AMITY SCHOOL DISTRICT NO. 4J

AMITY, OREGON

JUNE 30, 2018

ANNUAL FINANCIAL REPORT

UMPQUA VALLEY FINANCIAL, LLC

AMITY SCHOOL DISTRICT NO. 4J

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

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807 Trade Street, Amity, OR 97101

AMITY SCHOOL DISTRICT NO. 4J

AUDIT REPORT

June 30, 2018

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AUDIT REPORT

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UMPQUA VALLEY
FINANCIAL

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, 2018, and the related notes to the financial statements, 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 principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2-10, the schedules of revenues, expenditures and changes in fund balances – budget and actuals on pages 51-52, and pension and OPEB schedules on pages 53-56 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 and OPEB schedules in accordance with the auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to 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 51-52 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 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 information on pages 57-83 are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Amity School District No. 4J. The other supplementary information on pages 57-83 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain 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, the other supplementary information are fairly stated in all material respects in relation to the financial statements taken as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated December 7, 2018, on our consideration of the Amity School District No. 4J's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on the District's compliance.

Steve Tuchscherer, CPA
December 7, 2018

MANAGEMENT'S DISCUSSION

AND ANALYSIS

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AMITY SCHOOL DISTRICT NO. 4J
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2018
Unaudited

The discussion and analysis of Amity School District's financial performance provides an overview of the District's financial activities for the fiscal year that ended June 30, 2018. 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, 2018 are as follows:

- The District's net position increased by $301,765 which represents a 41 percent increase from the previous year.
- General revenues accounted for $9,490,214 in revenue, or 89 percent of all revenues. Program specific revenues in the form of charges for services, and grants and contributions accounted for $1,173,436 or 11 percent of total revenues of $10,663,650.
- The District had $10,361,015 in expenses related to governmental activities; which was less than total revenues, resulting in an increase in net position of $300,481. Total expenses increased $954,901 over the previous year.
- Total assets of governmental activities increased by $121,653 a percentage increase of 1.1 percent, primarily due to an increase in capital assets, net of depreciation.
- Total liabilities decreased by $605,498, largely due to a decrease in long-term debt.
- Among the governmental funds, the general fund had $8,989,167 in revenues, which primarily consisted of state school support funds and property taxes. General Fund expenditures totaled $8,824,439 including $560,000 in budgeted interfund transfers out and $112,595 in budgeted debt service payments. The General Fund's fund balance increased $164,728 to $1,124,646.

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.

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.

At this time the District has two kinds of funds:

Governmental funds focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. Unlike the government-wide financial statements, the fund financial 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. They are useful in evaluating whether the annual financing requirements of governmental programs such as regular and special education were financed in the short term and the commitment of spendable resources for the near-term.

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 statement of assets, liabilities, and fund equities and the governmental fund statement of receipts, expenditures, and changes in fund balances provide a reconciliation to government-wide statements to assist in understanding the differences between these two perspectives.

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

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents, as required supplementary information schedules of revenues, expenditures, and changes in fund balance–budget and actual for the General Fund, the IDEA Grant Fund, the Debt Service Fund and the PERS Bond Debt Fund. The required supplementary information immediately follows the notes to the financial statements. Other supplementary information includes individual fund schedules of revenues, expenditures, and changes in fund balance–budget and actual for the Debt Service Funds, Capital Projects Funds and all non-major funds. Also presented as other supplementary information are various other schedules. These schedules immediately follow the required supplementary information in this report.

Financial Analysis of the School 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 is $1,038,562. This is a $301,765 increase from last year's net position and represents a 41 percent increase from the previous year.

The following table provides a summary of the District's net position. Prior year information is provided for comparative purposes.

Summary of Net Position

	Governmental Activities		
	June 30, 2018	June 30, 2017	Percentage Change
Assets			
Current and Other Assets	$ 5,917,494	$ 5,898,781	0.3%
Capital Assets	5,000,780	4,897,840	2.1%
Total Assets	10,918,274	10,796,621	1.1%
Deferred Outflow of Resources	1,851,153	2,290,681	-19.2%
Liabilities			
Long-Term Liabilities	11,303,108	10,770,517	4.9%
Other Liabilities	71,764	1,209,853	-94.1%
Total Liabilities	11,374,872	11,980,370	-5.1%
Deferred Inflow of Resources	355,993	370,136	-3.8%
Net Position			
Net Investment in Capital Assets	1,582,213	787,197	101.0%
Restricted	40,734	32,391	25.8%
Unrestricted	(584,385)	(82,791)	-605.9%
Total Net Position - Restated for Prior Year	$ 1,038,562	$ 736,797	41.0%

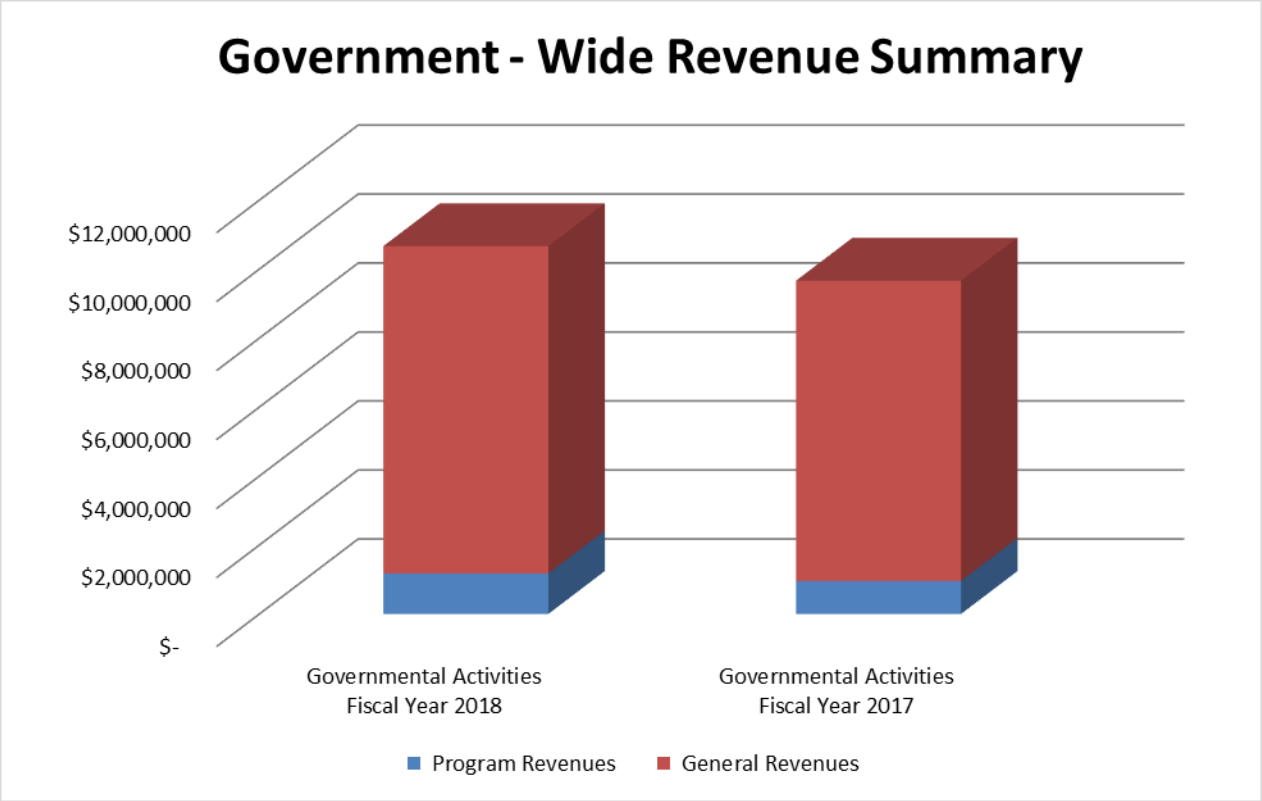
The following table shows the changes in net position. Prior year information is provided for comparison of government-wide revenue and expense information.

Changes in Net Position

	Governmental Activities		
	2017-18	2016-17	Percentage Change
Revenues			
Program Revenues			
Charges for Services	$ 366,846	$ 343,746	6.7%
Operating Grants and Contributions	806,590	613,072	31.6%
General Revenues			
Property Taxes	2,269,321	2,172,178	4.5%
State Basic School Support	6,882,800	6,186,151	11.3%
Federal Forest Fees	3	-	0.0%
Other	338,091	348,263	-2.9%
Total Revenues	10,663,650	9,663,410	10.4%
Program Expenses			
Instruction	6,184,974	5,481,667	12.8%
Support Services	3,343,912	3,112,197	7.4%
Community Services	323,004	326,421	-1.0%
Interest on Long-Term Debt	510,195	488,183	4.5%
Total Program Expenses	10,362,085	9,408,468	10.1%
Special Items	200	-	
Change in Net Position	$ 301,765	$ 254,942	

The largest governmental activities program is instruction, which comprises 59 percent of expenses. Interest expense was 5 percent of total expenses.

