



AMITY SCHOOL DISTRICT NO. 4J

Amity, Oregon

Annual Financial Report

June 30, 2021

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
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AMANDA GROVE 8254 SE Sky Vista Dr, Amity, 97101	Vice Chair
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RAY BOTTENBERG 9605 Yocum Road, Sheridan, OR 97378	Board Member
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RYAN JONES 22320 SE Boulder Crest Lane, Amity, OR 97101	Board Member
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JENNIFER LEPPIN 22500 SE Old Bethel Rd., Amity, OR 97101	Board Member
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ADMINISTRATION

JEFF CLARK 807 Trade Street, Amity, OR 97101	Superintendent
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ANN ADAMS 807 Trade Street, Amity, OR 97101	Deputy Clerk
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AMITY SCHOOL DISTRICT NO. 4J

AUDIT REPORT

June 30, 2021

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1a - 1b
MANAGEMENT'S DISCUSSION AND ANALYSIS	2-9
BASIC FINANCIAL STATEMENTS:	
<u>Government-wide Financial Statements:</u>	
Statement of Net Position	10
Statement of Activities	11
<u>Fund Financial Statements:</u>	
Balance Sheet - Governmental Funds	12
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	13
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	15
<u>Notes To The Basic Financial Statements</u>	16-52
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
General Fund #100	53
Special Revenue Fund #200	54
Schedule of Proportionate Share of the Net Pension Liability	55
Schedule of Employer Contributions	56
Schedule of Proportionate Share of the Net OPEB (RHIA) Liability	57
Schedule of Employer Contributions	58
Schedule of Related Ratios	59
OTHER SUPPLEMENTARY DATA:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
Debt Service Fund #300 (A Major Fund)	60
Capital Projects Fund #400 (A Major Fund)	61

AMITY SCHOOL DISTRICT NO. 4J

AUDIT REPORT

June 30, 2021

TABLE OF CONTENTS (Cont.)

	<u>PAGE</u>
OTHER SUPPLEMENTARY DATA (Cont.):	
<u>Additional Supporting Schedules:</u>	
Schedule of Long-Term Debt Transactions & Future Requirements	62-64
Form 581-3211-C	65
Revenue Summary – All Governmental Funds	66
Expenditure Summary – General Fund #100	67
Expenditure Summary – Special Revenue Funds #200	68
Expenditure Summary – Debt Service Funds #300	69
Expenditure Summary – Capital Projects Funds #400	70
ACCOMPANYING INFORMATION:	
Independent Auditor's Report Required by Oregon State Regulations	71
SINGLE AUDIT SECTION:	
Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standard	72
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	73-74
Schedule of Expenditures of Federal Awards	75
Notes to the Schedule of Expenditures of Federal Awards	76
Schedule of Findings and Questioned Costs	77



INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Amity School District No. 4J as of and for the year ended June 30, 2021 which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Amity School District No. 4J as of June 30, 2021, and the respective changes in financial position and in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 2-9, the schedules of revenues, expenditures and changes in fund balances – budget and actuals on pages 53-54, the pension schedules on pages 55-56, and the pension and OPEB schedules on pages 57-58 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.

I have applied certain limited procedures to the management's discussion and analysis and the pension 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My 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 53-54 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 my 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.

Other Supplementary Information

My 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 other supplementary data on pages 60-70 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 schedule of expenditures of federal awards, as listed in the Table of Contents, is presented for purposes of additional analysis as required by 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.

The other supplementary data on pages 60-70 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 my opinion, other supplementary data is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued our report dated November 28, 2021, on our consideration of the Amity School District No. 4J's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Amity School District No. 4J's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, I have issued my report dated November 28, 2021, on my 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 my testing of compliance and the results of that testing and not to provide an opinion on the District's compliance.



Steve Tuchscherer, CPA
November 28, 2021

MANAGEMENT'S
DISCUSSION
AND ANALYSIS

AMITY SCHOOL DISTRICT NO. 4J

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2021 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, 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2021 are as follows:

- The District's net position decreased by \$137,375 which represents an 9.7% decrease from the previous year primarily due primarily to the increase in pension liability.
- Numerous changes in activities occurred during the fiscal year, including a large increase in grants, approximately \$1,000,000, much of which were used to assist with distance learning costs and other costs associated with the COVID-19 pandemic.
- General revenues accounted for \$10,196,695 in revenue, or 84.4% of all revenues. Program specific revenues in the form of charges for services, and grants and contributions accounted for \$1,887,225 or 15.6% of total revenues of \$12,083,920.
- The District had \$12,160,267 in expenses, which was more than total revenues.
- Total assets of governmental activities increased by \$472,682. The District invested in approximately \$400,000 of new capital assets. The net capital assets actually was reduced because the amount of depreciation was more than the capital asset additions. Cash and cash equivalents increased by approximately \$414,000, making up the majority of the increase in total assets of the District.
- Total liabilities increased by \$989,955 during the year. This was a result, primarily, of an increase in pension liabilities of \$1.8 million, offset by principal payments reducing long term debt by \$847 thousand.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis introduces 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, 2021 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 plant, 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 budget versus actual statements and combining statements in a later section of this report.

Governmental funds, which 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 the government-wide financial statements, these statements report short-term fiscal accountability focusing on 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 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, 2021 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 \$1,280,325. This is a \$137,375 decrease from last year's net position and represents an 9.7% 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

	Governmental Activities		Percentage Change
	June 30, 2021	June 30, 2020	
Assets			
Current and Other Assets	\$ 6,136,567	\$ 5,651,993	8.6%
Capital Assets	4,897,723	4,909,616	-0.2%
Total Assets	11,034,290	10,561,609	4.5%
Deferred Outflow of Resources	2,194,026	2,074,967	5.7%
Liabilities			
Long-Term Liabilities	10,170,749	9,182,884	10.8%
Other Liabilities	915,283	913,193	0.2%
Total Liabilities	11,086,032	10,096,077	9.8%
Deferred Inflow of Resources	861,959	1,122,796	-23.2%
Net Position			
Net Investment in Capital Assets	3,804,393	3,142,952	21.0%
Restricted	-	43,935	-100.0%
Unrestricted	(2,524,068)	(1,769,183)	42.7%
Total Net Position	\$ 1,280,325	\$ 1,417,703	-9.7%

AMITY SCHOOL DISTRICT NO. 4J**Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2021
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		
	2020-21	2019-20	Percentage Change
Revenues			
Program Revenues			
Charges for Services	\$ 63,445	\$ 359,711	-82.4%
Operating Grants and Contributions	1,823,780	768,603	137.3%
General Revenues			
Property Taxes	2,639,594	2,452,989	7.6%
State Basic School Support	7,168,738	7,113,768	0.8%
Federal Forest Fees	7	-	N/A
Other	388,356	463,385	-16.2%
Total Revenues	12,083,920	11,158,456	8.3%
Program Expenses			
Instruction	7,290,916	6,667,899	9.3%
Support Services	4,000,091	3,733,582	7.1%
Community Services	293,568	313,205	-6.3%
Interest on Long-Term Debt	575,691	557,325	3.3%
Total Program Expenses	12,160,267	11,272,011	7.9%
Special Item: Gain (Loss) on disposition of assets	(7,872)	206,443	
Special Item: Apportionment of Funds	(53,156)	-	
Change in Net Position	\$ (137,375)	\$ 92,888	

AMITY SCHOOL DISTRICT NO. 4J

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2021 Unaudited

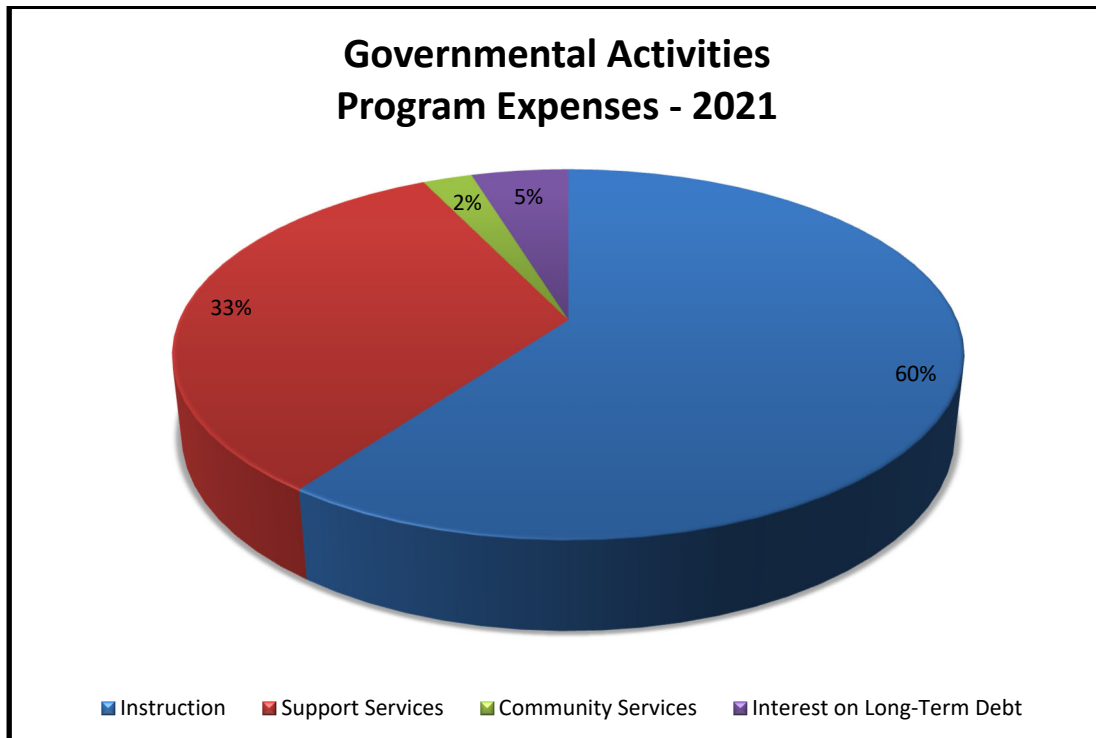
The Statement of Activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table shows, for governmental activity, the total cost of the four major functional activities of the District. The table also shows each function's net cost (total cost less 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 for comparative analysis.

