invested in the IAP. For employees in Tier One / Tier two, the Employer makes this contribution on behalf of its members.

For **Oregon PERS Postemployment Benefit Plans**, for the fiscal year ended June 30, 2023, PERS employers contributed 5.0% of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits. No UAL rate was assigned for the RHIA program as it was funded at over 100% as of December 31, 2019. These rates were based on the December 31, 2019, actuarial valuation.

Employer contributions are advance-funded on an actuarially determined basis. There is no inflation assumption for RHIA postemployment benefits because the payment amount is set by statute and is not adjusted for increases in healthcare costs.

ORS 238.415 established the Retiree Health Insurance Premium Account (RHIPA) and requires the Board on or before January 1 of each year to calculate the average difference between the health insurance premiums paid by retired state employees under contracts entered into by the Board and health insurance premiums paid by active state employees.

For **OPSRP Pension Program**, all OPERS employers with OPSRP Pension Program members are actuarially pooled and share the same contribution rate. Each of these rates includes a component related to disability benefits for General Service and Police and Fire members.

Pension Plan CAFR/ ACFR

Oregon PERS produces an independently audited ACFR which can be found at:
[2022-Annual-Comprehensive-Financial-Report.pdf \(oregon.gov\)](#)

Actuarial Valuations

The employer contribution rates effective July 1, 2021, through June 30, 2023, were set using the Entry Age Normal actuarial cost method.

For the Tier One/Tier Two component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years by ongoing Board policy. However, upon passage of Senate Bill 1049, the Legislature directed the PERS Board to enact a one-time re-amortization of Tier 1/Tier 2 UAL over 22 years. This means that, effective with the December 31, 2019 rate-setting valuation, the entire unamortized Tier 1/Tier 2 UAL for each rate pool and independent employer will be re-amortized over a 22 year period as a level percentage of projected future payroll.

AMITY SCHOOL DISTRICT NO. 4J

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

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

For the Postemployment Healthcare component, the RHIA plan fiduciary net position balance represents the program's accumulation of employer contributions and investment earnings less premium subsidies and administrative expenses. No UAL rate was assigned for the RHIA program as it was funded over 100% as of December 31, 2019. Typically, PERS employers contribute an actuarially determined percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years.

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Actuarial Methods and Assumptions Used in Developing Total Pension Liability:	
Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Experience Study	2020, published July 24, 2021
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service.
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 Experience Study which reviewed experience for the four-year period ending on December 31, 2020.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Depletion Date Projection

GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 67 (paragraph 43) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for OPERS:

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 67 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB 67 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

AMITY SCHOOL DISTRICT NO. 4J

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

OIC Target and Actual Investment Allocation as of June 30, 2022

<u>Asset Class/Strategy</u>	<u>OIC Policy Range</u>	<u>OIC Target Allocation</u>	<u>Asset Class/Strategy</u>	<u>Actual Allocation²</u>
Debt Securities	15.0% - 25.0%	20.0%	Debt Securities	19.8%
Public Equity	25.0% - 35.0%	30.0%	Public Equity	21.2%
Real Estate	7.5% - 17.5%	12.5%	Real estate	13.6%
Private Equity	15.0% - 27.5%	20.0%	Private Equity	28.0%
Risk Parity	0.0% - 3.5%	2.5%	Risk Parity	2.0%
Real Assets	2.5% - 10.0%	7.5%	Real Assets	7.9%
Diversifying Strategies	2.5% - 10.0%	7.5%	Diversifying Strategies	4.9%
Opportunity Portfolio ¹	0.0% - 5.0%	0.0%	Opportunity Portfolio	2.6%
Total		100%	Total	100%

¹Opportunity Portfolio is an investment strategy and it may be invested up to 5% of total plan net position.

²Based on the actual investment value at 6/30/2022.

³In October 2021 the Alternatives Portfolio was split into Real Assets and Diversifying Strategies.

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the Oregon PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below.

<u>Long Term Expected Rate of Return¹</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return²</u>	<u>20-Year Annualized Geometric Mean</u>	<u>Annual Standard Deviation</u>
Asset Class				
Global Equity	30.62%	7.11%	5.85%	17.05%
Private Equity	25.50%	11.35%	7.71%	30.00%
Core Fixed Income	23.75%	2.80%	2.73%	3.85%
Real Estate	12.25%	6.29%	5.66%	12.00%
Master Limited Partnerships	0.75%	7.65%	5.71%	21.30%
Infrastructure	1.50%	7.24%	6.26%	15.00%
Commodities	0.63%	4.68%	3.10%	18.85%
Hedge Fund of Funds - Multistrategy	1.25%	5.42%	5.11%	8.45%
Hedge Fund Equity - Hedge	0.63%	5.85%	5.31%	11.05%
Hedge Fund - Macro	5.62%	5.33%	5.06%	7.90%
US Cash ³	-2.50%	1.77%	1.76%	1.20%
Assumed Inflation - Mean			2.40%	1.65%

¹Based on the Oregon Investment Council's (OIC) Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund as most recently revised on June 2, 2021.

²The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

³Negative allocation to cash represents levered exposure from allocation to Risk Parity strategy.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

Sensitivity Analysis

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease 5.90%	Discount Rate 6.90%	1% Increase 7.90%
Employer's proportionate share of the net pension liability	\$ 7,220,460	\$ 4,071,504	\$ 1,435,973

Changes in Assumptions

A summary of key changes implemented after the December 31, 2020 valuation, which was used in the 2022 PERS ACFR. Changes are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2020 Experience Study for the System, which was published on July 20, 2021, which can be found at: [2020-Experience-Study.pdf \(oregon.gov\)](#)

Changes in Actuarial Methods and Allocation Procedures

There were no changes in actuarial methods and allocation procedures since the December 31, 2020 actuarial valuation.

Changes in Assumptions

The changes in assumptions since the December 31, 2020 actuarial valuation, were limited to non-annuitant Police and Fire Mortality, as shown below.

Mortality Rates

A summary of the current assumed mortality rates and recommended changes is shown below:

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

Assumption	Recommended December 31, 2020 and 2021 Valuations	Recommended December 31, 2022 and 2023 Valuations
Healthy Annuitant Mortality	Pub-2010 Healthy Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2010 Healthy Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
School District male	Blend 80% Teachers and 20% General Employees, no set back	No change
Other General Service male (and male beneficiary)	General Employees, set back 12 months	No change
Police & Fire male	Public Safety, no set back	No change
School District female	Teachers, no set back	No change
Other female (and female beneficiary)	General Employees, no set back	No change
Police & Fire female	Public Safety, set back 12 months	No change
Disabled Retiree Mortality	Pub-2010 Disabled Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2010 Disabled Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
Police & Fire male	Blended 50% Public Safety, 50% Non-Safety, no set back	No change
Other General Service male	Non-Safety, set forward 24 months	No change
Police & Fire female	Blended 50% Public Safety, 50% Non-Safety, no set back	No change
Other General Service female	Non-Safety, set forward 12 months	No change
Non-Annuitant Mortality	Pub-2010 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2010 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
School District male	125% of same table and set back as Non-Disabled Annuitant assumption	No change
Other General Service male	115% of same table and set back as Non-Disabled Annuitant assumption	No change
Police & Fire male	100% of same table and set back as Non-Disabled Annuitant assumption	125% of same table and set back as Non-Disabled Annuitant assumption
School District female	100% of same table and set back as Non-Disabled Annuitant assumption	No change
Other General Service female	125% of same table and set back as Non-Disabled Annuitant assumption	No change
Police & Fire female	100% of same table and set back as Non-Disabled Annuitant assumption	No change

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

Changes Subsequent to the Measurement Date

There were no changes subsequent to the measurement date, that we are aware of.