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



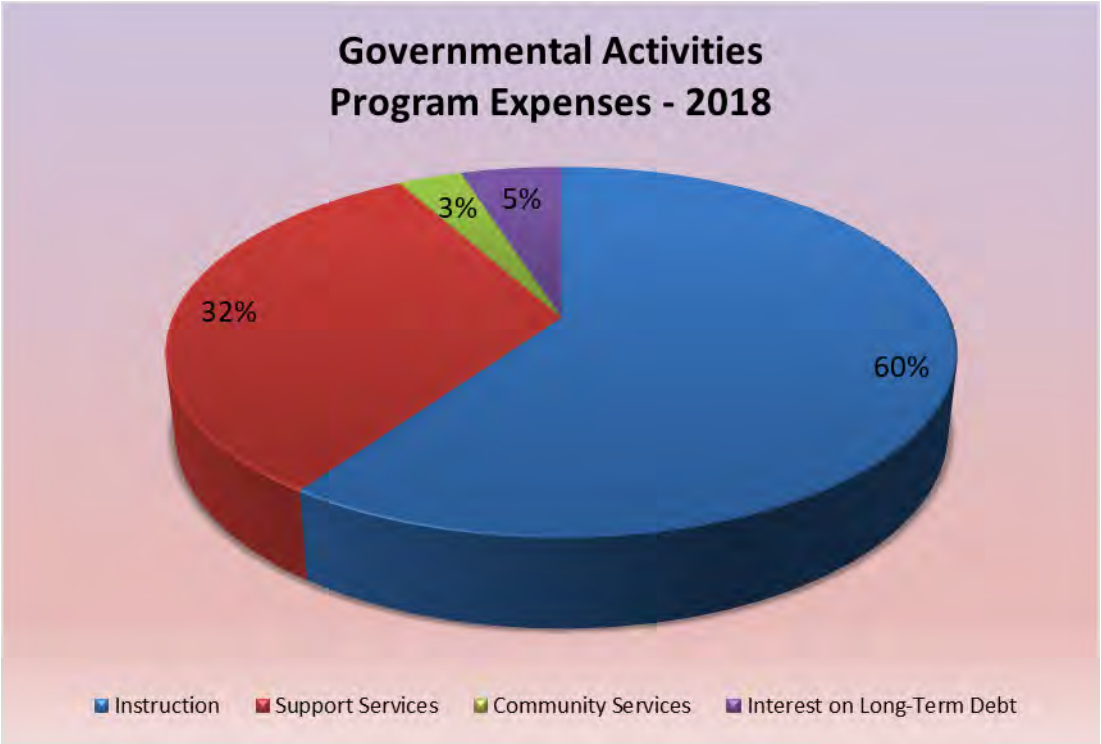
The Statement of Activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table shows, for governmental activity, the total cost of the four major functional activities of the District. The table also shows each function's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

Governmental Activities

	2017-18		2016-17	
	Total Cost of Services	Net Cost (Profit) of Services	Total Cost of Services	Net Cost (Profit) of Services
Instruction	$ 6,184,974	$ 5,318,136	$ 5,481,667	$ 4,829,099
Support Services	3,343,912	3,288,807	3,112,197	3,053,463
Community Services	323,004	71,510	326,421	80,905
Interest on Long-Term Debt	510,195	510,195	488,183	488,183
Total Program Expenses	$ 10,362,085	$ 9,188,649	$ 9,408,468	$ 8,451,650

The dependence on property tax and state basic support revenues is apparent. Over 85 percent of instruction activities are supported through property tax and state basic support. For all governmental activities general revenue support was 89 percent. Unrestricted state basic school support payments are by far the primary support of Amity School District No. 4J students.

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



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 $3,083,248, an increase of $315,910. The fund balance can consist of non-spendable, restricted amounts, committed amounts, assigned and unassigned amounts.

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 $164,728.

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 $8,532,240 during the fiscal year. Actual General Fund revenues of $8,989,167 were more than budgeted revenues by $456,927, or 5.4 percent. In the General Fund, District spending was less than budgeted amounts in all function areas. Total appropriations budgeted in the General Fund were $9,677,460 while actual General Fund expenditures of $8,824,439 resulted in a difference of $853,021 or 9 percent of the budgeted total.

The IDEA Grant Fund actual revenues of $143,001 were $131,099 less than budgeted and expenditures of $143,001 were $131,999 less than the budgeted amount. The fund began the year with a $0 balance and ended the year with a $0 balance.

The Debt Service Fund actual revenues received were $37,426 more than budgeted while expenditures equaled the budgeted amount of $598,578. The fund began the year with a $32,423 balance and ended the year with a $40,734 balance.

The PERS Bond Service Fund actual revenues received were $12,684 less than budgeted while expenditures equaled the budgeted amount. The fund began the year with a $604,936 balance and ended the year with a $565,036 balance.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2018, the District had invested $11,007,277 in capital assets, including school buildings, athletic facilities, land, vehicles, computers and other equipment and furnishings. This amount represents an increase of $369,269 from the prior year due to additions of $442,589 and deletions of $73,320.

Total depreciation expense for the year was $339,649. 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, 2018, the District had general obligation bonds payable due of $2,465,000. The entire balance is backed by the full faith and credit of the District. Principal payments on the current bonds were $545,000 during the fiscal year. Interest of $53,578 was paid on the bonded debt.

The District had an outstanding limited tax pension obligation bond payable of $4,354,011. For more information see the long-term debt note of this document.

The District had Qualified Zone Academy Bonds (QZAB) payable of $883,675. The entire balance is backed by the full faith and credit of the District. Debt payments reduced the QZAB debts by $112,595 during the fiscal year. Annual payments are made to a trustee, which accumulates the payments until the bonds come due in 2019. Interest is earned on the account held by the trustee, and interest on the bonds is subsidized by the federal government's QZAB program.

The District had capital leases for bus purchases payable of $71,130, the current principal payment was $33,243 and $3,165 was paid in interest.

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.

Budgeted expenditures in the General Fund increased 5.6 percent to $9,746,680 for fiscal year 2018-2019. Anticipated revenue increases in state school fund accounts for the increase in budgeted expenditures. No new programs were added to the 2018-2019 budget.

The State's budget for the 2017-2019 biennium is expected to meet the District's 2018-2019 budgeted state basic school support revenues. The district continues its conservative approach to review the status of the various issues impacting its funding while scrutinizing all expenditures and working closely with staff to implement cost saving practices. The 2018-19 budget has been prepared emphasizing transparency in order to maximize efficiency.

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 Business Office, Amity School District No. 4J, 807 Trade St., Amity, Oregon 97101.

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BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

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AMITY SCHOOL DISTRICT NO. 4J

STATEMENT OF NET POSITION

June 30, 2018

		Governmental Activities
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	$2,975,868	
Property Taxes Receivable	189,777	
Accounts Receivable	106,798	
Prepaid Loan Fees, net of accumulated amortizatic	70,781	
Inventory-Food, Supplies & Commodities	4,881	
Total Current Assets		$ 3,348,105
Restricted Assets:		
Net OPEB Asset (RHIA)	16,084	
Total Restricted Assets		16,084
Capital Assets:		
Land	296,099	
Construction in Progress	364,842	
Land Improvement	770,798	
Building and Building Improvement	8,660,589	
Machinery and Equipment	914,949	
Less: Accumulated Depreciation	(6,006,497)	
Total Capital Assets, Net of Depreciation		5,000,780
Other Assets:		
Prepaid Expense - Pension Obligation	6,618,174	
Less: Accumulated Amortization	(4,064,869)	
Total Other Assets, Net of Amortization		2,553,305
Total Assets		**10,918,274**
DEFERRED OUTFLOW OF RESOURCES		
Pension Related Deferrals	1,808,931	
OPEB Related Deferrals - RHIA	17,619	
OPEB Related Deferrals - OEBB	24,603	
Total Deferred Outflow of Resources		**1,851,153**
LIABILITIES:		
Accounts Payable	39,639	
Accrued Interest Payable	4,410	
Accrued Vacation Benefits	27,715	
Leases Payable		
Due within one year	34,946	
Due in more than one year	34,946	
Bonds Payable		
Due within one year	1,115,264	
Due in more than one year	6,587,422	
Net OPEB Obligation - OEBB	360,554	
Net Pension Liability	3,169,976	
Total Liabilities		**11,374,872**
DEFERRED INFLOW OF RESOURCES		
Pension Related Deferrals	332,268	
OPEB Related Deferrals - RHIA	8,011	
OPEB Related Deferrals - OEBB	15,714	
Total Deferred Inflow of Resources		**355,993**
NET POSITION:		
Net Investment in Capital Assets	1,582,213	
Restricted for:		
Debt Service	40,734	
Unrestricted	$ (584,385)	
Total Net Position		**$ 1,038,562**

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, 2018

		Program Revenues			Net (Expense) Revenue and Change in Net Position
	(Expenses)	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES:					
Instruction	$ 6,184,974	$ 315,793	$ 551,045	$ -	$ (5,318,136)
Support Services	3,343,912	-	55,104	-	(3,288,807)
Enterprise and Community Services	323,004	51,054	200,440	-	(71,510)
Interest on Long-Term Debt	510,195	-	-	-	(510,195)
Total Governmental Activities	**$ 10,362,085**	**$ 366,846**	**$ 806,590**	**$ -**	**$ (9,188,649)**
GENERAL REVENUES:					
Local Sources:					
Property Taxes, Levied for General Purposes					$ 1,677,066
Property Taxes, Levied for Debt Service					592,254
Earnings on Investments					60,948
Unrestricted State and Local Revenue					110,101
Intermediate Sources					75,821
State School Fund for Education and Support Services					6,882,800
State Common School Fund					91,220
Federal Forest Fees for General Purposes					3
Subtotal - General Revenues					9,490,214
Special Items:					
Gain on Disposition of Assets					200
Change in Net Position					301,765
Net Position, July 1, 2017 - Restated					736,797
Net Position, June 30, 2018					**$ 1,038,562**