Governmental Activities

	2020-21		2019-20	
	Total Cost of Services	Net Cost (Profit) of Services	Total Cost of Services	Net Cost (Profit) of Services
Instruction	\$ 7,290,916	\$ 6,261,775	\$ 6,667,899	\$ 5,896,409
Support Services	4,000,091	3,407,635	3,733,582	3,629,463
Community Services	293,568	27,940	313,205	60,500
Total Program Expenses	<u>\$ 12,160,267</u>	<u>\$ 10,273,042</u>	<u>\$ 11,272,011</u>	<u>\$ 10,143,697</u>

The dependence on general revenues for general government activities is apparent. For the current year, 86% of general government activities are supported through general revenues.

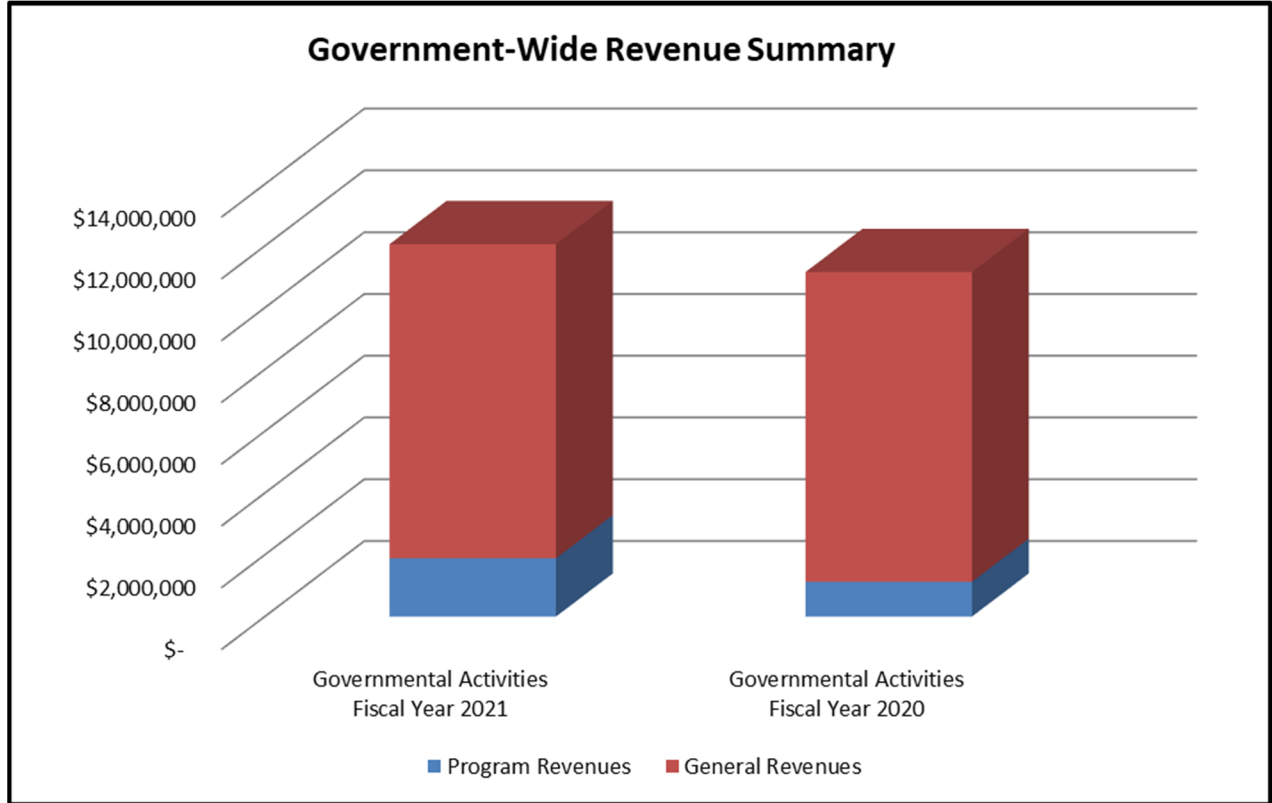
This graph represents the cost of the District's Program expenses by governmental activities.



AMITY SCHOOL DISTRICT NO. 4J

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2021 Unaudited

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



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 \$4,093,854, an increase of \$689,237. The fund balance consists of restricted, committed, assigned and unassigned amounts. Of the current fund balances, \$651,335 is restricted, \$1,095,336 is committed and \$2,331,861 is unassigned and available for spending at the District's discretion.

The General Fund is the principal operating fund of the District. The increase in fund balance in the General Fund for the fiscal year was \$528,774.

AMITY SCHOOL DISTRICT NO. 4J

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2021 Unaudited

BUDGETARY HIGHLIGHTS

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

General Fund revenues were budgeted and anticipated to be collected in the amount of \$9,656,783 during the fiscal year. Actual revenues of \$9,534,513 were less than budgeted revenues by \$122,270. General Fund expenditures budget was under-spent by \$2,271,044. The actual ending fund balance was more than the budgeted ending fund balance by \$2,331,861.

The Special Revenue Fund #200 budgetary ending fund balance increased by \$221,457. Actual revenues were less than budgeted revenues by \$1,097,888. The District had budgeted for possible receipt of federal and state grants and other fees and charges, while much of those were not actually earned and received during the fiscal year. Actual expenditures were \$2,403,230 under budgeted expenditures. Similar to the revenue situation, the District had budgeted for potential spending of grant funds, while those program expenditures did not occur during the fiscal year.

The Debt Service Fund #300 ending fund balance decreased by \$106,570. Actual revenues were less than budgeted revenues by \$53,645, and actual expenditures were \$0 under budgeted expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2021, the District had invested \$12,001,708 in capital assets, including school buildings, athletic facilities, land, vehicles, computers and other equipment and furnishings prior to accumulated depreciation. This amount represents a net increase prior to depreciation of \$395,089 from last year due to additions of \$402,961 and deletions of \$7,872.

Total depreciation expense for the year was \$406,981. 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

At June 30, 2021 the District had \$4,920,349 in long-term debt outstanding. The District paid \$847,254 toward the principal balance of the long-term debt. The District incurred \$575,691 in interest on total debt. Interest paid was actually \$576,258. The difference is a result of the change in interest payable from the prior year to the current year.

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.

AMITY SCHOOL DISTRICT NO. 4J

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2021 Unaudited

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The primary factors considered in developing the budget for next year were the District's continued commitment to provide quality education programs for all of their students while maintaining fiscal responsibility to their community.

The District's adopted budget for the fiscal year ending June 30, 2022 represents an overall increase of \$1,606,780 or 8.9% when compared with the current fiscal year. The total budget for the fiscal year ending June 30, 2022 is \$19,760,286. The most significant changes in the 2021-22 budget from the 2020-2021 budget are the increase of state and federal grants and state funding and a significant increase in the budgeted beginning fund balance for the general fund. 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**

June 30, 2021

		Governmental Activities
<u>ASSETS:</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 3,645,195	
Property Taxes Receivable	153,799	
Accounts Receivable	380,285	
Inventory-Food, Supplies & Commodities	15,322	
Total Current Assets		\$ 4,194,601
Restricted Assets:		
Net OPEB Asset (RHIA)	154,654	
Total Restricted Assets		154,654
Capital Assets:		
Land	288,227	
Land Improvement	845,891	
Building and Building Improvement	9,567,256	
Machinery and Equipment	1,260,573	
Less: Accumulated Depreciation	(7,103,985)	
Total Capital Assets, Net of Depreciation		4,897,723
Other Assets:		
Prepaid Expense - Pension Obligation	6,618,174	
Less: Accumulated Amortization	(4,830,862)	
Total Other Assets, Net of Amortization		1,787,312
Total Assets		11,034,290
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pension Related Deferrals	2,137,442	
OPEB Related Deferrals - RHIA	18,483	
OPEB Related Deferrals - OEGB	38,101	
Total Deferred Outflow of Resources		2,194,026
<u>LIABILITIES:</u>		
Accounts Payable	\$ 15,845	
Accrued Interest Payable	2,806	
Accrued Vacation Benefits	20,204	
Bonds Payable		
Due within one year	876,428	
Due in more than one year	4,043,921	
Net OPEB Obligation - OEGB	413,635	
Net Pension Liability	5,713,193	
Total Liabilities		11,086,032
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pension Related Deferrals	778,984	
OPEB Related Deferrals - RHIA	57,916	
OPEB Related Deferrals - OEGB	25,059	
Total Deferred Inflow of Resources		861,959
<u>NET POSITION:</u>		
Net Investment in Capital Assets	3,804,393	
Unrestricted	(2,524,068)	
Total Net Position		\$ 1,280,325