Deferred Items

Deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. For the measurement period ending June 30, 2022, employers will report the following deferred items:

- A difference between expected and actual experience, which is being amortized over the remaining service lives of all plan participants, including retirees. One year of this amortization is included in the employer's total pension expense for the measurement period.

Employer Contributions

OPERS includes accrued contributions when due pursuant to legal requirements, as of June 30 in its Statement of Changes in Fiduciary Net Position.

Beginning with fiscal year 2016, OPERS will be able to report cash contributions and UAL side account amortization by employer, and will publish this information on the OPERS Website. Prior to fiscal year 2016, contributions to the OPSRP Defined Benefit plan were not accounted for by employer, as all employers were pooled for actuarial purposes.

Elements of Changes in Net Position

This information can be found in the Schedule of Changes in Net Pension Liability found on page 76, of the June 30, 2022 Oregon PERS ACFR. [2022-Annual-Comprehensive-Financial-Report.pdf \(oregon.gov\)](#).

Pension Liabilities/(Assets), Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2023, the employer reported a liability of \$4,071,504 for its proportionate share of the net pension liability. The net pension liability/(asset) was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on a projection of the employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

PENSION PLAN (Cont.):

At June 30, 2022, the employer's proportion was 0.02659027%.

For the year ended June 30, 2023, the employer recognized pension expense of \$322,529. As of June 30, 2023, the employer 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 and actual experience	\$ 197,639	\$ 25,391
Changes of assumptions	638,841	5,836
Net difference between projected and actual earnings on investments	-	727,906
Changes in proportionate share	863,292	546,794
Differences between employer contributions and employer's proportionate share of system contributions	-	1,096,253
Total Deferred Outflows/Inflows	\$ 1,699,772	\$ 2,402,180
Post-measurement date contributions	1,216,433	N/A
Total Deferred Outflow/(Inflow) of Resources	<u>\$ 2,916,205</u>	<u>\$ 2,402,180</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>(702,408)</u>

Contributions of \$1,216,433 for PERS defined benefits, were made subsequent to the measurement date, but prior to the end of the District's reporting period. These contributions, which are reported as deferred outflows of resources related to pensions, will be included as a reduction of the net pension liability in next fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense/(income) as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	\$ (233,605)
2nd Fiscal Year	(214,381)
3rd Fiscal Year	(480,110)
4th Fiscal Year	239,542
5th Fiscal Year	(13,854)
Thereafter	-
Total	<u>\$ (702,408)</u>

Net Pension Liability

Net pension liabilities are calculated at the system-wide level and are allocated to employers based on their proportionate share. UAL Side Accounts are included as assets in this calculation. The rate setting actuarial valuation will continue to allocate the UAL Side Account, transitional or pre-SLGRP liabilities or surpluses as adjustments to the respective employers.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA:

Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA)

Plan Description

The District contributes to the Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the Oregon Public Employees Retirement Board (OPERB). The plan, which was established under Oregon Revised Statutes 238.420, provides a payment of up to \$60 per month towards the costs of health insurance for eligible OPERS retirees. RHIA post-employment benefits are set by state statute. The plan was closed to new entrants hired on or after August 29, 2003.

To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Employer contributions are advance-funded on an actuarially determined basis. There is no inflation assumption for RHIA postemployment benefits because the payment amount is set by statute and is not adjusted for increases in healthcare costs.

A comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377, or by accessing the OPERS web site at <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

Funding Policy

Participating employers are contractually required to contribute at a rate assessed bi-annually by the OPERB. For the fiscal year ended June 30, 2022, PERS employers contributed 0.05% of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits. No unfunded actuarial liability (UAL) rate was assigned for the RHIA program as it was funded over 100% as of December 31, 2019. Typically, PERS employers contribute an actuarially determined percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years. These rates were based on the December 31, 2019, actuarial valuation.

Contributions

The District's contributions to OPERS' RHIA for the years ended June 30, 2023, 2022, and 2021 were \$733, \$1,132, and \$1,241 respectively, which equaled the required contributions for the year.

Actuarial Methods and Assumptions Used in Developing Total (OPEB) RHIA Liability

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost Sharing Multiple Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2021. That independently audited report was dated February 25, 2022 and can be found at:

<https://sos.oregon.gov/audits/Documents/2022-09.pdf>

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):

Actuarial Methods and Assumptions - OPEB Plans - RHIA	
	RHIA
Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Experience Study	2020, published July 20, 2021
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Retiree healthcare participation	Healthy retirees: 27.5% Disabled retirees: 15%
Healthcare cost trend rate	Not applicable
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2020 Experience Study which is reviewed for the four-year period ending December 31, 2022.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Table 31 on page 74 shows Milliman's assumptions for each of the asset classes in which the plans were invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown on page 74. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major class, calculated using both arithmetic and geometric means, see Pension Plan note disclosure above or the PERS' audited financial statements at:

<https://sos.oregon.gov/audits/Documents/2022-09.pdf>

Sensitivity Analysis

The following presents the employer's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 6.90 percent, as well as what the employer's proportionate share of the OPEB liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease 5.90%	Discount Rate 6.90%	1% Increase 7.90%
Employer's proportionate share of the net OPEB liability	\$ (147,060)	\$ (163,168)	\$ (176,976)

OPEB Liabilities/(Assets), OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB

At June 30, 2023, the District reported a net OPEB RHIA liability/(asset) of \$(163,168) for its proportionate share of the net OPEB RHIA liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2022, and the total OPEB RHIA liability/(asset) used to calculate the net OPEB RHIA liability/(asset) was determined by an actuarial valuation as of December 31, 2020. Consistent with GASB Statement No. 75, paragraph 59(a), The District's proportion of the net OPEB RHIA liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2022, the District's proportion was 0.04591940 percent. OPEB RHIA expense/(income) recorded for the year ended June 30, 2023 was \$(17,760).

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):

At June 30, 2022, the employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 4,422
Changes of assumptions	1,278	5,439
Net difference between projected and actual earnings on investments	-	12,444
Changes in proportionate share	<u>15,605</u>	<u>-</u>
Total Deferred Outflows/Inflows	\$ 16,883	\$ 22,305
Post-measurement date contributions	733	N/A
Total Deferred Outflow/(Inflow) of Resources	<u>\$ 17,616</u>	<u>\$ 22,305</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>(5,422)</u>

Contributions of \$733 for RHIA OPEB were made subsequent to the measurement date, but prior to the end of the District's reporting period. These contributions, which are reported as deferred outflows of resources related to OPEB, will be included as a reduction of the net OPEB liability in the next fiscal year.

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

<u>Employer subsequent fiscal years</u>	<u>Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)</u>
1st Fiscal Year	\$ 5,788
2nd Fiscal Year	(7,342)
3rd Fiscal Year	(7,853)
4th Fiscal Year	3,985
Thereafter	<u>-</u>
Total	<u>\$ (5,422)</u>

Changes Subsequent to the Measurement Date

We are not aware of any changes subsequent to the June 30, 2022 Measurement Date that meet this requirement and thus require a brief description under the GASB standard.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEBB:

OEBB Health Insurance Subsidy

Plan Description

The District operates a single employer retiree benefit plan through the Oregon Educators Benefit Board that provides post-employment health, dental vision and life insurance benefits to eligible employees and their spouses. The District is required by Oregon Revised Statutes 243.303 to provide retirees and their dependents with group health insurance from the date of retirement to age 65 at the same rate provided to current employees. Premiums for retirees are tiered and based upon the premium rates available to active employees. The retiree is responsible for any portion of the premiums not paid by the Employer. In some cases, the premium itself for retirees, does not represent the full cost of medical coverage (as retirees can be expected to generate higher medical claims and therefore higher premiums than the active population). Providing the same rate to retirees as provided to current employees, raises the medical premium rates for the entire employee group. This additional cost is called the “implicit subsidy” and is required to be valued under GASB 75. This “plan” is not a stand-alone plan, and therefore, does not issue its own financial statements.