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

BASIC FINANCIAL STATEMENTS

Fund Financial Statements
Governmental Funds

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AMITY SCHOOL DISTRICT NO. 4J

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018

	General Fund #100	IDEA Grant Fund #200	Debt Service Fund #300	PERS Bond Debt Fund #302	Capital Improvement Fund #430	Other Govern-mental Funds	Total Govern-mental Funds
ASSETS:							
Cash and Cash Equivalents	$ 1,041,818	$ -	$ 31,424	$ 565,036	$ 558,350	$ 779,240	$ 2,975,868
Property Taxes Receivable	137,406	-	52,371	-	-	-	189,777
Accounts Receivable	46,387	28,052	-	-	-	32,359	106,798
Due From Other Funds	45,929	-	-	-	-	-	45,929
Inventory-Food, Supplies & Commodities	-	-	-	-	-	4,881	4,881
Total Assets	**$ 1,271,540**	**$ 28,052**	**$ 83,795**	**$ 565,036**	**$ 558,350**	**$ 816,480**	**$ 3,323,253**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:							
LIABILITIES:							
Accounts Payable	$ 35,518	$ -	$ -	$ -	$ -	$ 4,121	$ 39,639
Due to Other Funds	-	28,052	-	-	-	17,877	45,929
Total Liabilities	35,518	28,052	-	-	-	21,998	85,568
DEFERRED INFLOWS OF RESOURCES:							
Unavailable Revenue - Property Taxes	111,376	-	43,061	-	-	-	154,437
Total Deferred Inflows of Resources	111,376	-	43,061	-	-	-	154,437
FUND BALANCES:							
Unspendable	-	-	-	-	-	4,881	4,881
Restricted for:							
Debt Service	-	-	40,734	565,036	-	-	605,770
Committed for:							
Capital Construction & Building Mainten	-	-	-	-	558,350	-	558,350
Community Projects	-	-	-	-	-	27,416	27,416
Educational Programs	-	-	-	-	-	74,272	74,272
Employee Benefits Programs	-	-	-	-	-	114,924	114,924
Equipment Acquisition	-	-	-	-	-	366,787	366,787
Food Service Program	-	-	-	-	-	3,000	3,000
Student Body Activities	-	-	-	-	-	203,202	203,202
Unassigned	1,124,646	-	-	-	-	-	1,124,646
Total Fund Balances	1,124,646	-	40,734	565,036	558,350	794,482	3,083,248
Total Liabilities, Deferred Inflows of Resources & Fund Balances	**$ 1,271,540**	**$ 28,052**	**$ 83,795**	**$ 565,036**	**$ 558,350**	**$ 816,480**	**$ 3,323,253**

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, 2018

Total Fund Balances - Governmental Funds		$ 3,083,248
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	$11,007,277	
Accumulated depreciation	(6,006,497)	
Net Value of Assets		5,000,780
Property taxes receivable that will not be available to pay for current-period expenditures are deferred in the governmental funds.		154,437
Deferred inflows and outflows of pension and OPEB contributions and earnings are not reported in the governmental funds.		
Deferred Pension/OPEB Contributions	1,851,153	
Deferred Earnings on Pension/OPEB Assets	(355,993)	
Net Value of Deferrals		1,495,160
Amounts paid to Oregon Public Retirement System to reduce the unfunded pension obligation of the District are not financial resources and therefore are not capitalized as a prepaid expense in thegovernmental funds.		
Original prepaid amount	6,618,174	
Accumulated amortization	(4,064,869)	
Net Value of Prepaid Expense		2,553,305
Amounts paid for loan fees out of refunding bond proceeds are not financial resources and therefore are not capitalized as a prepaid expense in the governmental funds.		
Original prepaid amount, net of accumulated amortization		70,781
Some liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Those liabilities consist of :		
Accrued Interest Payable	4,410	
Leases Payable	69,892	
Bonds Payable	7,702,686	
Net Pension Liability	3,169,976	
Net OPEB Obligations	344,470	
Accrued Vacation Benefits	27,715	
Total Liabilities		(11,319,149)
Net Position of Governmental Activities		**$ 1,038,562**

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, 2018

	General Fund #100	IDEA Grant Fund #200	Debt Service Fund #300	PERS Bond Debt Fund #302	Capital Improvement Fund #430	Other Governmental Funds	Total Governmental Funds
REVENUES:							
Local Sources	$ 1,811,656	$ -	$ 606,889	$ 592,316	$ 21,378	$ 375,831	$ 3,408,070
Intermediate Sources	77,690	-	-	-	-	-	77,690
State Sources	7,099,618	537	-	-	-	179,707	7,279,862
Federal Sources	3	142,464	-	-	-	341,279	483,746
Total Revenues	8,988,967	143,001	606,889	592,316	21,378	896,817	11,249,368
EXPENDITURES:							
Current:							
Instruction	5,019,941	139,906	-	-	-	443,302	5,603,149
Support Services	3,114,952	3,095	-	-	-	81,455	3,199,502
Enterprise and Community Services	-	-	-	-	-	308,620	308,620
Capital Outlay:							
Instruction	16,951	-	-	-	-	43,495	60,446
Support Services	-	-	-	-	14,999	-	14,999
Facilities Acquisition and Construction	-	-	-	-	367,145	-	367,145
Debt Service	112,595	-	598,578	632,216	-	36,408	1,379,797
Total Expenditures	8,264,439	143,001	598,578	632,216	382,144	913,280	10,933,658
Excess (Deficiency) of Revenues Over Expenditures	724,528	-	8,311	(39,900)	(360,766)	(16,463)	315,710
OTHER FINANCING SOURCES (USES):							
Interfund Transfers In	-	-	-	-	335,000	225,000	560,000
Interfund Transfers Out	(560,000)	-	-	-	-	-	(560,000)
Sale of or Compensation for Loss of Fixed Asset	200	-	-	-	-	-	200
Net Change in Fund Balances	164,728	-	8,311	(39,900)	(25,766)	208,537	315,910
Beginning Fund Balance	959,918	-	32,423	604,936	584,116	585,945	2,767,338
Ending Fund Balance	**$ 1,124,646**	**$ -**	**$ 40,734**	**$ 565,036**	**$ 558,350**	**$ 794,482**	**$ 3,083,248**

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, 2018

Net Changes in Fund Balances - Total Governmental Funds		$ 315,910
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	$442,589	
Less current year depreciation	(339,649)	
		102,940
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.		(4,358)
Gain (Loss) on disposition of capital assets is not reported in the fund financial statements.		200
Proceeds from Sales of Assets is not reported as income in the Statement of Activities		(200)
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	(30,333)	
Amount of current year amortization - Pension obligation	(255,331)	
		(285,664)
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:		
Leases	34,481	
Bonds	835,836	
		870,317
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/(liablity) are recorded based upon an actuarial valuation of such activity.		
This is the net change in pension related items.		(732,941)
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	(715)	
Increase/(decrease) in accrued OPEB	24,632	
Increase/(decrease) in accrued vacation benefits	11,644	
		35,561
Change in Net Position of Governmental Activities		**$ 301,765**

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

BASIC FINANCIAL STATEMENTS

Notes to the Basic Financial Statements

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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 Superintendant. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of Amity School District No. 4J have been prepared in conformity with accounting principals 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 government's accounting policies are described below.

A. Reporting Entity

In determining the financial reporting entity, Amity School District No. 4J complies with Governmental Accounting Standards Board Statement 14, "The Financial Reporting Entity." The criteria for including organizations as component units within the District's reporting entity, include whether 1) the District appoints a voting majority of the organization's board; 2) the District is able to impose its will on the organization; 3) the organization has the potential to impose a financial benefit or burden on the District; and 4) there is fiscal dependency by the organization on the District.

Based on these criteria, Amity School District No. 4J has no component units.

B. 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. Eliminations have been made 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.):

B. Basis of Presentation (Cont.)

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain 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 funds. 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.

IDEA Grant Fund – This fund includes all resources received from federal IDEA grants passed through the Oregon Department of Education.

PERS Bond Debt Service Fund - Revenues accounted for in the PERS Bond Fund are charges to other funds and interest earned on investments. Expenditures accounted for in the PERS Bond Fund are the principal and interest payments on the PERS Bond.

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.

C. 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.):

C. Measurement Focus/Basis of Accounting (Cont.)

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.

D. 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.):

E. Cash and Investments

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.

F. 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. (See note 1.K.)

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 due from other governments.

G. Prepaid Expenses

The District has elected to report the amount paid to Oregon Public Employee Retirement System (OPERS) to reduce the calculated unfunded pension liability obligation as a prepaid expense, as reported on the government-wide Statement of Net Position. The prepaid asset is to be amortized in the amounts and over the estimated length of time the unfunded portion of the pension obligation is expected be paid out to its current and former employees.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.):

H. Inventory

Food & supplies 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.

I. 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:

Asset Class	Estimated Years of Useful Lives
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.

J. 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.

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 form current financial resources are reported as obligations of the funds.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.):

K. 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.

L. Long-Term Obligations

All bonds payable, notes payable and capital leases payable are recognized in the government-wide financial statements as a liability 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. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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 bonded debt and capital lease payments are recorded as a debt service in the expenditure section of the statement and schedules.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.):

M. 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.

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 Board of Directors, 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 Board of Directors or through the Board of Directors delegating this responsibility to selected staff members or through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

- 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.):

N. 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.

O. Inter-Fund Transactions

Quasi-external transactions are accounted for as revenues or expenditures, while 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 are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers.