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, 2021**

		Program Revenues			Net (Expense) Revenue and Change in Net Position
	(Expenses)	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<u>GOVERNMENTAL ACTIVITIES:</u>					
Instruction	\$ 7,290,916	\$ 63,445	\$ 965,696	\$ -	\$ (6,261,775)
Support Services	4,000,091	-	592,456	-	(3,407,635)
Enterprise and Community Services	293,568	-	265,628	-	(27,940)
Interest on Long-Term Debt	575,691	-	-	-	(575,691)
Total Governmental Activities	\$ 12,160,267	\$ 63,445	\$ 1,823,780	\$ -	\$ (10,273,042)
<u>GENERAL REVENUES:</u>					
Local Sources:					
Property Taxes, Levied for General Purposes					\$ 2,003,232
Property Taxes, Levied for Debt Service					636,362
Earnings on Investments					32,346
Unrestricted State and Local Revenue					91,394
Intermediate Sources					170,299
State School Fund for Education and Support Services					7,168,738
State Common School Fund					94,317
Federal Forest Fees for General Purposes					7
Subtotal - General Revenues					10,196,695
Special Items:					
Apportionment of Funds					(53,156)
Gain on Disposition of Assets					(7,872)
Change in Net Position					(137,375)
Net Position, July 1, 2020					1,417,700
Net Position, June 30, 2021					\$ 1,280,325

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****June 30, 2021**

	General Fund #100	Special Revenue Fund #200	Debt Service Fund #300	Capital Projects Fund #400	Total Govern- mental Funds
<u>ASSETS:</u>					
Cash and Cash Equivalents	\$ 2,190,480	\$ 812,640	\$ 194,563	\$ 447,512	\$ 3,645,195
Property Taxes Receivable	122,577	-	31,222	-	153,799
Accounts Receivable	96,577	283,708	-	-	380,285
Inventory-Food, Supplies & Commodities	-	15,322	-	-	15,322
Total Assets	<u>\$ 2,409,634</u>	<u>\$ 1,111,670</u>	<u>\$ 225,785</u>	<u>\$ 447,512</u>	<u>\$ 4,194,601</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u>					
LIABILITIES:					
Accounts Payable	\$ 14,833	\$ 1,012	\$ -	\$ -	\$ 15,845
Total Liabilities	<u>14,833</u>	<u>1,012</u>	<u>-</u>	<u>-</u>	<u>15,845</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue - Property Taxes	62,940	-	21,962	-	84,902
Unavailable Revenue - Other	-	-	-	-	-
Total Deferred Inflows of Resources	<u>62,940</u>	<u>-</u>	<u>21,962</u>	<u>-</u>	<u>84,902</u>
FUND BALANCES:					
Unspendable	-	15,322	-	-	15,322
Restricted for:					
Debt Service	-	-	203,823	447,512	651,335
Committed for:					
Special Programs	-	1,095,336	-	-	1,095,336
Unassigned	2,331,861	-	-	-	2,331,861
Total Fund Balances	<u>2,331,861</u>	<u>1,110,658</u>	<u>203,823</u>	<u>447,512</u>	<u>4,093,854</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,409,634</u>	<u>\$ 1,111,670</u>	<u>\$ 225,785</u>	<u>\$ 447,512</u>	<u>\$ 4,194,601</u>

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

AMITY SCHOOL DISTRICT NO. 4J
RECONCILIATION OF THE BALANCE SHEET
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2021

Total Fund Balances - Governmental Funds		\$ 4,093,854
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	\$ 12,001,708	
Accumulated depreciation	<u>(7,103,985)</u>	
Net Value of Capital Assets		4,897,723
Property taxes receivable that will not be available to pay for current-period expenditures are deferred in the governmental funds.		
		84,902
Deferred inflows and outflows of pension and OPEB contributions and earnings are not reported in the governmental funds.		
Deferred Pension/OPEB Contributions	2,194,026	
Deferred Earnings on Pension/OPEB Assets	<u>(861,959)</u>	
Net Value of Deferrals		1,332,067
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>(4,830,862)</u>	
Net Value of Prepaid Expense		1,787,312
Some liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
These liabilities consist of :		
Accrued Interest Payable	2,806	
Bonds Payable	4,920,349	
Net Pension Liability	5,713,193	
Net OPEB Obligations	258,981	
Accrued Vacation Benefits	<u>20,204</u>	
Total		<u>(10,915,533)</u>
Net Position of Governmental Activities		<u>\$ 1,280,325</u>

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, 2021**

	General Fund #100	Special Revenue Fund #200	Debt Service Fund #300	Capital Projects Fund #400	Total Govern- mental Funds
<u>REVENUES:</u>					
Taxes	\$ 1,995,406	\$ -	\$ 646,024	\$ -	\$ 2,641,430
Earnings on Investments	23,839	1,892	2,769	3,846	32,346
Fees and Charges	-	59,248	-	-	59,248
Miscellaneous Revenue	23,772	58,372	624,815	17,672	724,631
Intermediate Government Aid	170,299	-	-	-	170,299
State Aid	7,321,190	670,105	-	-	7,991,295
Federal Aid	7	1,091,314	-	-	1,091,321
Total Revenues	9,534,513	1,880,931	1,273,608	21,518	12,710,570
<u>EXPENDITURES:</u>					
Current:					
Instruction	5,287,232	934,054	-	-	6,221,286
Support Services	3,165,173	612,603	-	26,618	3,804,394
Enterprise and Community Services	-	264,220	-	-	264,220
Capital Outlay:					
Facilities Acquisition and Construction	-	-	-	254,765	254,765
Debt Service	43,334	-	1,380,178	-	1,423,512
Total Expenditures	8,495,739	1,810,877	1,380,178	281,383	11,968,177
Excess (Deficiency) of Revenues Over Expenditures	1,038,774	70,054	(106,570)	(259,865)	742,393
<u>OTHER FINANCING SOURCES (USES):</u>					
Interfund Transfers In	-	215,000	-	295,000	510,000
Interfund Transfers Out	(510,000)	-	-	-	(510,000)
Apportionment of Funds	-	(53,156)	-	-	(53,156)
Total Other Financing Sources (Uses)	(510,000)	161,844	-	295,000	(53,156)
Net Change in Fund Balance	528,774	231,898	(106,570)	35,135	689,237
Beginning Fund Balance	1,803,087	878,760	310,393	412,377	3,404,617
Ending Fund Balance	\$ 2,331,861	\$ 1,110,658	\$ 203,823	\$ 447,512	\$ 4,093,854

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, 2021

Net Changes in Fund Balances - Total Governmental Funds	\$	689,237
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	\$	402,961
Less current year depreciation		<u>(406,981)</u>
		(4,020)
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.		(1,836)
Gain (Loss) on disposition of capital assets is not reported in the fund financial statements.		(7,872)
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 - Loan fees		(10,115)
Amount of current year amortization - Pension obligation		<u>(255,331)</u>
		(265,446)
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>847,254</u>
		847,254
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.		(1,433,882)
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		567
Increase/(decrease) in accrued OPEB		16,940
Increase/(decrease) in accrued vacation benefits		<u>21,684</u>
		39,190
Change in Net Position of Governmental Activities	\$	<u>(137,375)</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, 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Amity School District No. 4J was organized under the provisions of Oregon Statutes pursuant to ORS Chapter 332 for the purpose of operating elementary and secondary schools. The District is government by a separately elected five-member 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 has 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 own 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 is able to 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.

The District sponsors the Eola Hills Charter School. Based on the aforementioned criteria, Eola Hills Charter School is not considered a component unit of Amity School District No. 4J.

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 interfund 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 clearly 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, 2021

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 in order 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. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this 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 Improvement 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, 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Measurement Focus/Basis of Accounting

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

The 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 through the use of 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 by the use of 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, 2021

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. 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. The 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 in 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, 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Inventory

Food and supply inventories in the Food Service Fund are valued at cost determined on 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 the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner 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, 2021

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 leases 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, 2021

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:

- **Nonspendable**: This classification includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- **Restricted**: This classification includes fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **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 Council, and does not lapse at year-end.
- **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 Council or through the District Council delegating this responsibility to selected staff members or through the budgetary process.
- **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 attach 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 are due from property owners within the District.

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

June 30, 2021

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 purposes of the Statement of Activities, all interfund 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, 2021

CASH AND INVESTMENTS:

For discussion of deposit and investment policies and other related information, see 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 at 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 for 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, 2021, the reported amount of the District's deposits was \$634,404, the bank balance was \$1,246,167. 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.

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, 2021, 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, 2021

CASH AND INVESTMENTS (Cont.):

At June 30, 2021, 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)	\$ 3,010,756	N/A
PERS Bond	36	
Total Investments	<u>\$ 3,010,792</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, 2021

CAPITAL ASSETS:

The following is a summary of capital asset activity for the fiscal year ended June 30, 2021:

	For the Year 2021			
Governmental Activities	Beginning Balances	Additions	Deletions	Ending Balances
Assets not being depreciated:				
Land	\$ 296,099	\$ -	\$ 7,872	\$ 288,227
Construction in Progress	-	39,761	-	39,761
Total assets not being depreciated	296,099	39,761	7,872	327,988
Assets being depreciated:				
Land Improvement	845,891	-	-	845,891
Building and Building Improvement	9,279,885	287,371	-	9,567,256
Machinery and Equipment	1,184,744	75,829	-	1,260,573
Total Depreciable Assets	11,310,520	363,200	-	11,673,720
Less: Accumulated Depreciation				
Land Improvement	667,673	28,897	-	696,571
Building and Building Improvement	5,255,223	301,286	-	5,556,510
Machinery and Equipment	774,107	76,797	-	850,904
Total Accumulated Depreciation	6,697,004	406,981	-	7,103,985
Net Value of Capital Assets Being Depreciated	4,613,517	(43,781)	-	4,569,735
Total Governmental Activities --				
Net Value of Capital Assets	<u>\$ 4,909,616</u>	<u>\$ (4,020)</u>	<u>\$ 7,872</u>	<u>\$ 4,897,723</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 358,435
Support Services	43,353
Enterprise and Community Services	<u>5,193</u>
Total Depreciation Expense	<u>\$ 406,981</u>

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

June 30, 2021

LONG-TERM DEBT:

A summary of debt transactions for the year ended June 30, 2021 is as follows:

On March 19, 2015, the District issued General Obligation Refunding Bond, Series 2015 for refunding of GO Refunding Bonds, Series 2005. The bonds are held by Heritage Bank. The original balance of the 2015 refunding bonds was \$4,076,000, with a fixed interest rate of 1.78%.