Funding Policy

When the District has retirees participating in their health insurance plan, it will, when applicable, collect insurance premiums from all retirees each month and deposit them. The District will then pay healthcare insurance premiums for all retirees at the applicable rate for each family classification.

At June 30, 2023, the District reported an estimated net OPEB OEBB liability/(asset) of \$323,020 for its proportionate share of the net OPEB liability/(asset). The OPEB OEBB liability/(asset) was measured as of June 30, 2023, and the total OPEB OEBB liability/(asset) used to calculate the net OPEB OEBB liability/(asset) was determined by an actuarial valuation as of July 1, 2022. Consistent with GASB Statement No. 75, paragraph 59(a), The District’s proportion of the net OPEB OEBB liability/(asset) is determined by comparing the employer’s actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. Based on the measurement date of June 30, 2022, the District’s estimated OPEB OEBB expense/(income) for the year ended June 30, 2023 was \$48,943.

Actuarial Methods and Assumptions

The District engaged an actuary to perform an evaluation as of July 1, 2021 using entry age normal Actuarial Cost Method. The assumptions are generally based upon those used for valuing pension benefits under Oregon PERS, and were developed in consultation with Milliman. The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date:

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEBB (Cont.):

Discount Rate	2.21%	2.16%	3.54%
Other Key Actuarial Assumptions and Methods			
Valuation date	July 1, 2021	July 1, 2021	July 1, 2021
Measurement date	June 30, 2020	June 30, 2021	June 30, 2022
Inflation	2.40%	2.40%	2.40%
Salary increases	3.40%	3.40%	3.40%
Withdrawal, retirement, and mortality rates	12/31/2020 Oregon PERS valuation	12/31/2020 Oregon PERS valuation	12/31/2020 Oregon PERS valuation
Election and Lapse Rates	40% of eligible employees, 60% of male members and 35% of females members will elect spouse coverage, 5% annual lapse rate	40% of eligible employees, 60% of male members and 35% of females members will elect spouse coverage, 5% annual lapse	40% of eligible employees, 60% of male members and 35% of females members will elect spouse coverage, 5% annual lapse
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal

In order to apply the entry age normal actuarial cost method, Projected Benefit Payments are determined for each active employee and retiree. These Projected Benefit Payments are the net benefits estimated to be payable in all future years. The net benefits for a particular year are the difference between the total cost of benefits and the portion of the benefits paid by the retirees in that year. The Present Value of Benefits is then allocated over the service of each active employee from their date of hire to their expected retirement age, as a level percent of the employee's pay, as required under GASB 75. This level percent multiplied by expected pay is referred to as the Service Cost and is the portion of the Present Value of Benefits attributable to an employee's service in a given year. The Service Cost equals \$0 for retirees. For purposes of projecting benefits prior to the valuation date as required by the actuarial cost method, we assumed a health cost trend equal to the ultimate health cost trend rate. The Total OPEB Liability is the portion of the Present Value of Benefits that is attributable to employee service prior to the valuation date. For retirees, the Total OPEB Liability equals the Present Value of Benefits.

Discount Rate

The Discount Rate is a single rate of return that is applied to the Projected Benefit Payments in order to calculate the Present Value of Benefits. Under GASB 75, for plans without assets, the discount rate is equal to a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on the Pub-2010 Health Retiree, sex distinct for members and dependents. For members only, a one-year setback is applied. Future mortality improvement is not projected as it would be immaterial to the valuation.

Demographic assumptions regarding retirement, mortality, and turnover are based on most recent Oregon PERS valuation assumptions. Election rate and lapse assumptions are based on experience implied by valuation data for this and other Oregon public employers.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEGB (Cont.):

Starting per capita costs are based on premium rates. The same rates are charged for actives and pre-Medicare retirees. When an employer provides benefits to both active employees and retirees through the same plan, the benefits to retirees should be segregated and measured independently for actuarial measurement purposes. The projection of future retiree benefits should be based on claims costs, or age-adjusted premiums approximating claims costs, for retirees, in accordance with actuarial standards issued by the Actuarial Standards Board. As such, premiums were estimated for pre-Medicare retirees based on average ages and assumptions on the relationship between costs and increasing age (Morbidity).

Sensitivity Analysis

The following presents the total OPEB liability of the Plan, calculated using the disclosure discount rate as well as what the Plan's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

The discount rate in used for the June 20, 2023 reporting date is 3.54%.

	1% Decrease 2.54%	Discount Rate 3.54%	1% Increase 4.54%
Total OPEB liability from Implicit Rate Subsidy	\$ 345,859	\$ 323,020	\$ 301,691

	1% Decrease	Trend Rate	1% Increase
Total OPEB liability from Implicit Rate Subsidy	\$ 289,713	\$ 323,020	\$ 362,636

Participation

As of the valuation date of July 1, 2021, the following employees were covered under the plan:

As of Valuation Date	July 1, 2021
Active Employees	99
Retired Members	2
Spouses of Ineligible Retirees	0
Total Participants	101
Spouses of Eligible Retirees	1

Components of (OPEB) OEGB Expense

OPEB Expense	July 1, 2022 to June 30, 2023
Service cost	\$ 48,290
Interest on total OPEB liability	7,801
Recognition of assumption changes	(7,148)
OPEB Expense	\$ 48,943

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEBB (Cont.):

Changes in Net (OPEB) OEBB Liability

Changes in Total OPEB Liability June 30, 2022 to June 30, 2023	Increase (Decrease) Total OPEB Liability
Balance per actuarial as of Prior Year	\$ 325,912
Changes for the year:	
Service Cost	48,290
Interest	7,801
Changes in assumptions or other inputs	(32,783)
Benefit payments	(26,201)
Net OPEB Liability per actuarial at June 30, 2023	<u>\$ 323,020</u>

Schedule of Deferred Inflows and Outflows of Resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions or inputs	832	35,846
Total Deferred Outflows/Inflows (prior to post-measurement date contributions)	<u>\$ 832</u>	<u>\$ 35,846</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>(35,014)</u>

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

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	\$ (7,148)
2nd Fiscal Year	(6,923)
3rd Fiscal Year	(4,773)
4th Fiscal Year	(3,911)
5th Fiscal Year	(3,911)
Thereafter	(8,348)
Total	<u>\$ (35,014)</u>

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

CONTINGENT LIABILITIES:

Amounts received or receivable from grantor agencies are subject to review and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amount, if any, to be immaterial. The District is not currently named as a defendant in any pending or threatened litigation.

RISK:

To reduce the risk of loss from liability, fire, theft, accident, medical costs, and error and omissions, the District maintains various commercial insurance policies.