P. 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.

Q. 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 OPERS. 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.

CASH AND INVESTMENTS:

For discussion of deposit and investment policies and other related information, see Note 1.E.

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 Note 1.E.

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.

CASH AND INVESTMENTS (CONT.):

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. 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. Qualifying depository banks must pledge securities with a particular value based on the bank's level of capitalization. The balances in excess of the FDIC insurance are considered exposed to custodial credit risk.

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, 2018, the reported amounts of the District's deposits were $918,953 and the bank balance was $1,403,162. Of the bank balance, the entire amount was covered by federal depository insurance or by pledged securities with the qualifying depository banks.

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, 2018, the District's investment in the Oregon State Treasurer's Local Government Investment Pool (LGIP) was unrated.

At June 30, 2018, the District's investments in financial institutions are as follows:

Type of Investment	Fair Value	Credit Rating
Oregon State Treasurer's Local Government Investment Pool (LGIP)	$ 2,056,915	N/A
Total Investments	$ 2,056,915	

Investments in the LGIP and federal agency notes do not require disclosure credit rating quality.

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 100% of the District's total investments.

CAPITAL ASSETS:

The following is a summary of capital asset activity for the fiscal year ended June 30, 2018:

Governmental Activities	Beginning Balances	Additions	Deletions	Ending Balances
Assets not being depreciated:				
Land	$ 296,099	$ -	$ -	$ 296,099
Construction in Progress	81,443	283,399	-	364,842
Total	377,542	283,399	-	660,941
Assets being depreciated:				
Land Improvement	773,583	2,215	5,000	770,798
Building and Building Improvement	8,612,440	48,149	-	8,660,589
Machinery and Equipment	874,443	108,826	68,320	914,949
Total Depreciable Assets	10,260,466	159,190	73,320	10,346,336
Less: Accumulated Depreciation				
Land Improvement	587,336	27,193	5,000	609,529
Building and Building Improvement	4,476,693	263,942	-	4,740,635
Machinery and Equipment	676,139	48,514	68,320	656,333
Total Accumulated Depreciation	5,740,168	339,649	73,320	6,006,497
Net Value of Capital Assets Being Depreciated	4,520,298	(180,459)	-	4,339,839
Total Governmental Activities -- Net Value of Capital Assets	$ 4,897,840	$ 102,940	$ -	$ 5,000,780

Depreciation expense was charged to governmental functions as follows:

Instruction	$ 305,657
Support Services	28,799
Enterprise and Community Services	5,193
Total Depreciation Expense	$ 339,649

LONG-TERM DEBT:

A summary of debt transactions for the year ended June 30, 2018 is as follows:

General Obligation Refunding Bond, Series 2015 for refunding of GO Refunding Bonds, Series 2005, dated March 19, 2015. The original balance of the 2015 refunding bonds was $4,076,000, with a fixed interest rate of 1.78%.

Oregon School Boards Association Limited Tax Pension Obligation Bonds Series 2003. The original balance was $6,618,174 issued April 21, 2003. Fixed interest rates on the bonds vary from 1.5% to 6.27%.

Qualified Zone Academy Bond (QZAB), original balance of $1,290,000, dated February 1, 2004, for funding qualified building improvements and equipment purchases. Interest costs are subsidized by the federal government. Annual payments of $69,261 are placed into a sinking fund maintained by a paying agent. Earnings of the sinking fund reduce total payments made to retire bonds. The debt will be paid to bondholders at maturity in 2019 from the sinking fund. Reported outstanding balance at fiscal year-end reflects total of original bond payable amount net of deposits made to date into sinking fund.

Qualified Zone Academy Bond (QZAB), original balance of $650,000, dated April 6, 2016, for the purchase of equipment and improvements to real property. Deposit amounts of $43,334.00 per year are required, with the first deposit due April 6, 2017. Bond interest is computed at 0.00%.

Bus Leases with Sovereign Bank. Total Lease amount is $237,820 for 3 busses purchased on October 15, 2013 with an interest rate of 2.30%.

	Outstanding Balance July 1, 2017	New Issues	Principal Paid	Interest Paid	Outstanding Balance June 30, 2018	Due Within One Year
Leases Payable:						
Bus Leases with Sovereign Bank	$ 104,373	$ -	$ 34,481	$ 1,927	$ 69,892	$ 34,946
Total Leases Payable	$ 104,373	$ -	$ 34,481	$ 1,927	$ 69,892	$ 34,946
Bonds Payable:						
GO Refunding Bond, Series 2015	$ 3,010,000	$ -	$ 545,000	$ 53,578	$ 2,465,000	$ 575,000
OSBA Limited Tax Pension OB,	4,532,252	-	178,241	453,975	4,354,011	176,587
QZAB Original Balance $1,290,000	389,604	-	69,261	-	320,343	320,343
QZAB held by Pacific Continental Bank	606,666	-	43,334	-	563,332	43,334
Total Bonds Payable	$ 8,538,522	$ -	$ 835,836	$ 507,553	$ 7,702,686	$ 1,115,264
Total Long-Term Debt	$ 8,642,895	$ -	$ 870,317	$ 509,480	$ 7,772,578	$ 1,150,210

LONG-TERM DEBT (Cont.):

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

Leases Payable:

Due Fiscal Year Ending June 30,	Principal	Interest	Total
2019	$ 34,946	$ 1,462	$ 36,408
2020	34,946	1,462	36,408
Total	$ 69,892	$ 2,924	$ 72,816

Bonds Payable:

Due Fiscal Year Ending June 30,	Principal	Interest	Total
2019	$ 1,115,264	$ 529,504	$ 1,644,768
2020	819,819	554,373	1,374,192
2021	847,254	576,258	1,423,512
2022	876,428	600,870	1,477,298
2023	217,259	628,290	845,549
2024 - 2028	3,696,670	577,208	4,273,878
2029 - 2033	129,992	-	129,992
Total	$ 7,702,686	$ 3,466,503	$ 11,169,189

For further detail on debt service, see the 'Schedule of Long Term Debt Transactions' and 'Schedule of Future Requirements for Retirement of Long Term' in the Supplemental Data section of this report.

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). Tier One/Tier Two Retirement Benefit plan 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.

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 a 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 a OPERS-covered job, or
- the member was on an official leave of absence from a 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.

PENSION PLAN (Cont.):

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. Under current law, the cap on the COLA in fiscal year 2018 and beyond will vary based on 1.25 percent on the first $60,000 of annual benefit and 0.15 percent on annual benefits above $60,000.

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.

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.

Benefit Changes After Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2018 and beyond will vary based on 1.25 percent on the first $60,000 of annual benefit and 0.15 percent on annual benefits above $60,000.

3. IAP Defined Contribution Plan Description:

OPSRP Individual Account Program (OPSRP IAP)

Participants in OPERS defined benefit pension plan also participate in the defined contribution plan.

Pension Benefits

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

PENSION PLAN (Cont.):

may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a $200 minimum distribution limit.

Death Benefits

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

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

OPERS 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 OPERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2017. The state of Oregon and certain schools, community colleges, and political subdivisions have made lump sum payments to establish side accounts, and their rates have been reduced.

Employer contributions for the year ended June 30, 2018 were $366,087, excluding amounts to fund employer specific liabilities.

Pension Plan CAFR

Oregon PERS produces an independently audited CAFR which can be found at:
http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx

Actuarial Valuations

The employer contribution rates effective July 1, 2017, through June 30, 2019, were set using the projected unit credit 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. 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.

PENSION PLAN (Cont.):

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Valuation Date	December 31, 2015
Measurement Date	June 30, 2017
Experience Study	2014, published September 23, 2015
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Long-term expected rate of return	7.50 percent
Discount rate	7.50 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.
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table.

Actuarial valuations of an ongoing plan involve estimates of 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 2014 Experience Study which reviewed experience for the four-year period ending on December 31, 2014.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 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.

PENSION PLAN (Cont.):

Depletion Date Projection

GASB 68 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 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) 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 68 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 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

Assumed Asset Allocation

Asset Class/Strategy	OIC Policy Range	OIC Target Allocation	Asset Class/Strategy	Actual Allocation
Cash	0.0% - 3.0%	0.0%	Cash	3.9%
Debt Securities	15.0% - 25.0%	20.0%	Debt Securities	20.7%
Public Equity	32.5% - 42.5%	37.5%	Public Equity	37.9%
Real estate	9.5% - 15.5%	12.5%	Real estate	12.0%
Private Equity	13.5% - 21.5%	17.5%	Private Equity	19.5%
Alternative Equity	0.0% - 12.5%	12.5%	Alternative Equity	4.1%
Opportunity Portfolio	0.0% - 3.0%	0.0%	Opportunity Portfolio	1.9%
Total		100%	Total	100%

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 July 2013 the OPERS 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	8.00%	3.59%	3.49%	4.55%
Short-Term Bonds	8.00%	3.42%	3.38%	2.70%
Bank/Leveraged Loans	3.00%	5.34%	5.09%	7.50%
High Yield Bonds	1.00%	6.90%	6.45%	10.00%
Large/Mid Cap US Equities	15.75%	7.45%	6.30%	16.25%
Small Cap US Equities	1.31%	8.49%	6.69%	20.55%
Micro Cap US Equities	1.31%	9.01%	6.80%	22.90%
Developed Foreign Equities	13.13%	8.21%	6.71%	18.70%
Emerging Foreign Equities	4.13%	10.53%	7.45%	27.35%
Non-US Small Cap Equities	1.88%	8.67%	7.01%	19.75%
Private Equity	17.50%	11.45%	7.82%	30.00%
Real Estate (Property)	10.00%	6.15%	5.51%	12.00%
Real Estate (REITS)	2.50%	8.26%	6.37%	21.00%
Hedge Fund of Funds - Diversified	2.50%	4.36%	4.09%	7.80%
Hedge Fund - Event-driven	0.63%	6.21%	5.86%	8.90%
Timber	1.88%	6.37%	5.62%	13.00%
Farmland	1.88%	6.90%	6.15%	13.00%
Infrastructure	3.75%	7.54%	6.60%	14.65%
Commodities	1.88%	5.43%	3.84%	18.95%
Portfolio - Net of Investment Expenses	100%	7.48%	6.74%	12.97%