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 on a monthly basis 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 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 recognized 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%.

The following is a schedule of transactions during the year:

	Outstanding Balance July 1, 2020	Principal Paid	Interest Paid	Outstanding Balance June 30, 2021	Due Within One Year
Bonds Payable:					
GO Refunding Bond, Series 2015	\$ 1,290,000	\$ 630,000	\$ 22,962	\$ 660,000	\$ 660,000
OSBA Limited Tax Pension Bond, Series 2003	4,000,939	173,920	553,296	3,827,019	173,094
QZAB held by Columbia Bank	476,664	43,334	-	433,330	43,334
Total Bonds Payable	<u>5,767,603</u>	<u>847,254</u>	<u>576,258</u>	<u>4,920,349</u>	<u>876,428</u>
Total Long-Term Debt	<u>\$ 5,767,603</u>	<u>\$ 847,254</u>	<u>\$ 576,258</u>	<u>\$ 4,920,349</u>	<u>\$ 876,428</u>

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

June 30, 2021

LONG-TERM DEBT (Cont.):

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

Bonds Payable:	Due Fiscal Year			
	Ending June 30,	Principal	Interest	Total
	2022	\$ 876,428	\$ 600,870	\$ 1,477,298
	2023	217,259	628,290	845,549
	2024	688,334	197,216	885,550
	2025	763,334	161,028	924,362
	2026	843,334	120,132	963,466
	2027 - 2031	1,531,660	98,832	1,630,492
	Total	<u>\$ 4,920,349</u>	<u>\$ 1,806,368</u>	<u>\$ 6,726,717</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 Supplementary Data section of this report.

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

June 30, 2021

PENSION PLAN:

Name of Pension Plan

The Oregon Public Employees Retirement System (OPERS) consists of a cost-sharing multiple-employer defined benefit pension plan.

Description of Benefit Terms

Plan Benefits

All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A.

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 (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).

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

June 30, 2021

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, 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 salary, currently contributed to the IAP, (whether paid by the member or employer) will start going into an Employee Pension Stability Account (EPSA). The remaining 3.5 percent of salary 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 equities investment 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, 2021

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 \$2,500/month or more, 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 salary, currently contributed to the IAP, (whether paid by the member or employer) will start going into their EPSA. The remaining 5.25 percent of salary 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, 2021

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 901 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, 2021

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. The rates established for member and employer contributions were approved based on the recommendations of the System's third-party actuary.

The District's employer contributions for the year ended June 30, 2021 were \$232,235 excluding amounts to fund employer specific liabilities. The contribution rates in effect for the period July 1, 2019 to June 30, 2021 were: Tier1/Tier2 – 8.29%, and OPSRP General Service – 2.84%.

The current year contribution rates in effect for PERS have been reduced while the District receives amortization of the PERS retirement bonds (described in Long Term Debt). Amortization of the Side Account resulted in a PERS rate savings to the District of \$1,142,304 for FY 2020-2021 from the required PERS contribution rate of \$1,374,539.

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 or 7.0 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 2020-2021, approximately \$277,558 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, 2017, actuarial valuation, which became effective July 1, 2019. 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 percent) contributions.

For **Oregon PERS Defined Benefit Plans**, based on the actuarial valuation as of December 31, 2017, the state agencies, the judiciary, schools, and political subdivisions all had increases in employer contribution rates on July 1, 2019. These rate changes are measured against the actual average rates paid since the last rate-setting valuation. Every two years, the PERS Board adjusts contributions so that, over time, those contributions will be sufficient to fund the benefits earned, if earnings follow assumptions.

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 six percent 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, 2020, PERS employers contributed 0.06 percent 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 126.4 percent as of December 31, 2017. These rates were based on the December 31, 2017, actuarial valuation.

AMITY SCHOOL DISTRICT NO. 4J

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

PENSION PLAN (Cont.):

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

Oregon PERS produces an independently audited CAFR which can be found at:
<https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>

Actuarial Valuations

The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the Entry Age Normal actuarial cost method.

For the Tier One/Tier Two component of the 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.

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 at 126.4 percent as of December 31, 2017. 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.

AMITY SCHOOL DISTRICT NO. 4J

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

PENSION PLAN (Cont.):

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Valuation Date	December 31, 2018
Measurement Date	June 30, 2020
Experience Study Report	2018, published July 24, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Long-Term Expected Rate of Return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision, blend based on service.
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy retiree, sex-distinct, generational with Unisex, 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 Disabled 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 2018 Experience Study which reviewed experience for the four-year period ending on December 31, 2018.

Discount Rate

The discount rate used to measure the total pension liability was 7.20 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.

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

June 30, 2021

PENSION PLAN (Cont.):

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.

OIC Target and Actual Investment Allocation as of June 30, 2020

<u>Asset Class/Strategy</u>	<u>OIC Policy Range</u>	<u>OIC Target Allocation</u>	<u>Asset Class/Strategy</u>	<u>Actual Allocation³</u>
Debt Securities	15.0% - 25.0%	20.0%	Debt Securities	20.0%
Public Equity	27.5% - 37.5%	32.5%	Public Equity	31.8%
Real estate	9.5% - 15.5%	12.5%	Real estate	11.4%
Private Equity	14.0% - 21.0%	17.5%	Private Equity	22.9%
Alternative Equity	7.5% - 17.5%	15.0%	Alternative Equity	10.5%
Opportunity Portfolio ¹	0.0% - 3.0%	0.0%	Opportunity Portfolio	2.1%
Risk Parity ²	0.0% - 2.5%	2.5%	Risk Parity	1.3%
Total		100%	Total	100%

¹Opportunity Portfolio is an investment strategy and it may be invested up to 3% of total plan net position.

²Risk Parity is a new investment strategy added to the asset allocation mix in 2019.

³Based on the actual investment value at 6/30/2021.

AMITY SCHOOL DISTRICT NO. 4J

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

PENSION PLAN (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 May 2019 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.

Asset Class	Target Allocation*	Annual Arithmetic Mean	20-Year Annualized Geometric Mean	Annual Standard Deviation
Core Fixed Income	9.60%	4.14%	4.07%	3.90%
Short-Term Bonds	9.60%	3.70%	3.68%	2.10%
Bank/Leveraged Loans	3.60%	5.40%	5.19%	6.85%
High Yield Bonds	1.20%	6.13%	5.74%	9.35%
Large/Mid Cap US Equities	16.17%	7.35%	6.30%	15.50%
Small Cap US Equities	1.35%	8.35%	6.68%	19.75%
Micro Cap US Equities	1.35%	8.86%	6.79%	22.10%
Developed Foreign Equities	13.48%	8.30%	6.91%	17.95%
Emerging Foreign Equities	4.24%	10.35%	7.69%	25.35%
Non-US Small Cap Equities	1.93%	8.81%	7.25%	19.10%
Private Equity	17.50%	11.95%	8.33%	30%
Real Estate (Property)	10%	6.19%	5.55%	12%
Real Estate (REITS)	2.50%	8.29%	6.69%	21%
Hedge Fund of Funds - Diversified	1.50%	4.28%	4.06%	6.90%
Hedge Fund - Event-driven	0.38%	5.89%	5.59%	8.10%
Timber	1.13%	6.36%	5.61%	13%
Farmland	1.13%	6.87%	6.12%	13%
Infrastructure	2.25%	7.51%	6.67%	13.85%
Commodities	1.13%	5.34%	3.79%	18.70%
Assumed Inflation - Mean			2.50%	1.65%

*Based 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 April 24, 2019

Sensitivity Analysis

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.20 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 (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease 6.20%	Discount Rate 7.20%	1% Increase 8.20%
Employer's proportionate share of the net pension liability	\$ 8,483,620	\$ 5,713,193	\$ 3,390,062

AMITY SCHOOL DISTRICT NO. 4J

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

PENSION PLAN (Cont.):

Changes in Assumptions

A summary of key changes implemented after the December 31, 2018 valuation, which was used in the 2020 PERS CAFR. 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: <https://www.oregon.gov/pers/Documents/Financials/Actuarial/2021/2020-Experience-Study.pdf>

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 \$2,500/month or more, 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 salary, currently contributed to the IAP, (whether paid by the member or employer) will start going into an Employee Pension Stability Account (EPSA). The remaining 3.5 percent of salary will continue to go to the member's existing IAP account.
 - OPSRP members: 0.75 percent of each member's salary, currently contributed to the IAP, (whether paid by the member or employer) will start going into their EPSA. The remaining 5.25 percent of salary 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.