The District came under the State Unemployment Act as of July 1, 1974. The District has elected to pay State Unemployment insurance to the State to pay for any claims paid to former employees. Any reimbursements are paid by the fund incurring the liability to the Employment Division of the State of Oregon. The estimated liability for unpaid claims is calculated as the present value of expected but unpaid claims based on historical experience and going concern assessments. The District's estimated liability for unpaid unemployment claims is immaterial. Therefore, no liability amount appears on the District's statement of net position or balance sheet.

Certain employees have health care coverage provided by a third-party insurance company. Premiums to the insurance company are paid by employer contributions for eligible employees.

There have been no significant reductions in coverage from the prior years and settlements have not exceeded insurance coverage in the past three years.

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

Interfund transfers for the year ended June 30, 2023, were as follows:

<u>Fund</u>	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund #100	\$ 435,000	\$ -
Special Revenue Fund #200	-	140,000
Capital Projects Fund #400	-	295,000
Total	<u>\$ 435,000</u>	<u>\$ 435,000</u>

The transfers out of the General Fund to the other funds represent the District's election to provide general fund support to the programs and activities of those funds.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

FUND BALANCE COMPARISON:

The following is a comparison of the budget (cash) basis June 30, 2023, fund balance to the amount budgeted as an estimate to be on hand July 1, 2023.

Fund	Actual	Budgeted
General Fund #100	\$ 2,474,357	\$ -
Special Revenue Fund #200	1,180,401	-
Debt Service Fund #300	904,568	470,582
Capital Projects Fund #400	32,277,675	-

REQUIRED
SUPPLEMENTARY
INFORMATION

AMITY SCHOOL DISTRICT NO. 4J**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
General Fund #100****For the Fiscal Year Ended June 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Taxes	\$ 2,060,000	\$ 2,060,000	\$ 2,153,098	\$ 93,098
Earnings on Investments	35,000	35,000	94,500	59,500
Fees and Charges	50,000	50,000	45,821	(4,179)
Miscellaneous Revenue	42,000	42,000	44,178	2,178
Intermediate Government Aid	173,732	173,732	174,864	1,132
State Aid	7,702,243	7,702,243	8,163,937	461,694
Federal Aid	5	5	-	(5)
Total Revenues	<u>10,062,980</u>	<u>10,062,980</u>	<u>10,676,398</u>	<u>613,418</u>
<u>EXPENDITURES:</u>				
Instruction	6,711,683	6,711,683	5,851,895	(859,788)
Support Services	4,706,229	4,706,229	3,909,314	(796,915)
Debt Service	45,068	45,068	43,334	(1,734)
Contingency	600,000	600,000	-	(600,000)
Total Expenditures	<u>12,062,980</u>	<u>12,062,980</u>	<u>9,804,543</u>	<u>(2,258,437)</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,000,000)	(2,000,000)	871,855	2,871,855
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers Out	(450,000)	(450,000)	(435,000)	15,000
Proceeds from Sale of Assets	-	-	400	400
Total Other Financing Sources (Uses)	<u>(450,000)</u>	<u>(450,000)</u>	<u>(434,600)</u>	<u>15,400</u>
Net Change in Fund Balance	(2,450,000)	(2,450,000)	437,255	2,887,255
Beginning Fund Balance	2,450,000	2,450,000	2,037,502	(412,498)
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,474,757</u>	<u>\$ 2,474,757</u>

AMITY SCHOOL DISTRICT NO. 4J**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual****Special Revenue Fund #200****For the Fiscal Year Ended June 30, 2023**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Earnings on Investments	\$ 4,200	\$ 4,200	\$ 7,713	\$ 3,513
Fees and Charges	460,903	460,903	356,397	(104,506)
Miscellaneous Revenue	55,500	55,500	41,420	(14,080)
State Aid	8,431,915	8,431,915	1,092,656	(7,339,259)
Federal Aid	1,859,500	1,859,500	833,586	(1,025,914)
Total Revenues	10,812,018	10,812,018	2,331,772	(8,480,246)
<u>EXPENDITURES:</u>				
Instruction	3,026,453	3,026,453	1,681,835	(1,344,618)
Support Services	1,403,105	1,403,105	438,974	(964,131)
Enterprise and Community Services	753,715	753,715	323,547	(430,168)
Facilities Acquisition and Construction	6,900,000	6,900,000	153,678	(6,746,322)
Contingency	32,857	32,857	-	(32,857)
Total Expenditures	12,116,130	12,116,130	2,598,034	(9,518,096)
Excess (Deficiency) of Revenues Over Expenditures	(1,304,112)	(1,304,112)	(266,262)	1,037,850
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers In	155,000	155,000	140,000	(15,000)
Apportionment of Funds	(138,500)	(138,500)	-	138,500
Total Other Financing Sources (Uses)	16,500	16,500	140,000	123,500
Net Change in Fund Balance	(1,287,612)	(1,287,612)	(126,262)	1,161,350
Beginning Fund Balance	1,287,612	1,287,612	1,306,663	19,051
Ending Fund Balance	\$ -	\$ -	\$ 1,180,401	\$ 1,180,401

AMITY SCHOOL DISTRICT NO. 4J**SCHEDULE OF PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY****PERS****Last 10 Fiscal Years***

Fiscal Year Ended June 30, ¹	Measurement Date	(a) Employer's proportion of the net pension liability (asset)	(b) Employer's proportionate share of the net pension liability (asset)	(c) Employer's covered payroll as of Measurement Date	(b/c) Employer's proportionate share of the net pension liability (asset) as a percentage of its	Plan fiduciary net position as a percentage of the total pension liability
2023	June 30, 2022	0.02659027%	\$ 4,071,504	\$ 4,731,714	86.05%	84.5%
2022	June 30, 2021	0.02211744%	2,646,679	3,727,903	55.93%	87.6%
2021	June 30, 2020	0.02617916%	5,713,193	4,483,494	86.30%	75.8%
2020	June 30, 2019	0.02236876%	3,869,260	4,738,267	86.30%	80.2%
2019	June 30, 2018	0.02633210%	3,988,966	4,511,039	84.19%	82.1%
2018	June 30, 2017	0.02351608%	3,169,976	3,869,212	70.27%	83.1%
2017	June 30, 2016	0.02043542%	3,067,831	3,931,540	79.29%	80.5%
2016	June 30, 2015	0.03187822%	1,830,276	3,864,906	27.15%	91.9%

¹Measurement date is one year in arrears.

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

AMITY SCHOOL DISTRICT NO. 4J
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PERS
Last 10 Fiscal Years*

<u>Year Ended June 30,</u>	<u>(a) Contractually required contribution</u>	<u>(b) Contributions in relation to the contractually required</u>	<u>(a-b) Contribution deficiency (excess)</u>	<u>(c) Employer's covered payroll</u>	<u>(b/c) Contributions as a percent of covered payroll</u>
2023	\$ 1,216,433	\$ 1,216,433	\$ -	\$ 5,251,886	23.16%
2022	1,583,809	1,583,809	-	4,731,714	33.47%
2021	1,259,695	1,259,695	-	4,731,714	26.62%
2020	837,461	837,461	-	4,483,494	18.68%
2019	354,302	354,302	-	4,738,267	7.48%
2018	366,087	366,087	-	4,511,039	8.12%
2017	315,525	315,525	-	3,869,212	8.15%
2016	344,286	344,286	-	3,931,540	8.76%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

AMITY SCHOOL DISTRICT NO. 4J
SCHEDULE OF PROPORTIONATE SHARE OF THE
NET OPEB LIABILITY
OPEB RHIA
Last 10 Fiscal Years*

Fiscal Year Ended June 30, ¹	Measurement Date	(a) Employer's proportion of the net pension liability (asset)	(b) Employer's proportionate share of the net pension liability (asset)	(c) Employer's covered payroll as of Measurement Date	(b/c) Employer's proportionate share of the net pension liability (asset) as a percentage of its	Plan fiduciary net position as a percentage of the total pension liability
2023	June 30, 2022	0.04591940%	\$ (163,168)	\$ 4,731,714	-3.45%	194.6%
2022	June 30, 2021	0.04637917%	(159,266)	3,727,903	-4.27%	183.9%
2021	June 30, 2020	0.07589979%	(154,654)	4,483,494	-3.45%	150.1%
2020	June 30, 2019	0.04512578%	(87,199)	4,738,267	-1.84%	144.4%
2019	June 30, 2018	0.03638783%	(40,619)	4,511,039	-0.90%	124.0%
2018	June 30, 2017	0.03853805%	(16,084)	3,869,212	-0.42%	108.9%
2017	June 30, 2016	0.04137321%	11,235	3,931,540	0.29%	94.2%

¹Measurement date is one year in arrears.