* The models's 20-year annualized giometric median is 6.7%

PENSION PLAN (Cont.):

Sensitivity Analysis

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.50 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 (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease 6.50%	Discount Rate 7.50%	1% Increase 8.50%
Employer's proportionate share of the net pension liability	$ 5,402,219	$ 3,169,976	$ 1,303,409

Changes in Assumptions

A summary of key changes implemented since the December 31, 2015 valuation are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2014 Experience Study for the System, which was published on September 2017, and can be found at:

https://www.oregon.gov/pers/Documents/2016-Exp-Study.pdf

Changes in Actuarial Methods and Allocation Procedures

Allocation of Liability for Service Segments

For purposes of allocating Tier1.Tier 2 members' actuarial accrued liability among multiple employers, the valuation uses a weighted average of the Money Match methodology and the Full Formula methodology by PERS when the member retires. The weights are determined based on the prevalence of each formula among the current Tier 1/Tier2 population. For the December 31,2014 and December 31,2015 valuations, the Money Match was weighted 25 percent for General Service members and 0 percent for Police & Fire members. For the December 31, 2016 and December 31, 2017 valuations, this weighting has been adjusted to 15 percent for General Service members and 0 percent for Police & Fire members, based on a projection of the proportion of liability attributable to Money Match benefits at those valuation dates.

Changes in Economic Assumptions

Investment Return and Interest Crediting – The assumed investment return and interest crediting to both regular and variable account balances was reduced to 7.20%. Previously, the assumed investment return and interest crediting was 7.5%.

Administrative Expenses – The administrative expense assumptions were updated to $37.5 million per year for Tier 1/Tier 2 and $6.5 million per year for OPSRP. Previously these were assumed to $33.0 million per year and $5.5 million per year, respectively.

Healthcare Cost Inflation – The healthcare cost inflation assumption for the maximum RHIPA subsidy was updated based on analysis performed by Milliman's healthcare actuaries. This analysis includes the consideration of the excise tax that will be introduced in 2020 by the Affordable Care Act.

PENSION PLAN (Cont.):

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

Assumption	December 31, 2015 Valuation	Recommended December 31, 2016 and 2017 Valuations
Healthy Annuitant Mortality	**RP-2000 Generational with Scale BB, Combined Active/Healthy Annuitant, Sex Distinct**	**RP-2014 Healthy Annuitant, Sex Distinct, Generational Projection Unisex Social Security Data Scale**
School District male	No collar, set back 24 months	White collar, set back 12 months
Other General Service male (and male beneficiary)	Blended 25% blue collar/75% white collar, set back 12 months	Blended 50% blue collar/50% white collar, set back 12 months
Police & Fire male	Blended 25% blue collar/75% white collar, set back 12 months	Blended 50% blue collar/50% white collar, set back 12 months
School District female	No collar, set back 24 months	White collar, set back 12 months
Other female (and female beneficiary)	Blended 25% blue collar/75% white collar, no set back	Blended 50% blue collar/50% white collar, no set back
Disabled Retiree Mortality	**RP-2000 Generational with Scale BB, Disabled, No Collar, Sex distinct**	**RP-2014 Disabled Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale**
Male	70% of Disabled table, but not less than corresponding healthy annuitant rates	No collar adjustment, no set back
Female	95% of Disabled table, but not less than corresponding healthy annuitant rates	No collar adjustment, no set back
Non-Annuitant Mortality	**Fixed Percentage of Healthy Annuitant Mortality**	**RP-2014 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale**
School District male	60%	Same collar and set back as Healthy Annuitant assumption
Other General Service male	75%	Same collar and set back as Healthy Annuitant assumption
Police & Fire male	75%	Same collar and set back as Healthy Annuitant assumption
School District female	55%	Same collar and set back as Healthy Annuitant assumption
Other female	60%	Same collar and set back as Healthy Annuitant assumption

PENSION PLAN (Cont.):

Changes Subsequent to the Measurement Date

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

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. These are normally included in the employer statements cut off as of the fifth of the following month. OPERS does not try to accrue contributions based on paydate.

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 71, of the June 30, 2017 OPERS CAFR.

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

At June 30, 2018, the employer reported a liability of $3,169,976 for its proportionate share of the net pension liability. The net pension liability/(asset) was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of 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.

PENSION PLAN (Cont.):

At June 30, 2017, the employer's proportion was 0.02351608 percent.

For the year ended June 30, 2018, the employer recognized pension expense of $784,602. At June 30, 2018, 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	$ 153,301	$ -
Changes of assumptions	577,830	-
Net difference between projected and actual earnings on investements	32,658	-
Changes in proportionate share	679,055	-
Differences between employer contributions and employer's proportionate share of system contributions	-	332,268
Total Deferred Outflows/Inflows	$ 1,442,844	$ 332,268
Post-measurement date contributions	366,087	N/A
Total Deferred Outflow/(Inflow) of Resources	$ 1,808,931	$ 332,268
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		1,110,576

$1,110,576 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. 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	$ 251,709
2nd Fiscal Year	509,159
3rd Fiscal Year	383,073
4th Fiscal Year	(39,063)
5th Fiscal Year	5,697
Thereafter	-
Total	$ 1,110,575

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.

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 PERS 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 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. A surviving spouse or dependent of a deceased PERS 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 PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

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 PERS web site at http://oregon.gov/PERS/.

Funding Policy

Participating employers are contractually required to contribute at a rate assessed bi-annually by the OPERB, currently 0.50% of annual covered PERS payroll and 0.43% for OPSRP payroll. The OPERB sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 75. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

Contributions

The District's contributions to PERS' RHIA for the years ended June 30, 2018, 2017 and 2016 were $17,619, $19,539 and $7,257 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, 2017. That independently audited report was dated April 11, 2018 and can be found at:

http://www.oregon.gov/pers/EMP/Documents/GASB/2018/GASB_75_06.30.2017.pdf

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

Actuarial Methods and Assumptions - OPEB Plans - RHIA	
	June 30,2017
Valuation Date	December 31, 2015
Measurement Date	June 30, 2017
Experience Study	2014, published September 23, 2015
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Long-term expected rate of return	7.50 percent
Discount rate	7.50 percent
Projected salary increases	3.50 percent
Retiree healthcare participation	Healthy retirees: 38%; Disabled retirees: 20%
Healthcare cost trend rate	Not applicable
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2014 Experience Study which is reviewed for the four-year period ending December 31, 2014.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.50 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.

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

http://www.oregon.gov/pers/docs/financial_reports/2017_cafr.pdf

Sensitivity Analysis

The following presents the employer's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 7.50 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 (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease 6.50%	Discount Rate 7.50%	1% Increase 8.50%
Employer's proportionate share of the net OPEB liability	$ 2,242	$ (16,084)	$ (31,670)

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

At June 30, 2018, the District reported a net OPEB liability/(asset) of $(16,084) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2017, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2015. Consistent with GASB Statement No. 75, paragraph 59(a), The District's proportion of the net OPEB 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, 2017, the District's proportion was 0.0385 percent. OPEB expense/(income) for the year ended June 30, 2018 was $(122).

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA:

At June 30, 2018, 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	$ -	$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on	-	7,449
Changes in proportionate share	-	562
Differences between employer contributions and employer's	-	-
Total Deferred Outflows/Inflows	$ -	$ 8,011
Post-measurement date contributions	17,619	N/A
Total Deferred Outflow/(Inflow) of Resources	$ 17,619	$ 8,011
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		(8,011)

$8,011 reported as deferred inflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. 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	$ (2,070)
2nd Fiscal Year	(2,070)
3rd Fiscal Year	(2,008)
4th Fiscal Year	(1,862)
5th Fiscal Year	-
Thereafter	-
Total	$ (8,010)

Changes Subsequent to the Measurement Date

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

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEBB:

OEBB Health Insurance Subsidy

Plan Description

The District operates a single employer retiree benefit plan through the Oregon Educators Benefit Board that provides post-employment health, dental vision and life insurance benefits to eligible employees and their spouses. The District is required by Oregon Revised Statutes 243.303 to provide retirees and their dependents with group health insurance form 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. The implicit employer subsidy is measured as the expected health care cost per retiree and dependent, less the gross premiums charged by the insurance carrier for that coverage. The subsidy is only measured for retirees and spouses younger than age 65, at which point such retirees and spouses typically become eligible for Medicare. GASB Statement 75 is applicable to the District due only to this implicit rate subsidy. 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.

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

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:

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 that portion of the Present Value of Benefits attributable to an employee's service in a given year. The Service Cost equals $0 for retirees. For purposes of projecting benefits prior to the valuation date as required by the actuarial cost method, we assumed a health cost trend equal to the ultimate health cost trend rate. The Total OPEB Liability is the portion of the Present Value of Benefits that is attributable to employee service prior to the valuation date. For retirees, the Total OPEB Liability equals the Present Value of Benefits.