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

June 30, 2021

PENSION PLAN (Cont.):

Mortality Rates

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

Assumption	Recommended December 31, 2018 and 2019 Valuations	Recommended December 31, 2020 and 2021 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	Teachers, no set back	Blend 80% Teachers and 20% General Employees, no set back
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	120% of same table and set back as Healthy Annuitant assumption	125% of same table and set back as Healthy Annuitant assumption
Other General Service male	115% of same table and set back as Healthy Annuitant assumption	No change
Police & Fire male	100% of same table and set back as Healthy Annuitant assumption	No change
School District female	100% of same table and set back as Healthy Annuitant assumption	No change
Other General Service female	125% of same table and set back as Healthy Annuitant assumption	No change
Police & Fire female	100% of same table and set back as Healthy Annuitant assumption	No change

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

June 30, 2021

PENSION PLAN (Cont.):

Changes Subsequent to the Measurement Date

There were no changes subsequent to the measurement date, other than Senate Bill 1049 which was incorporated into the 2020 CAFR Measurement, which 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, 2020, 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, 2020 Oregon PERS CAFR.

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

At June 30, 2021, the employer reported a liability of \$5,713,193 for its proportionate share of the net pension liability. The net pension liability/(asset) was measured as of June 30, 2020, 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, 2021

PENSION PLAN (Cont.):

At June 30, 2020, the employer's proportion was 0.02617916%.

For the year ended June 30, 2021, the employer recognized pension expense of \$1,337,389. On June 30, 2021, 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	\$ 251,450	\$ -
Changes of assumptions	306,609	10,743
Net difference between projected and actual earnings on investments	671,797	-
Changes in proportionate share	675,351	287,409
Differences between employer contributions and employer's proportionate share of system contributions	-	480,832
Total Deferred Outflows/Inflows	\$ 1,905,207	\$ 778,984
Post-measurement date contributions	232,235	N/A
Total Deferred Outflow/(Inflow) of Resources	<u>\$ 2,137,442</u>	<u>\$ 778,984</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>1,126,223</u>

Contributions of \$232,235, 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.

Amortization of the Side Account resulted in a PERS rate savings to the District of \$1,142,304 for FY 2020-2021 from the required PERS contribution rate of \$1,374,539.

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	\$ 237,668
2nd Fiscal Year	291,424
3rd Fiscal Year	272,532
4th Fiscal Year	293,346
5th Fiscal Year	31,253
Thereafter	-
Total	<u>\$ 1,126,223</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, 2021

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 a PERS-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/EMP/Pages/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, 2020, state agencies contributed 0.06 and 0.18 percent of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA and RHIPB benefits. No UAL rate was assigned for the RHIA program as it was funded at 126.4 percent as of December 31, 2017. 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.

Contributions

The District's contributions to OPERS' RHIA for the years ended June 30, 2021, 2020, and 2019 were \$1,241, \$5,420, and \$22,365 respectively, which equaled the required contributions for the year.

Actuarial Methods and Assumptions Used in Developing Total Pension 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, 2019. That independently audited report was dated February 20, 2020 and can be found at:

<https://www.oregon.gov/PERS/EMP/Documents/GASB/2019/PERS%20GASB%2075%20RHIA%20Report%20FY%206.30.19.pdf>

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

June 30, 2021

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

Actuarial Methods and Assumptions - OPEB Plans - RHIA	
Valuation Date	December 31, 2018
Measurement Date	June 30, 2020
Experience Study	2018, published July 24, 2019
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increases	3.50 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.
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

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 2018 Experience Study which is reviewed for the four-year period ending December 31, 2018.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.20 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, 2021

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 May 2019 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://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>

Sensitivity Analysis

The following presents the employer's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 7.20 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 (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease 6.20%	Discount Rate 7.20%	1% Increase 8.20%
Employer's proportionate share of the net OPEB liability	\$ (124,857)	\$ (154,654)	\$ (180,131)

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

At June 30, 2021, the District reported a net OPEB RHIA liability/(asset) of \$(154,654) for its proportionate share of the net OPEB RHIA liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2020, 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, 2018. 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, 2020, the District's proportion was 0.07589979 percent. OPEB RHIA expense/(income) for the year ended June 30, 2021 was \$(43,669).

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

June 30, 2021

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

At June 30, 2021, the employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 15,810
Changes of assumptions	-	8,221
Net difference between projected and actual earnings on investments	17,199	-
Changes in proportionate share	43	33,885
Differences between employer contributions and employer's proportionate share of system contributions	-	-
Total Deferred Outflows/Inflows	\$ 17,242	\$ 57,916
Post-measurement date contributions	1,241	N/A
Total Deferred Outflow/(Inflow) of Resources	<u>\$ 18,483</u>	<u>\$ 57,916</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>(40,674)</u>

Contributions of \$1,241 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 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	\$ (34,172)
2nd Fiscal Year	(18,285)
3rd Fiscal Year	6,358
4th Fiscal Year	5,425
5th Fiscal Year	-
Thereafter	-
Total	<u>\$ (40,674)</u>

Changes Subsequent to the Measurement Date

We are not aware of any changes subsequent to the June 30, 2020 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, 2021

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEBB:

OEBB Health Insurance Subsidy

The OEBB net OPEB liability is reported only as an estimate for the current year financial reporting. No actuarial report was obtained by the District for the current fiscal year. Therefore, the amounts reported on the Statement of Net Position for deferred items and the liability are estimated based on use of the most recent actuarial report.

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, 2021, the District reported a an estimated net OPEB OEBB liability/(asset) of \$413,635 for its proportionate share of the net OPEB OEBB liability/(asset). The OPEB OEBB liability/(asset) was measured as of June 30, 2020, 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, 2017. 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 As of the measurement date of June 30, 2018, the District’s estimated OPEB OEBB expense/(income) for the year ended June 30, 2021 was \$60,266.

Actuarial Methods and Assumptions

The District engaged an actuary to perform an evaluation as of July 1, 2017 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, 2021

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

Discount Rate	2.85%	3.58%	3.87%
Other Key Actuarial Assumptions and Methods			
Valuation date	July 1, 2017	July 1, 2017	July 1, 2017
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018
Inflation	2.50%	2.50%	2.50%
Salary increases	3.50%	3.50%	3.50%
Withdrawal, retirement, and mortality rates	12/31/2016 Oregon PERS valuation 50% of eligible employees	12/31/2016 Oregon PERS valuation 50% of eligible employees	12/31/2016 Oregon PERS valuation 50% of eligible employees
Election and Lapse Rates	60% of male members and 35% of females members will elect spouse coverage 5% annual lapse rate	60% of male members and 35% of females members will elect spouse coverage 5% annual lapse rate	60% of male members and 35% of females members will elect spouse coverage 5% annual lapse rate
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.

The following results are estimates based on assumptions about future events. Assumptions may be made about participant data or other factors. All approximations and assumptions are noted. Reasonable efforts were made in this valuation to ensure that significant items in the context of the actuarial liabilities or costs are treated appropriately, and not excluded or included inappropriately. Actual future experience will differ from the assumptions used. As these differences arise, the expense for accounting purposes will be adjusted in future valuations to reflect such actual experience.

The 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 RP-2014 Combined Annuitant Mortality Table for males and females. The Mortality Table reflects recent rates developed by the Society of Actuaries.

Demographic assumptions regarding retirement, mortality, and turnover are based on Oregon PERS valuation assumptions as of December 31, 2016. 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, 2021

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEBB (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.

	1% Decrease 2.58%	Discount Rate 3.58%	1% Increase 4.58%
Total OPEB liability from Implicit Rate Subsidy	\$ 442,136	\$ 413,635	\$ 387,212
Trend Rate	1% Decrease	Trend Rate	1% Increase
Total OPEB liability from Implicit Rate Subsidy	\$ 375,914	\$ 413,635	\$ 457,680

Participation

As of the valuation date of July 1, 2017, the following employees were covered under the plan:

Active Employees	90
Eligible Retirees	3
Spouses of Ineligible Retirees	<u>0</u>
Total Participants	93
Spouses of Eligible Retirees	2

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

June 30, 2021

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

Changes in Net (OPEB) OEBB Liability

Changes in Total OPEB Liability June 30, 2020 to June 30, 2021	Increase (Decrease) Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance per actuarial as of June 30, 2018	\$ 393,275	\$ -	\$ 393,275
Changes for the year:			
Service Cost	49,288	-	49,288
Interest	15,580	-	15,580
Effect of changes to benefit terms	-	-	-
Effect of economic/ demographic gains or losses	-	-	-
Changes in assumptions or other inputs	(7,583)	-	(7,583)
Employer Contributions	-	-	-
Benefit payments	(36,926)	-	(36,926)
Net OPEB Liability per actuarial at June 30, 2019	<u>\$ 413,635</u>	<u>\$ -</u>	<u>\$ 413,635</u>

Components of (OPEB) OEBB Expense

OPEB Expense	July 1, 2020 to June 30, 2021
Service cost	\$ 49,288
Interest on total OPEB liability	15,580
Effect of plan changes	-
Recognition of Deferred (Inflows)/Outflows of Resources	
Recognition of economic/demographic (gains) or losses	(3,237)
Recognition of assumption changes	(4,602)
Administrative Expense	n/a*
OPEB Expense	<u>\$ 57,029</u>

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

June 30, 2021

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

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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions or inputs	-	25,059
Benefit Payments	38,101	-
Changes in proportionate share	-	-
Differences between employer contributions and employer's proportionate share of system contributions	<u>-</u>	<u>-</u>
Total Deferred Outflows/Inflows (prior to post-measurement date contributions)	<u>\$ 38,101</u>	<u>\$ 25,059</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>13,042</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:

<u>Employer subsequent fiscal years</u>	<u>Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)</u>
1st Fiscal Year	\$ (3,237)
2nd Fiscal Year	(3,237)
3rd Fiscal Year	(3,237)
4th Fiscal Year	(3,237)
5th Fiscal Year	(94)
Thereafter	<u>-</u>
Total	<u>\$ (13,042)</u>

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

June 30, 2021

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, 2021 were as follows:

	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund #100	\$ 510,000	\$ -
Special Revenue Fund #200	-	215,000
Capital Projects Fund #400	-	295,000
Total	<u>\$ 510,000</u>	<u>\$ 510,000</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, 2021

FUND BALANCE COMPARISON:

The following is a comparison of the budget (cash) basis June 30, 2021 fund balance to the amount budgeted as an estimate to be on hand July 1, 2021.