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

AMITY SCHOOL DISTRICT NO. 4J
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OPEB RHIA
Last 10 Fiscal Years*

Year Ended June 30,	(a) Contractually required contribution	(b) Contributions in relation to the contractually required	(a-b) Contribution deficiency (excess)	(c) Employer's covered payroll	(b/c) Contributions as a percent of covered payroll
2023	\$ 733	\$ 733	\$ -	\$ 5,251,886	0.01%
2022	1,132	1,132	-	4,731,714	0.02%
2021	1,241	1,241	-	3,727,903	0.03%
2020	5,420	5,420	-	4,483,494	0.12%
2019	22,365	22,365	-	4,738,267	0.47%
2018	17,619	17,619	-	4,511,039	0.39%
2017	19,539	19,539	-	3,869,212	0.50%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

AMITY SCHOOL DISTRICT NO. 4J

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

OREGON EDUCATORS BENEFIT BOARD

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 48,290	\$ 46,966	\$ 50,622	\$ 51,956	\$ 51,956	\$ 50,622
Interest on total OPEB liability	7,801	7,308	14,284	10,819	10,819	10,819
Effect of assumption changes or inputs	(32,782)	(115,796)	3,917	(17,991)	(17,991)	(15,714)
Benefit payments	(26,201)	(26,201)	(36,926)	(23,600)	(23,600)	(24,603)
Net change in total OPEB liability *	(2,892)	(87,723)	31,897	21,184	21,184	9,885
Total OPEB liability, beginning	325,912	413,635	381,738	360,554	339,370	329,485
Total OPEB liability, ending (a) *	323,020	325,912	413,635	381,738	360,554	339,370
Covered payroll	\$ 4,731,714	\$ 3,727,903	4,483,494	\$ 4,738,267	\$ 4,511,039	\$ 3,869,212
Total OPEB liability as a % of covered payroll **	6.8%	8.7%	9.2%	8.1%	8.0%	8.8%
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

* Totals may not agree due to rounding.

SUPPLEMENTARY
INFORMATION

AMITY SCHOOL DISTRICT NO. 4J

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

Debt Service Fund #300

For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Taxes	\$ 1,402,852	\$ 1,402,852	\$ 1,446,918	\$ 44,066
Earnings on Investments	9,500	9,500	32,864	23,364
Miscellaneous Revenue	920,000	920,000	1,184,521	264,521
Total Revenues	2,332,352	2,332,352	2,664,303	331,951
<u>EXPENDITURES:</u>				
Debt Service	2,268,217	2,268,217	2,228,321	(39,896)
Total Expenditures	2,268,217	2,268,217	2,228,321	(39,896)
Net Change in Fund Balance	64,135	64,135	435,982	371,847
Beginning Fund Balance	406,447	406,447	468,586	62,139
Ending Fund Balance	\$ 470,582	\$ 470,582	\$ 904,568	\$ 433,986

AMITY SCHOOL DISTRICT NO. 4J**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual****Capital Projects Fund #400****For the Fiscal Year Ended June 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> (Budgetary Basis) (See Note 1)	<u>Variance with</u> <u>Final Budget</u> <u>Over</u> <u>(Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Earnings on Investments	\$ 598,000	\$ 598,000	\$ 282,008	\$ (315,992)
Miscellaneous Revenue	25,000	25,000	21,754	(3,246)
Total Revenues	623,000	623,000	303,762	(319,238)
<u>EXPENDITURES:</u>				
Support Services	456,076	456,076	40,939	(415,137)
Facilities Acquisition and Construction	30,586,383	30,586,383	2,061,382	(28,525,001)
Total Expenditures	31,042,459	31,042,459	2,102,321	(28,940,138)
Excess (Deficiency) of Revenues Over Expenditures	(30,419,459)	(30,419,459)	(1,798,559)	28,620,900
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers In	295,000	295,000	295,000	-
Long Term Debt Financing Sources	29,400,000	29,400,000	33,059,362	3,659,362
Total Other Financing Sources (Uses)	29,695,000	29,695,000	33,354,362	3,659,362
Net Change in Fund Balance	(724,459)	(724,459)	31,555,803	32,280,262
Beginning Fund Balance	724,459	724,459	721,872	(2,587)
Ending Fund Balance	\$ -	\$ -	\$ 32,277,675	\$ 32,277,675

OTHER
INFORMATION

Additional
Supporting Schedules

AMITY SCHOOL DISTRICT NO. 4J
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2023

GO Bonds, Series 2022

On August 23rd 2022, the District issued General Obligation Bond, Series 2022. The bonds are held by US Bank. The original balance of the 2022 bonds was \$29,400,000 and has a variable interest rate on the bonds varying from 4.00% to 5.00%

Current Year Activity:

	Outstanding Balance July 1, 2022	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2023	Due Within One Year
Principal	\$ -	\$ 29,400,000	\$ 300,000	\$ 29,100,000	\$ 100,000
Interest	-	1,126,106	1,126,106	-	1,373,350
Total	<u>\$ -</u>	<u>\$ 30,526,106</u>	<u>\$ 1,426,106</u>	<u>\$ 29,100,000</u>	<u>\$ 1,473,350</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2024	\$ 100,000	\$ 1,373,350	\$ 1,473,350	5.00%
	2025	195,000	1,368,350	1,563,350	5.00%
	2026	260,000	1,358,600	1,618,600	5.00%
	2027	325,000	1,345,600	1,670,600	5.00%
	2028	390,000	1,329,350	1,719,350	5.00%
	2029	460,000	1,309,850	1,769,850	5.00%
	2030	535,000	1,286,850	1,821,850	5.00%
	2031	620,000	1,260,100	1,880,100	5.00%
	2032	705,000	1,229,100	1,934,100	5.00%
	2033	800,000	1,193,850	1,993,850	5.00%
	2034	900,000	1,153,850	2,053,850	5.00%
	2035	1,005,000	1,108,850	2,113,850	5.00%
	2036	1,120,000	1,058,600	2,178,600	5.00%
	2037	1,240,000	1,002,600	2,242,600	5.00%
	2038	1,370,000	940,600	2,310,600	5.00%
	2039	1,495,000	885,800	2,380,800	4.00%
	2040	1,625,000	826,000	2,451,000	4.00%
	2041	1,765,000	761,000	2,526,000	4.00%
	2042	1,910,000	690,400	2,600,400	4.00%
	2043	2,065,000	614,000	2,679,000	4.00%
	2044	2,250,000	510,750	2,760,750	4.00%
	2045	2,445,000	398,250	2,843,250	4.00%
	2046	2,650,000	276,000	2,926,000	4.00%
	2047	2,870,000	143,500	3,013,500	4.00%
Total		<u>\$ 29,100,000</u>	<u>\$ 23,425,200</u>	<u>\$ 52,525,200</u>	

AMITY SCHOOL DISTRICT NO. 4J
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2023

OSBA Limited Tax Pension Bond, Series 2003

April 21, 2003, the District issued Oregon School Boards Association Limited Tax Pension Obligation Bonds, Series 2003. The bonds are held by Wells Fargo Corporate Trust Services. The original balance was \$6,618,174 and has a variable interest rate on the bonds varying from 1.5% to 6.27%. Interest payments are due the 30th of June and December of each year with a principal payment due with the June payment.