Discount Rate

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

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

Mortality rates were based on the RP-2014 Employee and Healthy Annuitant tables, White collar, sex distinct for members and dependents. For members only, a one-year setback is applied. Future mortality improvement is not projected as it would be immaterial to the valuation.

Demographic assumptions regarding retirement, mortality, and turnover are based on 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.

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	$ 385,433	$ 360,554	$ 337,446

Trend Rate	1% Decrease	Trend Rate	1% Increase
Total OPEB liability from Implicit Rate Subsidy	$ 327,236	$ 360,554	$ 399,523

Participation

The following table represents the number of the District's covered participants:

	July 1, 2017
Active Employees	90
Eligible Retirees	3
Spouses of Ineligible Retirees	0
Total Participants	93
Spouses of Eligible Retirees	2

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

Changes in Net OPEB Liability

Changes in Total OPEB Liability June 30, 2017 to June 30, 2018	Increase (Decrease) Total OPEB Liability	Fiduciary Net Position	Net Pension Liability
Balance as of June 30, 2017	**$ 339,370**	**$ -**	**$ 339,370**
Changes for the year:			
Service Cost	51,956		51,956
Interest	10,819		10,819
Effect of changes to benefit terms	-		-
Effect of economic/ demographic gains or losses	-		-
Changes in assumptions or other inputs	(17,991)		(17,991)
Employer Contributions		23,600	23,600
Benefit payments	(23,600)	(23,600)	(47,200)
Net OPEB Liability at June 30, 2018	**$ 360,554**	**$ -**	**$ 360,554**

Components of OPEB Expense

OPEB Expense	July 1, 2017 to June 30, 2018
Service cost	$ 51,956
Interest on total OPEB liability	10,819
Effect of plan changes	-
Recognition of Deferred (Inflows)/Outflows of Resources	
Recognition of economic/demographic (gains) or losses	(2,277)
Recognition of assumption changes	
Administrative Expense	n/a*
OPEB Expense	$ 60,498

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

Schedule of Deferred Inflows and Outflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Changes of assumptions or inputs	-	15,714
Benefit Payments	24,603	-
Changes in proportionate share	-	-
Differences between employer contributions and employer's proportionate share of system contributions	-	-
Total Deferred Outflows/Inflows	$ 24,603	$ 15,714

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

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	$ (2,277)
2nd Fiscal Year	(2,277)
3rd Fiscal Year	(2,277)
4th Fiscal Year	(2,277)
5th Fiscal Year	(2,277)
Thereafter	(4,329)
Total	$ (15,714)

CONTINGENT LIABILITIES:

Amounts received or receivable from grantor agencies are subject to audit 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.

COMMODITIES RECEIVED IN FOOD SERVICE FUND:

During the year the District received USDA commodities. Fair market value of the amount of commodities used during the current fiscal year is $19,335. The amount is reflected as federal revenue received and as a food expenditure in the Food Service Fund in the financial statements. Fair market value is determined by the Oregon Department of Education.

RISK MANAGEMENT:

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters. The District is joined together with other school districts in the state, which are participating members of United Schools Insurance Program of Oregon, a public entity risk pool currently operating as a common risk management and insurance program for member governments. The District has an annually renewable contract to pay United Schools Insurance Program of Oregon an annual premium for its general liability, property liability, automobile liability, boiler and machinery, comprehensive crime, and umbrella insurance coverage.

The District carries commercial insurance for all other losses, including workers' compensation and employee health and accident insurance. Premiums to the health insurance company are paid through a combination of employer contributions and payroll withholdings for eligible employees.

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 of Oregon to pay for any claims paid to former 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:

The interfund balances between the general fund and special revenue funds represent payments made by the general fund on behalf of the special revenue funds in relation to grant reimbursements. All balances are expected to be repaid within one year.

Interfund balances at June 30, 2018 consisted of the following individual fund receivables and payables:

	Due From Other Funds	Due To Other Funds
General Fund #100	$ 45,929	$ -
Special Revenue Funds:		
IDEA Grant Fund #200	-	28,052
Federal Misc. Grants Fund #204	-	1,312
State Misc. Grants Fund #205	-	9,571
Food Service Fund #280	-	6,994
Total	$ 45,929	$ 45,929

Interfund transfers for the year ended June 30, 2018 were as follows:

	Transfers Out	Transfers In
General Fund #100	$ 560,000	$ -
Food Service Fund #280	-	43,000
Vehicle Replacement Fund #292	-	97,000
Technology Replacement Fund #293	-	85,000
Capital Improvement Fund #430	-	335,000
Total	$ 560,000	$ 560,000

The transfer out of the General Fund to the Food Service Fund represents the District's election to provide General Fund support to the food service program. The transfer out of the General Fund to the Capital Improvement Fund, Vehicle Replacement Fund, and Technology Replacement Fund represents the District's election to provide General Fund support towards capital activities.

FUND BALANCE COMPARISONS:

Fund	Actual June 30, 2018	Budgeted July 1, 2018
General Fund #100	$ 1,124,646	$ 900,000
State Misc. Grants Fund #205	7,361	-
Community Projects Fund #250	27,416	27,000
Student Body Fund #270	203,202	200,000
Food Service Fund #280	3,000	15,000
Vehicle Replacement Fund #292	113,977	116,977
Technology Replacement Fund #293	252,810	252,811
Unemployment Fund #298	114,924	112,910
Scholarship Fund #299	66,911	66,910
Debt Service Fund #300	40,734	32,925
PERS Bond Debt Fund #302	565,036	512,855
Capital Improvement Fund #430	558,350	283,000

RESTATEMENT OF BEGINNING NET POSITION:

The Governmental Accounting Standards Board (GASB) has approved the following:

Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions- an amendment of GASB Statement No.45 – This statement requires the employer to change the accounting for the other postemployment benefit costs. This change resulted in a restatement of beginning net position for 2017-18 in the amount of $(186,914).

REQUIRED SUPPLEMENTARY INFORMATION

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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, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over
	Original	Final	(See Note 1)	(Under)
REVENUES:				
Local Sources	$ 1,682,175	$ 1,682,175	$ 1,811,656	$ 129,481
Intermediate Sources	77,292	77,292	77,690	398
State Sources	6,772,768	6,772,768	7,099,618	326,850
Federal Sources	5	5	3	(2)
Total Revenues	8,532,240	8,532,240	8,988,967	456,727
EXPENDITURES:				
Instruction	5,245,883	5,245,883	5,036,892	(208,991)
Support Services	3,308,977	3,308,977	3,114,952	(194,025)
Debt Service	112,600	112,600	112,595	(5)
Contingency	900,000	450,000	-	(450,000)
Total Expenditures	9,567,460	9,117,460	8,264,439	(853,021)
Excess (Deficiency) of Revenues Over Expenditures	(1,035,220)	(585,220)	724,528	1,309,748
OTHER FINANCING SOURCES (USES):				
Interfund Transfers In	-	-	-	-
Interfund Transfers Out	(110,000)	(560,000)	(560,000)	-
Sale of or Compensation for Loss of Fixed Assets	-	-	200	200
Total Other Financing Sources (Uses)	(110,000)	(560,000)	(559,800)	200
Net Change in Fund Balance	(1,145,220)	(1,145,220)	164,728	1,309,948
Beginning Fund Balance	695,220	695,220	959,918	264,698
Ending Fund Balance	**$ (450,000)**	**$ (450,000)**	**$ 1,124,646**	**$ 1,574,646**

AMITY SCHOOL DISTRICT NO. 4J

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

IDEA Grant Fund #200

For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over
	Original	Final	(See Note 1)	(Under)
REVENUES:				
State Sources	$ -	$ -	$ 537	$ 537
Federal Sources	275,000	275,000	142,464	(132,536)
Total Revenues	275,000	275,000	143,001	(131,999)
EXPENDITURES:				
Instruction	240,630	240,630	139,906	(100,724)
Support Services	34,370	34,370	3,095	(31,275)
Total Expenditures	275,000	275,000	143,001	(131,999)
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	**$ -**	**$ -**	**$ -**	**$ -**

AMITY SCHOOL DISTRICT NO. 4J

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

PERS

Last 10 Fiscal Years*

	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.02351608%	0.02043542%	0.03187822%	0.02998764%
Employer's proportionate share of the net pension liability (asset)	$ 3,169,976	$ 3,067,831	$ 1,830,276	$ (679,734)
Employer's covered - employee payroll	$ 4,511,039	$ 3,869,212	$ 6,741,352	$ 6,714,550
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered - employee payroll	70.27%	79.29%	27.15%	-10.12%
Plan fiduciary net position as a percentage of the total pension liability	83.1%	80.5%	91.9%	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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	$ 366,087	$ 315,525	$ 344,286	$ 338,760	$ 286,635	$ 257,842	$ 255,071	$ 192,983	$ 200,041	$ 226,213
Contributions in relation to the contractually required contribution	366,087	315,525	344,286	338,760	286,635	257,842	255,071	192,983	200,041	226,213
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered - employee payroll	$ 4,511,039	$3,869,212	$3,931,540	$3,864,906	$3,864,906	$3,589,876	$3,553,505	$3,363,297	$3,440,483	$3,570,818
Contributions as a percentage of covered - employee payroll	5.10%	0.53%	0.53%	3.69%	3.69%	2.06%	2.06%	0.29%	0.29%	0.29%