<u>Fund</u>	<u>Actual</u> <u>June 30, 2021</u>	<u>Budgeted</u> <u>July 1, 2021</u>
General Fund #100	\$ 2,305,127	\$ 2,600,000
Special Revenue Fund #200	1,095,336	1,209,293
Debt Service Fund #300	205,514	206,372
Capital Projects Fund #400	447,512	457,948

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, 2021**

	<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	\$ 1,710,000	\$1,710,000	\$ 1,995,406	\$ 285,406
Earnings on Investments	48,000	48,000	23,839	(24,161)
Fees and Charges	50,000	50,000	-	(50,000)
Miscellaneous Revenue	37,600	37,600	23,772	(13,828)
Intermediate Government Aid	171,529	171,529	170,299	(1,230)
State Aid	7,639,649	7,639,649	7,321,190	(318,459)
Federal Aid	5	5	7	2
Total Revenues	9,656,783	9,656,783	9,534,513	(122,270)
<u>EXPENDITURES:</u>				
Instruction	6,175,663	6,175,663	5,287,232	(888,431)
Support Services	4,047,786	4,047,786	3,165,173	(882,613)
Debt Service	43,334	43,334	43,334	-
Contingency	500,000	500,000	-	(500,000)
Total Expenditures	10,766,783	10,766,783	8,495,739	(2,271,044)
Excess (Deficiency) of Revenues Over Expenditures	(1,110,000)	(1,110,000)	1,038,774	2,148,774
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers Out	(510,000)	(510,000)	(510,000)	-
Total Other Financing Sources (Uses)	(510,000)	(510,000)	(510,000)	-
Net Change in Fund Balance	(1,620,000)	(1,620,000)	528,774	2,148,774
Beginning Fund Balance	1,620,000	1,620,000	1,803,087	183,087
Ending Fund Balance	\$ -	\$ -	\$ 2,331,861	\$ 2,331,861

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, 2021**

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final		
<u>REVENUES:</u>				
Earnings on Investments	\$ 2,075	\$ 2,075	\$ 1,892	\$ (183)
Fees and Charges	422,600	422,600	59,248	(363,352)
Miscellaneous Revenue	168,800	168,800	58,372	(110,428)
State Aid	1,099,393	1,163,393	670,105	(493,288)
Federal Aid	1,129,700	1,221,951	1,091,314	(130,637)
Total Revenues	2,822,568	2,978,819	1,880,931	(1,097,888)
<u>EXPENDITURES:</u>				
Instruction	2,637,121	2,618,280	934,054	(1,684,226)
Support Services	772,191	855,032	612,603	(242,429)
Enterprise and Community Services	513,391	513,391	274,661	(238,730)
Debt Service	199,845	199,845	-	(199,845)
Contingency	38,000	38,000	-	(38,000)
Total Expenditures	4,160,548	4,224,548	1,821,318	(2,403,230)
Excess (Deficiency) of Revenues Over Expenditures	(1,337,980)	(1,245,729)	59,613	1,305,342
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers In	215,000	215,000	215,000	-
Long Term Debt Financing Sources	35,000	35,000	-	(35,000)
Apportionment of Funds	-	(92,251)	(53,156)	39,095
Total Other Financing Sources (Uses)	250,000	157,749	161,844	4,095
Net Change in Fund Balance	(1,087,980)	(1,087,980)	221,457	1,309,437
Beginning Fund Balance	1,087,980	1,087,980	873,879	(214,101)
Ending Fund Balance	\$ -	\$ -	\$ 1,095,336	\$ 1,095,336

AMITY SCHOOL DISTRICT NO. 4J

**SCHEDULE OF PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
PERS**

Last 10 Fiscal Years*

Measurement Date June 30,	(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	(b/c) Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.02617916%	\$ 5,713,193	\$ 3,727,903	153.25%	75.8%
2020	0.02236876%	3,869,260	4,483,494	86.30%	80.2%
2019	0.02633210%	3,988,966	4,738,267	84.19%	82.1%
2018	0.02351608%	3,169,976	4,511,039	70.27%	83.1%
2017	0.02043542%	3,067,831	3,869,212	79.29%	80.5%
2016	0.03187822%	1,830,276	6,741,352	27.15%	91.9%
2015	0.02998764%	\$ (679,734)	\$ 6,714,550	-10.12%	103.6%

*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 *

Year Ended June 30,	(a) Contractually required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) Employer's covered payroll	(b/c) Contributions as a percent of covered payroll
2021	\$ 232,235	\$ 232,235	\$ -	\$ 3,727,903	6.23%
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%
2015	338,760	338,760	-	3,864,906	8.77%
2014	286,635	286,635	-	3,864,906	7.42%
2013	257,842	257,842	-	3,589,876	7.18%
2012	\$ 255,071	\$ 255,071	\$ -	\$ 3,553,505	7.18%

*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*

Measurement Date June 30,	(a) Employer's proportion of the net OPEB liability (asset)	(b) Employer's proportionate share of the net OPEB liability (asset)	(c) Employer's covered payroll	(b/c) Employer's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2021	0.07589979%	\$ (154,654)	\$ 3,727,903	-4.15%	150.1%
2020	0.04512578%	(87,199)	4,483,494	-1.94%	144.4%
2019	0.03638783%	(40,619)	4,738,267	-0.86%	124.0%
2018	0.03853805%	(16,084)	4,511,039	-0.36%	108.9%
2017	0.04137321%	\$ 11,235	\$ 3,869,212	0.29%	94.2%

*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 contribution	(a-b) Contribution deficiency (excess)	(c) Employer's covered employee payroll	(b/c) Contributions as a percent of covered payroll
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%
2016	\$ 7,257	\$ 7,257	\$ -	\$ 3,931,540	0.18%

*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*

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 50,622	\$ 51,956	\$ 51,956	\$ 50,622
Interest on total OPEB liability	14,284	10,819	10,819	10,819
Effect of changes to benefit terms	-	-	-	-
Effect of economic/demographic gains or (losses)	-	-	-	-
Effect of assumption changes or inputs	(20,059)	(17,991)	(17,991)	(15,714)
Benefit payments	(36,926)	(23,600)	(23,600)	(24,603)
Net change in total OPEB liability *	7,921	21,184	21,184	9,885
Total OPEB liability, beginning	381,738	360,554	339,370	329,485
Total OPEB liability, ending (a) *	389,659	381,738	360,554	339,370
Covered payroll	\$ 3,727,903	\$ 3,727,903	\$ 4,738,267	\$ 4,511,039
Total OPEB liability as a % of covered payroll **	10.5%	7.6%	7.6%	8.0%

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.

OTHER
SUPPLEMENTARY
DATA

Major Governmental Funds

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, 2021

	<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>				
Taxes	\$ 607,253	\$ 607,253	\$ 646,024	\$ 38,771
Earnings on Investments	20,000	20,000	2,769	(17,231)
Miscellaneous Revenue	700,000	700,000	624,815	(75,185)
Total Revenues	<u>1,327,253</u>	<u>1,327,253</u>	<u>1,273,608</u>	<u>(53,645)</u>
<u>EXPENDITURES:</u>				
Debt Service	1,380,178	1,380,178	1,380,178	-
Total Expenditures	<u>1,380,178</u>	<u>1,380,178</u>	<u>1,380,178</u>	<u>-</u>
Net Change in Fund Balance	(52,925)	(52,925)	(106,570)	(53,645)
Beginning Fund Balance	636,922	636,922	310,393	(326,529)
Ending Fund Balance	<u>\$ 583,997</u>	<u>\$ 583,997</u>	<u>\$ 203,823</u>	<u>\$ (380,174)</u>

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, 2021**

	<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>				
Earnings on Investments	\$ 10,000	\$ 10,000	\$ 3,846	\$ (6,154)
Miscellaneous Revenue	20,000	20,000	17,672	(2,328)
Total Revenues	30,000	30,000	21,518	(8,482)
<u>EXPENDITURES:</u>				
Support Services	245,000	245,000	26,618	(218,382)
Facilities Acquisition and Construction	507,000	507,000	254,765	(252,235)
Total Expenditures	752,000	752,000	281,383	(470,617)
Excess (Deficiency) of Revenues Over Expenditures	(722,000)	(722,000)	(259,865)	462,135
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers In	295,000	295,000	295,000	-
Total Other Financing Sources (Uses)	295,000	295,000	295,000	-
Net Change in Fund Balance	(427,000)	(427,000)	35,135	462,135
Beginning Fund Balance	427,000	427,000	412,377	(14,623)
Ending Fund Balance	\$ -	\$ -	\$ 447,512	\$ 447,512

OTHER
SUPPLEMENTARY
DATA

Additional
Supporting Schedules

AMITY SCHOOL DISTRICT NO. 4J
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2021

GO Refunding Bond, Series 2015

On March 19, 2015, the District issued General Obligation Refunding Bond, Series 2015 for refunding of GO Refunding Bonds, Series 2005. The bonds are held by Heritage Bank. The original balance of the 2015 refunding bonds was \$4,076,000, with a fixed interest rate of 1.78%.