Current Year Activity:

	Outstanding Balance <u>July 1, 2022</u>	New Issues and Interest <u>Matured</u>	Principal and Interest <u>Retired</u>	Outstanding Balance <u>June 30, 2023</u>	Due Within <u>One Year</u>
Principal	\$ 3,653,925	\$ -	\$ 173,925	\$ 3,480,000	\$ 645,000
Interest	-	628,290	628,290	-	197,216
Total	<u>\$ 3,653,925</u>	<u>\$ 628,290</u>	<u>\$ 802,215</u>	<u>\$ 3,480,000</u>	<u>\$ 842,216</u>

Future Requirements:

	Fiscal Year Ended June <u>30,</u>	Principal	Interest	Total	Interest Rate
	2024	\$ 645,000	\$ 197,216	\$ 842,216	5.62%
	2025	720,000	161,028	881,028	5.62%
	2026	800,000	120,132	920,132	5.62%
	2027	890,000	74,692	964,692	5.62%
	2028	425,000	24,140	449,140	5.62%
Total		<u>\$ 3,480,000</u>	<u>\$ 577,208</u>	<u>\$ 4,057,208</u>	

AMITY SCHOOL DISTRICT NO. 4J
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2023

QZAB held by Columbia Bank

Qualified Zone Academy Bond (QZAB), original balance of \$650,000, dated April 6, 2016, for the purchase of equipment and improvements to real property. The bonds are held by Columbia Bank. Deposit amounts of \$43,334 per year are required, with the first deposit due April 6, 2017. Bond interest is computed at 0.00%.

Current Year Activity:

	Outstanding Balance July 1, 2022	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2023	Due Within One Year
Principal	\$ 389,996	\$ -	\$ 43,334	\$ 346,662	\$ 43,334
Interest	-	-	-	-	-
Total	<u>\$ 389,996</u>	<u>\$ -</u>	<u>\$ 43,334</u>	<u>\$ 346,662</u>	<u>\$ 43,334</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2024	\$ 43,334	\$ -	\$ 43,334	0.00%
	2025	43,334	-	43,334	0.00%
	2026	43,334	-	43,334	0.00%
	2027	43,334	-	43,334	0.00%
	2028	43,334	-	43,334	0.00%
	2029	43,334	-	43,334	0.00%
	2030	43,334	-	43,334	0.00%
	2031	43,324	-	43,324	0.00%
Total		<u>\$ 346,662</u>	<u>\$ -</u>	<u>\$ 346,662</u>	

AMITY SCHOOL DISTRICT NO. 4J

Oregon Department of Education Form 581-3211-C

For the Fiscal Year Ended June 30, 2023

SUPPLEMENTAL INFORMATION 2022-2023

Part A is needed for computing Oregon's full allocation for ESEA, Title 1 & other Federal Funds for Education

B. Energy Bills for Heating - All Funds:

Please enter your expenditures for electricity
& heating fuel, and water & sewage
for these Functions & Objects.

	Objects 325 & 326 & *327
Function 2540	\$ 257,201
Function 2550	\$ -

C. Replacement of Equipment - General Fund:

Include all General Fund expenditures in Object 542, except for the following exclusions:

Exclude these functions:

1113,1122 & 1132

Extra-curricular Activities

1140

Pre-Kindergarten

1300

Continuing Education

1400

Summer School

Exclude these functions:

4150

Construction

2550

Pupil Transportation

3100

Food Service

3300

Community Services

\$ -

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

AMITY SCHOOL DISTRICT NO. 4J**Audit Revenue Summary - All Funds****For the Fiscal Year Ended June 30, 2023****Revenue from Local Sources**

1110	Ad Valorem Taxes Levied by District
1190	Penalties and Interest on Taxes
1500	Earnings on Investments
1600	Food Service
1700	Extracurricular Activities
1800	Community Service Activities
1910	Rentals
1920	Contributions and Donations From Private Sources
1960	Recovery of Prior Years' Expenditure
1970	Services Provided Other Funds
1990	Miscellaneous

Fund 100	Fund 200	Fund 300	Fund 400
\$ 2,146,487	\$ -	\$1,442,720	\$ -
6,610	-	4,198	-
94,500	7,713	32,864	282,008
-	54,527	-	-
45,821	301,870	-	-
-	9,726	-	-
1,225	-	-	-
18,204	1,450	-	-
2,851	706	-	-
-	-	1,184,213	-
21,898	29,538	308	21,754

Total Revenue from Local Sources

\$ 2,337,598	\$ 405,530	\$2,664,303	\$ 303,762
--------------	------------	-------------	------------

Revenue from Intermediate Sources

2101	County School Funds
2102	General ESD Revenue
2199	Other Intermediate Sources

Fund 100	Fund 200	Fund 300	Fund 400
\$ 2,772	\$ -	\$ -	\$ -
168,131	-	-	-
3,961	-	-	-

Total Revenue from Intermediate Sources

\$ 174,864	\$ -	\$ -	\$ -
------------	------	------	------

Revenue from State Sources

3101	State School Fund - General Support
3102	State School Fund - School Lunch Match
3103	Common School Fund
3199	Other Unrestricted Grants-In-Aid
3222	State School Fund (SSF) Transportation Equipment
3299	Other Restricted Grants-In-Aid

Fund 100	Fund 200	Fund 300	Fund 400
\$ 7,953,027	\$ -	\$ -	\$ -
-	3,139	-	-
107,751	-	-	-
97,799	-	-	-
-	23,108	-	-
5,360	1,066,409	-	-

Total Revenue from State Sources

\$ 8,163,937	\$1,092,656	\$ -	\$ -
--------------	-------------	------	------

Revenue from Federal Sources

4500	Restricted Revenue From the Federal Government Through the State
4700	Grants-In-Aid From the Federal Government Through Other Intermediate Agencies
4900	Revenue for/on Behalf of the District

Fund 100	Fund 200	Fund 300	Fund 400
\$ -	\$ 802,593	\$ -	\$ -
-	9,373	-	-
-	21,620	-	-

Total Revenue from Federal Sources

\$ 0	\$ 833,586	\$ -	\$ -
------	------------	------	------

Revenue from Other Sources

5200	Interfund Transfers
5300	Sale of or Compensation for Loss of Fixed Assets
5400	Resources - Beginning Fund Balance

Fund 100	Fund 200	Fund 300	Fund 400
\$ -	\$ 140,000	\$ -	\$ 295,000
400	-	-	-
2,037,502	1,306,663	468,586	721,872

Total Revenue from Other Sources

\$ 2,037,902	\$1,446,663	\$ 468,586	\$34,076,233
--------------	-------------	------------	--------------