AMITY SCHOOL DISTRICT NO. 4J

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

OPEB RHIA

Last 10 Fiscal Years*

	2018	2017
Employer's proportion of the net OPEB liability (asset)	0.03853805%	0.04137321%
Employer's proportionate share of the net OPEB liability (asset)	$ (16,084)	$ 11,235
Employer's covered - employee payroll	$ 4,511,039	$ 3,869,212
Employer's proportionate share of the net OPEB liability (asset) as a percentage of its covered - employee payroll	-0.36%	0.29%
Plan fiduciary net position as a percentage of the total OPEB liability	108.9%	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

	2018	2017	2016
Contractually required contribution	$ 17,619	$ 19,539	$ 7,257
Contributions in relation to the contractually required contribution	17,619	19,539	7,257
Contribution deficiency (excess)	$ -	$ -	$ -
Employer's covered - employee payroll	$ 4,511,039	$ 3,869,212	$ 3,931,540
Contributions as a percentage of covered - employee payroll	0.39%	0.50%	0.18%

OTHER SUPPLEMENTARY INFORMATION

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AMITY SCHOOL DISTRICT NO. 4J

COMBINING BALANCE SHEET

NON-MAJOR SPECIAL REVENUE FUNDS

June 30, 2018

	Federal Misc. Grants Fund #204	Misc. Grants Fund #205	Community Projects Fund #250	Student Body Fund #270	Food Service Fund #280	Vehicle Replacement Fund #292	Technology Replacement Fund #293	Unemployment Fund #298	Scholarship Fund #299	Totals
ASSETS:										
Cash and Cash Equivalents	$ -	$ -	$ 27,416	$ 203,202	$ -	$ 113,977	$ 252,810	$ 114,924	$ 66,911	$ 779,240
Accounts Receivable	1,312	21,053	-	-	9,994	-	-	-	-	32,359
Inventory-Food, Supplies & Commodities	-	-	-	-	4,881	-	-	-	-	4,881
Total Assets	**$ 1,312**	**$ 21,053**	**$ 27,416**	**$ 203,202**	**$ 14,875**	**$ 113,977**	**$ 252,810**	**$ 114,924**	**$ 66,911**	**$ 816,480**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:										
LIABILITIES:										
Accounts Payable	$ -	$ 4,121	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,121
Due to Other Funds	1,312	9,571	-	-	6,994	-	-	-	-	17,877
Total Liabilities	1,312	13,692	-	-	6,994	-	-	-	-	21,998
FUND BALANCES:										
Unspendable	-	-	-	-	4,881	-	-	-	-	4,881
Committed for:										
Community Projects	-	-	27,416	-	-	-	-	-	-	27,416
Educational Programs	-	7,361	-	-	-	-	-	-	66,911	74,272
Employee Benefits Programs	-	-	-	-	-	-	-	114,924	-	114,924
Equipment Acquisition	-	-	-	-	-	113,977	252,810	-	-	366,787
Food Service Program	-	-	-	-	3,000	-	-	-	-	3,000
Student Body Activities	-	-	-	203,202	-	-	-	-	-	203,202
Total Fund Balances	-	7,361	27,416	203,202	7,881	113,977	252,810	114,924	66,911	794,482
Total Liabilities, Deferred Inflows of Resources & Fund Balances	**$ 1,312**	**$ 21,053**	**$ 27,416**	**$ 203,202**	**$ 14,875**	**$ 113,977**	**$ 252,810**	**$ 114,924**	**$ 66,911**	**$ 816,480**

AMITY SCHOOL DISTRICT NO. 4J

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

NON-MAJOR SPECIAL REVENUE FUNDS

For the Fiscal Year Ended June 30, 2018

	Title 1 Fund #201	Misc. Grants Fund #204	State Misc. Grants Fund #205	Community Projects Fund #250	Student Body Fund #270	Food Service Fund #280	Vehicle Replacement Fund #292	Technology Replacement Fund #293	Unemployment Fund #298	Scholarship Fund #299	Totals
REVENUES:											
Local Sources	$ -	$ -	$ 18,901	$ 16,236	$ 230,529	$ 51,083	$ -	$ 56,798	$ 2,164	$ 120	$375,831
State Sources	-	-	151,390	-	-	4,535	23,782	-	-	-	179,707
Federal Sources	114,897	31,216	-	-	-	195,166	-	-	-	-	341,279
Total Revenues	114,897	31,216	170,291	16,236	230,529	250,784	23,782	56,798	2,164	120	896,817
EXPENDITURES:											
Current:											
Instruction	114,897	10,000	116,423	-	201,982	-	-	-	-	-	443,302
Support Services	-	21,216	4,853	-	-	-	-	47,934	7,452	-	81,455
Enterprise and Community Services	-	-	-	7,225	-	299,020	-	-	-	2,375	308,620
Capital Outlay:											
Instruction	-	-	43,495	-	-	-	-	-	-	-	43,495
Debt Service	-	-	-	-	-	-	36,408	-	-	-	36,408
Total Expenditures	114,897	31,216	164,771	7,225	201,982	299,020	36,408	47,934	7,452	2,375	913,280
Excess (Deficiency) of Revenues Over Expenditures	-	-	5,520	9,011	28,547	(48,236)	(12,626)	8,864	(5,288)	(2,255)	(16,463)
OTHER FINANCING SOURCES (USES):											
Interfund Transfers In	-	-	-	-	-	43,000	97,000	85,000	-	-	225,000
Interfund Transfers Out	-	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	-	-	5,520	9,011	28,547	(5,236)	84,374	93,864	(5,288)	(2,255)	208,537
Beginning Fund Balance	-	-	1,841	18,405	174,655	13,117	29,603	158,946	120,212	69,166	585,945
Ending Fund Balance	**$ -**	**$ -**	**$ 7,361**	**$ 27,416**	**$ 203,202**	**$ 7,881**	**$ 113,977**	**$ 252,810**	**$ 114,924**	**$ 66,911**	**$794,482**

AMITY SCHOOL DISTRICT NO. 4J

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

Title 1 Fund #201

For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over
	Original	Final	(See Note 1)	(Under)
REVENUES:				
Federal Sources	$ 225,000	$ 225,000	$ 114,897	$ (110,103)
Total Revenues	225,000	225,000	114,897	(110,103)
EXPENDITURES:				
Instruction	189,300	189,300	114,897	(74,403)
Support Services	35,000	35,000	-	(35,000)
Enterprise and Community Services	700	700	-	(700)
Total Expenditures	225,000	225,000	114,897	(110,103)
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	**$ -**	**$ -**	**$ -**	**$ -**

AMITY SCHOOL DISTRICT NO. 4J

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

Federal Misc. Grants Fund #204

For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over
	Original	Final	(See Note 1)	(Under)
REVENUES:				
Federal Sources	$ 232,000	$ 232,000	$ 31,216	$ (200,784)
Total Revenues	232,000	232,000	31,216	(200,784)
EXPENDITURES:				
Instruction	160,386	160,386	10,000	(150,386)
Support Services	71,614	71,614	21,216	(50,398)
Total Expenditures	232,000	232,000	31,216	(200,784)
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	**$ -**	**$ -**	**$ -**	**$ -**

AMITY SCHOOL DISTRICT NO. 4J

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

State Misc. Grants Fund #205

For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over
	Original	Final	(See Note 1)	(Under)
REVENUES:				
Local Sources	$ 84,600	$ 84,600	$ 18,901	$ (65,699)
State Sources	261,000	261,000	151,390	(109,610)
Total Revenues	345,600	345,600	170,291	(175,309)
EXPENDITURES:				
Instruction	252,168	252,168	159,918	(92,250)
Support Services	93,432	93,432	4,853	(88,579)
Total Expenditures	345,600	345,600	164,771	(180,829)
Net Change in Fund Balance	-	-	5,520	5,520
Beginning Fund Balance	-	-	1,841	1,841
Ending Fund Balance	**$ -**	**$ -**	**$ 7,361**	**$ 7,361**

AMITY SCHOOL DISTRICT NO. 4J

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

Community Projects Fund #250

For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over
	Original	Final	(See Note 1)	(Under)
REVENUES:				
Local Sources	$ 21,000	$ 21,000	$ 16,236	$ (4,764)
Total Revenues	21,000	21,000	16,236	(4,764)
EXPENDITURES:				
Enterprise and Community Services	37,500	37,500	7,225	(30,275)
Total Expenditures	37,500	37,500	7,225	(30,275)
Net Change in Fund Balance	(16,500)	(16,500)	9,011	25,511
Beginning Fund Balance	16,500	16,500	18,405	1,905
Ending Fund Balance	**$ -**	**$ -**	**$ 27,416**	**$ 27,416**

AMITY SCHOOL DISTRICT NO. 4J

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

Student Body Fund #270

For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over
	Original	Final	(See Note 1)	(Under)
REVENUES:				
Local Sources	$ 280,000	$ 280,000	$ 230,529	$ (49,471)
Total Revenues	280,000	280,000	230,529	(49,471)
EXPENDITURES:				
Instruction	470,000	470,000	201,982	(268,018)
Total Expenditures	470,000	470,000	201,982	(268,018)
Net Change in Fund Balance	(190,000)	(190,000)	28,547	218,547
Beginning Fund Balance	190,000	190,000	174,655	(15,345)
Ending Fund Balance	**$ -**	**$ -**	**$ 203,202**	**$ 203,202**