Current Year Activity:

	Outstanding Balance July 1, 2020	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2021	Due Within One Year
Principal	\$ 1,290,000	\$ -	\$ 630,000	\$ 660,000	\$ 660,000
Interest	-	22,962	22,962	-	11,748
Total	<u>\$ 1,290,000</u>	<u>\$ 22,962</u>	<u>\$ 652,962</u>	<u>\$ 660,000</u>	<u>\$ 671,748</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2022	\$ 660,000	\$ 11,748	\$ 671,748	1.78%
Total		<u>\$ 660,000</u>	<u>\$ 11,748</u>	<u>\$ 671,748</u>	

AMITY SCHOOL DISTRICT NO. 4J
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2021

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 July 1, 2020	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2021	Due Within One Year
Principal	\$ 4,000,939	\$ -	\$ 173,920	\$ 3,827,019	\$ 173,094
Interest	-	553,296	553,296	-	589,122
Total	<u>\$ 4,000,939</u>	<u>\$ 553,296</u>	<u>\$ 727,216</u>	<u>\$ 3,827,019</u>	<u>\$ 762,216</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2022	\$ 173,094	\$ 589,122	\$ 762,216	5.62%
	2023	173,925	628,290	802,215	5.62%
	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>\$ 3,827,019</u>	<u>\$ 1,794,620</u>	<u>\$ 5,621,639</u>	

AMITY SCHOOL DISTRICT NO. 4J
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2021

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, 2020	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2021	Due Within One Year
Principal	\$ 476,664	\$ -	\$ 43,334	\$ 433,330	\$ 43,334
Interest	-	-	-	-	-
Total	<u>\$ 476,664</u>	<u>\$ -</u>	<u>\$ 43,334</u>	<u>\$ 433,330</u>	<u>\$ 43,334</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2022	\$ 43,334	\$ -	\$ 43,334	0.00%
	2023	43,334	-	43,334	0.00%
	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>\$ 433,330</u>	<u>\$ -</u>	<u>\$ 433,330</u>	

AMITY SCHOOL DISTRICT NO. 4J

Oregon Department of Education Form 581-3211-C

For the Fiscal Year Ended June 30, 2021

SUPPLEMENTAL INFORMATION 2020-2021

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	\$ 162,075
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, 2021****Revenue from Local Sources**

1110	Ad Valorem Taxes Levied by District
1190	Penalties and Interest on Taxes
1500	Earnings on Investments
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
\$ 1,988,803	\$ -	\$ 644,035	\$ -
6,603	-	1,989	-
23,839	1,892	2,769	3,846
-	59,248	-	-
-	2,600	-	-
250	-	-	-
4,225	-	-	-
1,346	-	-	-
-	-	624,815	-
17,950	55,772	-	17,672

Total Revenue from Local Sources

\$ 2,043,017	\$ 119,511	\$ 1,273,607	\$ 21,518
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Revenue from Intermediate Sources

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

Fund 100	Fund 200	Fund 300	Fund 400
\$ 2,116	\$ -	\$ -	\$ -
165,621	-	-	-
2,562	-	-	-

Total Revenue from Intermediate Sources

\$ 170,299	\$ -	\$ -	\$ -
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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
\$ 7,168,738	\$ -	\$ -	\$ -
-	2,565	-	-
94,317	-	-	-
58,136	-	-	-
-	28,662	-	-
-	638,878	-	-

Total Revenue from State Sources

\$ 7,321,190	\$ 670,105	\$ -	\$ -
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Revenue from Federal Sources

4500	Restricted Revenue From the Federal Government Through the State
4801	Federal Forest Fees
4900	Revenue for/on Behalf of the District

Fund 100	Fund 200	Fund 300	Fund 400
\$ -	\$ 1,075,110	\$ -	\$ -
7	-	-	-
-	16,204	-	-

Total Revenue from Federal Sources

\$ 7	\$ 1,091,314	\$ -	\$ -
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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
\$ -	\$ 215,000	\$ -	\$ 295,000
-	-	-	-
1,803,087	873,879	310,393	412,377

Total Revenue from Other Sources

\$ 1,803,087	\$ 1,088,879	\$ 310,393	\$ 707,377
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Grand Total

\$ 11,337,600	\$ 2,969,810	\$ 1,584,000	\$ 728,896
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AMITY SCHOOL DISTRICT NO. 4J
Audit Expenditure Summary-General Fund #100
For the Fiscal Year Ended June 30, 2021

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	\$ 1,613,464	\$ 1,026,954	\$ 563,222	\$ 7,752	\$ 15,536	\$ -	\$ -	\$ -
1113 Elementary Extracurricular	514	-	-	-	514	-	-	-
1121 Middle/Junior High Programs	923,709	592,982	319,461	5,290	5,976	-	-	-
1122 Middle/Junior High School Extracurricular	28,356	20,913	3,699	780	2,915	-	50	-
1131 High School Programs	1,390,421	907,168	454,353	11,360	17,216	-	325	-
1132 High School Extracurricular	165,369	95,710	23,886	6,283	36,645	-	2,845	-
1220 Restrictive Programs for Students with Disabilities	214,682	-	-	214,682	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	559,075	324,209	218,567	836	15,463	-	-	-
1280 Alternative Education	326,025	-	-	326,025	-	-	-	-
1291 English Second Language Programs	65,617	42,956	22,619	30	13	-	-	-
Total Instruction Expenditures	\$ 5,287,232	\$ 3,010,890	\$ 1,605,806	\$ 573,038	\$ 94,278	\$ -	\$ 3,220	\$ -

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$ 177,940	\$ 56,548	\$ 43,348	\$ 78,045	\$ -	\$ -	\$ -	\$ -
2120 Guidance Services	325,672	207,209	117,000	979	483	-	-	-
2190 Service Direction, Student Support Services	129,767	85,118	44,230	418	-	-	-	-
2220 Educational Media Services	64,653	48,395	10,074	-	6,035	-	150	-
2230 Assessment & Testing	10,025	5,834	3,561	-	631	-	-	-
2240 Instructional Staff Development	2,147	95	2,012	40	-	-	-	-
2310 Board of Education Services	36,839	-	-	22,499	1,417	-	12,923	-
2320 Executive Administration Services	213,024	140,767	66,860	1,734	2,546	-	1,117	-
2410 Office of the Principal Services	655,272	434,603	214,481	515	2,688	-	2,985	-
2490 Other Support Services - School Administration	139	105	34	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	234,275	119,013	59,456	12,682	40,166	-	2,957	-
2540 Operation and Maintenance of Plant Services	745,023	226,346	138,565	285,636	29,376	8,982	56,117	-
2550 Student Transportation Services	335,033	20,801	10,345	296,224	3,164	-	4,499	-
2630 Information Services	22,956	12,858	9,888	210	-	-	-	-
2640 Staff Services	354	-	-	354	-	-	-	-
2660 Technology Services	212,053	90,018	42,727	52,847	26,462	-	-	-
Total Support Services Expenditures	\$ 3,165,173	\$ 1,447,710	\$ 762,580	\$ 752,183	\$ 112,969	\$ 8,982	\$ 80,748	\$ -

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	510,000	-	-	-	-	-	-	510,000
Total Other Uses Expenditures	\$ 553,334	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,334	\$ 510,000
Grand Total	\$ 9,005,738	\$ 4,458,601	\$ 2,368,386	\$ 1,325,221	\$ 207,246	\$ 8,982	\$ 127,302	\$ 510,000

AMITY SCHOOL DISTRICT NO. 4J
Audit Expenditure Summary-Special Revenue Fund #200
For the Fiscal Year Ended June 30, 2021

FUND: Special Revenue Fund #200

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	\$ 47,192	\$ 6,189	\$ 1,898	\$ 4,714	\$ 34,391	\$ -	\$ -	\$ -
1113 Elementary Extracurricular	7,758	-	-	-	7,758	-	-	-
1121 Middle/Junior High Programs	59,576	5,102	1,654	3,985	48,835	-	-	-
1122 Middle/Junior High School Extracurricular	19,810	-	-	1,281	18,529	-	-	-
1131 High School Programs	445,142	133,312	45,909	8,455	227,576	29,891	-	-
1132 High School Extracurricular	50,908	-	-	11,283	39,625	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	174,361	118,937	55,424	-	-	-	-	-
1272 Title I	98,421	54,991	39,377	-	4,053	-	-	-
1400 Summer School Programs	21,657	3,013	-	18,644	-	-	-	-
Total Instruction Expenditures	\$ 924,825	\$ 321,544	\$ 144,261	\$ 48,362	\$ 380,767	\$ 29,891	\$ -	\$ -

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2130 Health Services	\$ 7,000	\$ -	\$ -	\$ 7,000	\$ -	\$ -	\$ -	\$ -
2210 Improvement of Instruction Services	2,100	1,561	539	-	-	-	-	-
2240 Instructional Staff Development	13,438	522	174	12,742	-	-	-	-
2490 Other Support Services - School Administration	82,630	49,797	32,833	-	-	-	-	-
2520 Fiscal Services	9,364	-	9,364	-	-	-	-	-
2540 Operation and Maintenance of Plant Services	73,757	2,066	674	9,115	8,719	53,183	-	-
2550 Student Transportation Services	15,846	454	149	15,242	-	-	-	-
2640 Staff Services	13,980	10,543	3,437	-	-	-	-	-
2660 Technology Services	394,488	-	-	8,249	386,240	-	-	-
Total Support Services Expenditures	\$ 612,603	\$ 64,943	\$ 47,171	\$ 52,348	\$ 394,959	\$ 53,183	\$ -	\$ -

Enterprise and Community Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$ 258,096	\$ 105,537	\$ 41,366	\$ 10,214	\$ 97,328	\$ -	\$ 3,651	-
3300 Community Services	2,874	-	-	2,874	-	-	-	-
3500 Custody and Care of Children Services	13,691	7,856	5,835	-	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ 274,661	\$ 113,394	\$ 47,201	\$ 13,088	\$ 97,328	\$ -	\$ 3,651	\$ -