Grand Total

\$12,714,301	\$3,778,436	\$3,132,890	\$34,379,995
---------------------	--------------------	--------------------	---------------------

AMITY SCHOOL DISTRICT NO. 4J
Audit Expenditure Summary-General Fund #100
For the Fiscal Year Ended June 30, 2023

FUND: General Fund #100

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	\$ 1,723,852	\$ 1,127,762	\$ 549,908	\$ 8,334	\$ 37,848	\$ -	\$ -	\$ -
1113 Elementary Extracurricular	6,023	4,067	1,346	75	535	-	-	-
1121 Middle/Junior High Programs	1,055,891	669,651	360,955	5,435	19,849	-	-	-
1122 Middle/Junior High School Extracurricular	46,567	31,166	9,533	2,843	3,025	-	-	-
1131 High School Programs	1,597,949	1,014,371	537,383	14,569	31,480	-	145	-
1132 High School Extracurricular	340,578	150,821	59,192	54,263	63,167	9,090	4,045	-
1220 Restrictive Programs for Students with Disabilities	198,238	-	-	198,238	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	809,298	513,539	289,421	1,614	4,723	-	-	-
1280 Alternative Education	2,876	-	-	2,876	-	-	-	-
1291 English Second Language Programs	69,922	47,860	21,998	-	65	-	-	-
Total Instruction Expenditures	\$ 5,851,895	\$ 3,559,714	\$ 1,829,893	\$ 288,246	\$ 160,762	\$ 9,090	\$ 4,190	\$ -

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$ 114,316	\$ 59,637	\$ 45,277	\$ 4,361	\$ 5,041	\$ -	\$ -	\$ -
2120 Guidance Services	296,836	209,958	86,327	-	551	-	-	-
2130 Health Services	8,550	4,667	2,287	1,596	-	-	-	-
2190 Service Direction, Student Support Services	153,807	104,675	49,132	-	-	-	-	-
2220 Educational Media Services	83,035	55,374	21,548	150	5,932	-	31	-
2230 Assessment & Testing	21,647	12,828	6,711	-	2,108	-	-	-
2240 Instructional Staff Development	10,812	-	10,812	-	-	-	-	-
2310 Board of Education Services	56,772	-	-	39,921	1,494	-	15,356	-
2320 Executive Administration Services	248,431	158,537	75,722	3,887	8,968	-	1,317	-
2410 Office of the Principal Services	753,195	482,280	259,581	5,170	6,164	-	-	-
2520 Fiscal Services	264,480	134,481	67,589	21,656	35,965	-	4,790	-
2540 Operation and Maintenance of Plant Services	1,012,180	283,011	184,016	396,077	82,562	-	66,513	-
2550 Student Transportation Services	579,109	31,666	17,150	476,273	47,083	-	6,937	-
2630 Information Services	25,812	14,744	10,868	200	-	-	-	-
2640 Staff Services	2,376	-	-	2,376	-	-	-	-
2660 Technology Services	277,957	103,043	50,152	55,965	68,797	-	-	-
Total Support Services Expenditures	\$ 3,909,314	\$ 1,654,898	\$ 887,174	\$ 1,007,632	\$ 264,666	\$ -	\$ 94,944	\$ -

Other Uses Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$ 43,334	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,334	\$ -
5200 Transfers of Funds	435,000	-	-	-	-	-	-	435,000
Total Other Uses Expenditures	\$ 478,334	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,334	\$ 435,000
Grand Total	\$10,239,543	\$5,214,612	\$2,717,066	\$1,295,878	\$ 425,428	\$ 9,090	\$ 142,468	\$ 435,000

AMITY SCHOOL DISTRICT NO. 4J
Audit Expenditure Summary-Special Revenue Fund #200
For the Fiscal Year Ended June 30, 2023

FUND: Special Revenue Fund #200

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
1111 Elementary, K-5 or K-6	\$ 455,390	\$ 254,494	\$ 108,463	\$ 3,815	\$ 88,619	\$ -	\$ -
1113 Elementary Extracurricular	43,038	-	-	-	43,038	-	-
1121 Middle/Junior High Programs	104,927	61,398	29,512	-	13,066	-	950
1122 Middle/Junior High School Extracurricular	40,483	-	-	-	40,483	-	-
1131 High School Programs	335,836	157,651	74,264	3,784	100,138	-	-
1132 High School Extracurricular	203,695	7,872	2,573	-	193,251	-	-
1250 Less Restrictive Programs for Students with Disabilities	160,910	98,757	47,636	129	14,388	-	-
1260 Treatment and Habilitation	80,229	60,406	19,673	-	150	-	-
1272 Title I	120,289	80,463	39,536	-	119	-	170
1280 Alternative Education	-	-	-	-	-	-	-
1291 English Second Language Programs	30,163	22,960	7,204	-	-	-	-
1400 Summer School Programs	106,875	40,538	13,559	45,000	7,779	-	-
Total Instruction Expenditures	\$ 1,681,835	\$ 784,538	\$ 342,418	\$ 52,728	\$ 501,030	\$ -	\$ 1,120

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
2110 Attendance and Social Work Services	\$ 3,985	\$ 3,000	\$ 985	\$ -	\$ -	\$ -	\$ -
2120 Guidance Services	12,544	9,435	3,109	-	-	-	-
2130 Health Services	\$ 9,018	\$ 3,333	\$ 1,841	\$ 3,844	\$ -	\$ -	\$ -
2210 Improvement of Instruction Services	11,221	6,881	2,411	1,930	-	-	-
2240 Instructional Staff Development	81,151	31,961	10,557	36,365	-	-	2,269
2490 Other Support Services - School Administration	53,988	32,000	16,513	5,475	-	-	-
2520 Fiscal Services	1,439	-	1,439	-	-	-	-
2540 Operation and Maintenance of Plant Services	15,129	-	-	-	-	15,129	-
2550 Student Transportation Services	142,418	1,300	499	8,560	-	132,059	-
2640 Staff Services	34,967	6,775	2,208	915	25,069	-	-
2660 Technology Services	72,962	-	-	2,835	70,127	-	-
Total Support Services Expenditures	\$ 438,974	\$ 94,685	\$ 39,563	\$ 60,073	\$ 95,196	\$ 147,188	\$ 2,269

Enterprise and Community Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
3100 Food Services	\$ 304,602	\$ 110,446	\$ 43,283	\$ 9,271	\$ 117,575	\$ 15,800	\$ 8,227
3300 Community Services	6,304	-	-	6,304	-	-	-
3500 Custody and Care of Children Services	12,640	9,523	3,117	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ 323,547	\$ 119,969	\$ 46,400	\$ 15,575	\$ 117,575	\$ 15,800	\$ 8,227

Facilities Acquisition and Construction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
4150 Building Acquisition, Construction, and Improvement Services	153,678	-	-	-	-	153,678	-
Total Facilities Acquisition and Construction Expenditures	\$ 153,678	\$ -	\$ -	\$ -	\$ -	\$ 153,678	\$ -
Grand Total	\$ 2,598,032	\$ 999,192	\$ 428,382	\$ 128,376	\$ 713,802	\$ 316,666	\$ 11,616

AMITY SCHOOL DISTRICT NO. 4J

Audit Expenditure Summary-Debt Service Fund #300

For the Fiscal Year Ended June 30, 2023

FUND: Debt Service Fund #300

Other Uses Expenditures

5100 Debt Service

Total Other Uses Expenditures

Grand Total

Totals	Object 600
\$ 2,228,321	\$ 2,228,321
\$ 2,228,321	\$ 2,228,321
\$ 2,228,321	\$ 2,228,321