Other Uses Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5300 Apportionment of Funds by ESD	\$ 53,156	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,156
Total Other Uses Expenditures	\$ 53,156	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,156
Grand Total	\$ 1,865,245	\$ 499,880	\$ 238,633	\$ 113,798	\$ 873,053	\$ 83,074	\$ 3,651	\$ 53,156

AMITY SCHOOL DISTRICT NO. 4J

Audit Expenditure Summary-Debt Service Fund #300

For the Fiscal Year Ended June 30, 2021

FUND: Debt Service Fund #300

Other Uses Expenditures

5100 Debt Service

Total Other Uses Expenditures

Grand Total

Totals	Object 600
\$ 1,380,178	\$ 1,380,178
\$ 1,380,178	\$ 1,380,178
\$ 1,380,178	\$ 1,380,178

AMITY SCHOOL DISTRICT NO. 4J

Audit Expenditure Summary-Capital Projects Fund #400

For the Fiscal Year Ended June 30, 2021

FUND: Capital Projects Fund #400

Support Services Expenditures

2540 Operation and Maintenance of Plant Services

Total Support Services Expenditures

Totals	Object 300	Object 500
\$ 26,618	\$ 17,927	\$ 8,692
\$ 26,618	\$ 17,927	\$ 8,692

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
\$ 254,765	\$ -	\$ 254,765
\$ 254,765	\$ -	\$ 254,765
\$ 281,384	\$ 17,927	\$ 263,457

ACCOMPANYING
INFORMATION

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

As of June 30, 2021

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

I have audited the basic financial statements of the Amity School District No. 4J as of and for the year ended June 30, 2021, and have issued my report thereon dated November 28, 2021. I conducted my 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, I 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 my audit, and accordingly, I do not express such an opinion.

I performed procedures to the extent I 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 my testing nothing came to my 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 my audit, I considered the District's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my 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, I 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
November 28, 2021

SINGLE AUDIT
SECTION



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Amity School District No. 4J

I have audited, 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 the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Amity School District No. 4J, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Amity School District No. 4J's basic financial statements and have issued our report thereon dated November 28, 2021.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered Amity School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Amity School District's internal control. Accordingly, I do not express an opinion on the effectiveness of Amity School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read 'Steve Tuchscherer', is written over a horizontal line.

Steve Tuchscherer, CPA
Roseburg, Oregon
November 28, 2021



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Amity School District No. 4J

Report on Compliance for Each Major Federal Program

I have audited Amity School District No. 4J's compliance with the types of compliance requirements described in the OMB *Circular Compliance Supplement* that could have a direct and material effect on each of Amity School District No. 4J's major federal programs for the year ended June 30, 2021. Amity School District No. 4J's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of Amity School District No. 4J's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Amity School District No. 4J's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination Amity School District No. 4J's compliance.

Opinion on Each Major Federal Program

In my opinion, Amity School District No. 4J complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.



Report on Internal Control over Compliance

The management of Amity School District No. 4J is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit, I considered Amity School District No. 4J's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Amity School District No. 4J's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read 'Steve Tuchscherer', is written over a dashed horizontal line.

Steve Tuchscherer, CPA
Roseburg, Oregon
November 28, 2021

AMITY SCHOOL DISTRICT NO. 4J
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED June 30, 2021

Assistance Listing (AL) #													
Federal Grantor/Pass Through Grantor/ Program Title	Federal Awarding Agency Prefix	AL Three- Digit Extension	Additional Award Identification	Federal Program Name	Cluster Name	Grant Fund	Federal CFDA Number	Grant Period	Original Program or Grant Amount	(Recivable)/ Deferred Revenue June 30, 2020	Cash Received	Expenditures	(Recivable)/ Deferred Revenue June 30, 2021
U.S. DEPARTMENT OF EDUCATION													
Passed Through Oregon Department of Education:													
Title IA - Grants to Local Education Agencies	84	010				Fund #201	84.010	2019-20	\$ 113,125	\$ (785)	\$ 785	\$ -	\$ -
Title IA - Grants to Local Education Agencies	84	010				Fund #201	84.010	2020-21	152,701	-	152,410	152,701	(291)
Total Title I									265,826	(785)	153,195	152,701	(291)
Title II-A Teacher Quality	84	367				Fund #204	84.367	2019-20	21,244	(4,324)	4,823	499	-
Title II-A Teacher Quality	84	367				Fund #204	84.367	2020-21	23,578	-	13,667	22,946	(9,279)
Total Title II-A									44,822	(4,324)	18,490	23,445	(9,279)
Title IV - Student Support and Academic Enrichment	84	424				Fund #204	84.424	2019-20	9,371	(6,729)	6,729	-	-
Title IV - Student Support and Academic Enrichment	84	424				Fund #204	84.424	2020-21	10,000	-	10,000	10,000	-
Elementary & Secondary School Emergency Relief, I	84	425	COVID-19, 84.425D	Elementary and Secondary School Emergency Relief Fund	Educational Stabilization Fund	Fund #204	84.425	2019-20	92,965	(9,294)	92,965	83,671	-
Elementary & Secondary School Emergency Relief, II	84	425	COVID-19, 84.425D	Elementary and Secondary School Emergency Relief Fund	Educational Stabilization Fund	Fund #204	84.425	2020-21	401,240	-	129,977	331,421	(201,444)
Comprehensive Distance Learning, GEER Funding	84	425	COVID-19, 84.425C	Governor's Emergency Education Relief Fund	Educational Stabilization Fund	Fund #204	84.425	2020-21	901,761	-	126,061	126,061	-
Total Educational Stabilization Fund									1,395,966	(9,294)	349,003	541,153	(201,444)
IDEA - Special Education Grants to States(Part B Sec.611)	84	027				Fund #200	84.027	2019-20	150,731	(123)	123	-	-
IDEA - Special Education Grants to States(Part B Sec.611)	84	027				Fund #200	84.027	2020-21	174,039	-	173,649	173,649	-
IDEA - SPR & I	84	027				Fund #200	84.027	2020-21	1,090	-	1,090	1,090	-
IDEA - Post School Outcomes	84	027				Fund #200	84.027	2019-20	390	-	390	390	-
Total IDEA									326,250	(123)	175,252	175,129	-
Total Passed through Oregon Department of Education									\$ 2,052,235	\$ (21,255)	\$ 712,669	\$ 902,428	\$ (211,014)
Total U.S. Department of Education									\$ 2,052,235	\$ (21,255)	\$ 712,669	\$ 902,428	\$ (211,014)
DEPARTMENT OF HEALTH AND HUMAN SERVICES													
Foster Care Title IV-E	93	658				Fund #204	93.658	2019-20	8,121	(7,295)	7,295	-	-
Total Department of Health and Human Services									\$ 8,121	\$ (7,295)	\$ 7,295	\$ -	\$ -
U.S. DEPARTMENT OF AGRICULTURE													
Passed Through Oregon Department of Education:													
Commodities	10	555				Fund #299	10.555	2020-21	\$ 117,353	\$ -	\$ 104,933	\$ 117,353	\$ (12,420)
National School Lunch - Breakfast	10	553				Fund #299	10.553	2020-21	53,330	-	50,888	53,329	(4,441)
commodities Supplemental Food Program	10	565				Fund #299	10.565	2020-21	16,204	-	16,204	16,204	-
Total National School Lunch Program									186,887	-	172,025	188,886	(16,861)
Total U.S. Department of Agriculture									\$ 186,887	\$ -	\$ 172,025	\$ 188,886	\$ (16,861)
TOTALS									\$ 2,247,243	\$ (28,550)	\$ 891,989	\$ 1,091,314	\$ (227,875)
This schedule is prepared using the modified accrual basis of accounting.													
RECONCILIATION TO REVENUE:													
Cash Receipts per Schedule Above									\$ 891,989				
Grants Receivable/Deferred Revenue Beginning of Year									(28,550)				
Grants Receivable/Deferred Revenue End of Year									227,875				
Federal Revenue Recognized per Financial Statements									\$ 1,091,314				

AMITY SCHOOL DISTRICT NO. 4J
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of federal awards (the “Schedule”) includes the federal award activity of Amity School District No. 4J under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Amity School District No. 4J, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Amity School District No. 4J.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – INDIRECT COSTS RATE

Amity School District No. 4J has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

AMITY SCHOOL DISTRICT NO. 4J

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2021

Section I—Summary of Auditor’s Results

1. The auditor’s report expresses an unqualified opinion on the financial statements of Amity School District No. 4J in accordance with GAAP.
2. No material weaknesses or significant deficiencies in internal control related to the financial statement audit were identified which are required to be reported.
3. No instances of noncompliance material to the financial statements of Amity School District No. 4J were disclosed during the audit.
4. The auditor’s report on compliance for the major federal award program expresses an unmodified opinion.
5. The audit did not disclose any findings that are required to be reported.
6. The program tested as a major program was the Educational Stabilization Fund AL# 84.425 cluster.
7. The threshold for distinguishing between Type A and B programs was \$750,000.
8. The District was determined to be a high-risk auditee.

Section II—Financial Statements Findings

No findings related to the financial statements are reported in accordance with *Government Auditing Standards* for the year ended June 30, 2021.

Section III—Findings and Questioned Costs for Federal Awards.

No matters were reported relating to significant deficiencies, material weaknesses, or instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

Section IV—Summary Schedule of Prior Audit Findings

A Single Audit was not performed for the year ended June 30, 2020.