AMITY SCHOOL DISTRICT NO. 4J

Audit Expenditure Summary-Capital Projects Fund #400

For the Fiscal Year Ended June 30, 2023

FUND: Capital Projects Fund #400

Support Services Expenditures

2540 Operation and Maintenance of Plant Services

Total Support Services Expenditures

Totals	Object 300	Object 500	Object 600
\$ 40,939	\$ 24,646	\$ 16,294	-
\$ 40,939	\$ 24,646	\$ 16,294	\$ -

Facilities Acquisition and Construction Expenditures

4150 Building Acquisition, Construction, and Improvement
Services

**Total Facilities Acquisition and Construction
Expenditures**

Grand Total

Totals	Object 300	Object 500	Object 600
\$ 2,061,382	\$ 2,058,722	\$ -	2,660
\$ 2,061,382	\$ 2,058,722	\$ -	\$ 2,660
\$ 2,102,321	\$ 2,083,368	\$ 16,294	\$ 2,660

AMITY SCHOOL DISTRICT NO. 4J
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED June 30, 2023

	Assistance Listing (AL) #									
Federal Grantor/Pass Through Grantor/ Program Title	Federal Awarding Agency Prefix	AL Three- Digit Extension	Grant Fund	Federal Assistance Listing Number	Grant Period	Original Program or Grant Amount	(Recivable)/ Deferred Revenue June 30, 2022	Cash Received	Expenditures	(Recivable)/ Deferred Revenue June 30, 2023
U.S. DEPARTMENT OF EDUCATION										
Passed Through Oregon Department of Education:										
Title IA - Grants to Local Education Agencies 66913	84	010	Fund #201.977	84.010	2021-22	\$ 121,749	(505)	505	\$ -	
Title IA - Grants to Local Education Agencies 66913	84	010	Fund #201.000	84.010	2021-22	\$ 121,749	\$ -	\$ 6,895	\$ 6,895	-
Title IA - Grants to Local Education Agencies 72453	84	010	Fund #201.001	84.010	2022-23	122,434		117,933	117,933	-
Total Title I						532,646	(505)	125,333	124,828	-
Title II-A Teacher Quality 67346	84	367	Fund #204.908	84.367	2021-22	24,633		29	29	-
Title II-A Teacher Quality 72650	84	367	Fund #204.908	84.367	2022-23	24,093	-	20,880	22,207	(1,327)
Total Title II-A						48,726	-	20,909	22,236	(1,327)
Title IV - Student Support and Academic Enrichment 72847	84	424	Fund #204.959	84.424	2022-23	10,763	-	1,613	4,170	(2,558)
Total IV - Student Support and Academic Enrichment						10,763	-	1,613	4,170	(2,558)
Elementary & Secondary School Emergency Relief, III 64825	84	425	Fund #204.912	84.425	2021-22	901,761	(37,812)	268,714	369,618	(138,716)
Total Educational Stabilization Fund						901,761	(37,812)	268,714	369,618	(138,716)
IDEA - Special Education Grants to States(Part B Sec.611) ARP	84	027	Fund #200.602	84.027	2021-22	32,264	-	29,012	29,012	-
IDEA - Special Education Grants to States(Part B Sec.611)	84	027	Fund #200.000	84.027	2021-22	153,094	(712)	712	-	-
IDEA - Special Education Grants to States(Part B Sec.611)	84	027	Fund #200.606	84.027	2022-23	12,262	-	10,696	10,696	-
IDEA - Special Education Grants to States(Part B Sec.611)	84	027	Fund #200.000	84.027	2022-23	141,400	-	15,212	100,160	(84,948)
IDEA - Special Ed Preschool Grant (section 619)	84	027	Fund #200.619	84.173	2021-22	1,368	-	1,368	1,368	-
IDEA - Special Ed Preschool Grant (section 619) ARP	84	027	Fund #200.619	84.173	2021-22	466		466	466	-
IDEA - Special Ed Preschool Grant (section 619)	84	027	Fund #200.619	84.173	2022-23	1,207	-	1,207	1,207	-
IDEA - Special Ed Preschool Grant (section 619)	84	027	Fund #200.619	84.173	2020-21	646		646	646	-
Total IDEA						342,707	(712)	59,319	143,555	(84,948)
Title IV-E Foster Care Transportation	93	658	Fund #204.958	93.658	2022-23	\$ 8,560	\$ -	\$ 8,560	\$ 8,560	\$ -
Title IV-E Foster Care Transportation	93	658	Fund #204.958	93.658	2021-22	-	(10,169)	540	-	(9,630)
Total Foster Care Transportation						8,560	(10,169)	9,100	8,560	(9,630)
Total Passed through Oregon Department of Education						\$ 1,845,163	\$ (49,198)	\$ 484,987	\$ 672,967	\$ (237,178)
Passed Through Mid-Willamette Education Consortium - Chemeketa community College:										
TNT Grants	84	196	Fund #204.975	84.196	2021-22	\$ -	\$ (641)	\$ 641	\$ -	\$ -
TNT Grants	84	196	Fund #204.975	84.196	2022-23	8,217		8,217	9,373	(1,156)
Total Passed Through Mid-Willamette Education Consortium - Chemeketa community College:						\$ 8,217	\$ (641)	\$ 8,858	\$ 9,373	\$ (1,156)
Total U.S. Department of Education						\$ 1,853,380	\$ (49,839)	\$ 493,846	\$ 682,340	\$ (238,334)
U.S. DEPARTMENT OF AGRICULTURE										
Passed Through Oregon Department of Education:										
National School Lunch - Lunch	10	555	Fund #299	10.555	2022-23	\$ 287,082	\$ (19,432)	\$ 104,414	\$ 104,414	(19,432)
National School Lunch - Breakfast	10	553	Fund #299	10.553	2022-23	54,049	(3,795)	25,211	25,211	(3,795)
Commodities Supplemental Food Program	10	565	Fund #299	10.565	2022-23		-	21,620	21,620	-
Total National School Lunch Program						341,132	(23,227)	151,245	151,245	(23,227)
Total U.S. Department of Agriculture						\$ 341,132	\$ (23,227)	\$ 151,245	\$ 151,245	\$ (23,227)
TOTALS						\$ 2,194,512	\$ (73,066)	\$ 645,091	\$ 833,585	\$ (261,561)
This schedule is prepared using the modified accrual basis of accounting.										
RECONCILIATION TO REVENUE:										
Cash Receipts per Schedule Above						\$ 645,091				
Grants Receivable/Deferred Revenue Beginning of Year							(73,066)			
Grants Receivable/Deferred Revenue End of Year							261,561			
Federal Revenue Recognized per Financial Statements						\$ 833,585				

REPORT ON LEGAL
AND OTHER
REGULATORY REQUIREMENTS

AMITY SCHOOL DISTRICT NO. 4J
INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

As of June 30, 2023

To the Governing Body of the Amity School District No. 4J
Amity, Oregon

We have audited the basic financial statements of the Amity School District No. 4J as of and for the year ended June 30, 2023 and have issued our report thereon dated December 26 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Amity School District No. 4J'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.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **State school fund factors and calculation.**

In connection with our testing nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures 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 District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

This report is intended solely for the information and use of the Board of Directors and management of Amity School District No. 4J and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



Steve Tuchscherer, CPA
Umpqua Valley Financial
Roseburg, Oregon
December 26 2023