AMITY SCHOOL DISTRICT NO. 4J

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

Food Service Fund #280

For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over
	Original	Final	(See Note 1)	(Under)
REVENUES:				
Local Sources	$ 105,325	$ 105,325	$ 51,083	$ (54,242)
State Sources	43,500	43,500	4,535	(38,965)
Federal Sources	220,000	220,000	195,166	(24,834)
Total Revenues	368,825	368,825	250,784	(118,041)
EXPENDITURES:				
Enterprise and Community Services	418,825	421,825	297,950	(123,875)
Total Expenditures	418,825	421,825	297,950	(123,875)
Excess (Deficiency) of Revenues Over Expenditures	(50,000)	(53,000)	(47,166)	5,834
OTHER FINANCING SOURCES (USES):				
Interfund Transfers In	40,000	43,000	43,000	-
Total Other Financing Sources (Uses)	40,000	43,000	43,000	-
Net Change in Fund Balance	(10,000)	(10,000)	(4,166)	5,834
Beginning Fund Balance	10,000	10,000	7,166	(2,834)
Ending Fund Balance	**$ -**	**$ -**	**$ 3,000**	**$ 3,000**

AMITY SCHOOL DISTRICT NO. 4J

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

Vehicle Replacement Fund #292

For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over
	Original	Final	(See Note 1)	(Under)
REVENUES:				
State Sources	$ 23,782	$ 23,782	$ 23,782	$ -
Total Revenues	23,782	23,782	23,782	-
EXPENDITURES:				
Support Services	41,976	113,976	-	(113,976)
Debt Service	36,409	36,409	36,408	(1)
Total Expenditures	78,385	150,385	36,408	(113,977)
Excess (Deficiency) of Revenues Over Expenditures	(54,603)	(126,603)	(12,626)	113,977
OTHER FINANCING SOURCES (USES):				
Interfund Transfers In	25,000	97,000	97,000	-
Total Other Financing Sources (Uses)	25,000	97,000	97,000	-
Net Change in Fund Balance	(29,603)	(29,603)	84,374	113,977
Beginning Fund Balance	29,603	29,603	29,603	-
Ending Fund Balance	**$ -**	**$ -**	**$ 113,977**	**$ 113,977**

AMITY SCHOOL DISTRICT NO. 4J

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

Technology Replacement Fund #293

For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over
	Original	Final	(See Note 1)	(Under)
REVENUES:				
Local Sources	$ 35,721	$ 35,721	$ 56,798	$ 21,077
Total Revenues	35,721	35,721	56,798	21,077
EXPENDITURES:				
Instruction	104,018	179,018	-	(179,018)
Support Services	100,650	100,650	47,934	(52,716)
Total Expenditures	204,668	279,668	47,934	(231,734)
Excess (Deficiency) of Revenues Over Expenditures	(168,947)	(243,947)	8,864	252,811
OTHER FINANCING SOURCES (USES):				
Interfund Transfers In	10,000	85,000	85,000	-
Total Other Financing Sources (Uses)	10,000	85,000	85,000	-
Net Change in Fund Balance	(158,947)	(158,947)	93,864	252,811
Beginning Fund Balance	158,947	158,947	158,946	(1)
Ending Fund Balance	**$ -**	**$ -**	**$ 252,810**	**$ 252,810**

AMITY SCHOOL DISTRICT NO. 4J

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

Unemployment Fund #298

For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over
	Original	Final	(See Note 1)	(Under)
REVENUES:				
Local Sources	$ 1,560	$ 1,560	$ 2,164	$ 604
Total Revenues	1,560	1,560	2,164	604
EXPENDITURES:				
Support Services	121,660	121,660	7,452	(114,208)
Total Expenditures	121,660	121,660	7,452	(114,208)
Net Change in Fund Balance	(120,100)	(120,100)	(5,288)	114,812
Beginning Fund Balance	120,100	120,100	120,212	112
Ending Fund Balance	**$ -**	**$ -**	**$ 114,924**	**$ 114,924**

AMITY SCHOOL DISTRICT NO. 4J

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

Scholarship Fund #299

For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over
	Original	Final	(See Note 1)	(Under)
REVENUES:				
Local Sources	$ 500	$ 500	$ 120	$ (380)
Total Revenues	500	500	120	(380)
EXPENDITURES:				
Enterprise and Community Services	24,000	24,000	2,375	(21,625)
Contingency	45,670	45,670	-	(45,670)
Total Expenditures	69,670	69,670	2,375	(67,295)
Net Change in Fund Balance	(69,170)	(69,170)	(2,255)	66,915
Beginning Fund Balance	69,170	69,170	69,166	(4)
Ending Fund Balance	**$ -**	**$ -**	**$ 66,911**	**$ 66,911**

OTHER SUPPLEMENTARY INFORMATION

Debt Service Funds

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AMITY SCHOOL DISTRICT NO. 4J

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

Debt Service Fund #300 (A Major Fund)

For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Local Sources	$ 569,463	$ 569,463	$ 606,889	$ 37,426
Total Revenues	569,463	569,463	606,889	37,426
EXPENDITURES:				
Debt Service	598,578	598,578	598,578	-
Total Expenditures	598,578	598,578	598,578	-
Net Change in Fund Balance	(29,115)	(29,115)	8,311	37,426
Beginning Fund Balance	29,115	29,115	32,423	3,308
Ending Fund Balance	**$ -**	**$ -**	**$ 40,734**	**$ 40,734**

AMITY SCHOOL DISTRICT NO. 4J

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

PERS Bond Debt Fund #302 (A Major Fund)

For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over
	Original	Final	(See Note 1)	(Under)
REVENUES:				
Local Sources	$ 605,000	$ 605,000	$ 592,316	$ (12,684)
Total Revenues	605,000	605,000	592,316	(12,684)
EXPENDITURES:				
Debt Service	632,216	632,216	632,216	-
Total Expenditures	632,216	632,216	632,216	-
Net Change in Fund Balance	(27,216)	(27,216)	(39,900)	(12,684)
Beginning Fund Balance	648,036	648,036	604,936	(43,100)
Ending Fund Balance	**$ 620,820**	**$ 620,820**	**$ 565,036**	**$ (55,784)**

OTHER SUPPLEMENTARY INFORMATION

Capital Projects Funds

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AMITY SCHOOL DISTRICT NO. 4J

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

Capital Improvement Fund #430 (A Major Fund)

For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over
	Original	Final	(See Note 1)	(Under)
REVENUES:				
Local Sources	$ 5,000	$ 5,000	$ 21,378	$ 16,378
Total Revenues	5,000	5,000	21,378	16,378
EXPENDITURES:				
Support Services	(143,827)	156,173	14,999	(141,174)
Enterprise and Community Services	5,000	5,000	-	(5,000)
Facilities Acquisition and Construction	648,883	648,883	367,145	(281,738)
Total Expenditures	510,056	810,056	382,144	(427,912)
Excess (Deficiency) of Revenues Over Expenditures	(505,056)	(805,056)	(360,766)	444,290
OTHER FINANCING SOURCES (USES):				
Interfund Transfers In	35,000	335,000	335,000	-
Total Other Financing Sources (Uses)	35,000	335,000	335,000	-
Net Change in Fund Balance	(470,056)	(470,056)	(25,766)	444,290
Beginning Fund Balance	770,056	770,056	584,116	(185,940)
Ending Fund Balance	**$300,000**	**$ 300,000**	**$ 558,350**	**$ 258,350**

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OTHER SUPPLEMENTARY INFORMATION

Additional Supporting Schedules

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AMITY SCHOOL DISTRICT NO. 4J

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2018

GO Refunding Bond, Series 2015

General Obligation Refunding Bond, Series 2015 for refunding of GO Refunding Bonds, Series 2005, dated March 19, 2015. 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, 2017	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2018	Due Within One Year
Principal	$ 3,010,000	$ -	$ 545,000	$ 2,465,000	$ 575,000
Interest	-	53,578	53,578	-	43,877
Total	$ 3,010,000	$ 53,578	$ 598,578	$ 2,465,000	$ 618,877

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2019	$ 575,000	$ 43,877	$ 618,877	1.78%
	2020	600,000	33,642	633,642	1.78%
	2021	630,000	22,962	652,962	1.78%
	2022	660,000	11,748	671,748	1.78%
Total		$ 2,465,000	$ 112,229	$ 2,577,229	

AMITY SCHOOL DISTRICT NO. 4J

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2018

OSBA Limited Tax Pension OB,

Oregon School Boards Association Limited Tax Pension Obligation Bonds Series 2003. The original balance was $6,618,174 issued April 21, 2003. Fixed interest rates on the bonds vary from 1.5% to 6.27%.

Current Year Activity:

	Outstanding Balance July 1, 2017	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2018	Due Within One Year
Principal	$ 4,532,252	$ -	$ 178,241	$ 4,354,011	$ 176,587
Interest	-	453,975	453,975	-	485,627
Total	$ 4,532,252	$ 453,975	$ 632,216	$ 4,354,011	$ 662,214

Future Requirements:

Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
2019	$ 176,587	$ 485,627	$ 662,214	6.07%
2020	176,485	520,731	697,216	6.15%
2021	173,920	553,296	727,216	6.22%
2022	173,094	589,122	762,216	6.26%
2023	173,925	628,290	802,215	6.27%
2024	645,000	197,216	842,216	6.27%
2025	720,000	161,028	881,028	5.68%
2026	800,000	120,132	920,132	5.68%
2027	890,000	74,692	964,692	5.68%
2028	425,000	24,140	449,140	5.68%
Total	$4,354,011	$ 3,354,274	$ 7,708,285	

AMITY SCHOOL DISTRICT NO. 4J

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2018

QZAB Original Balance $1,290,000

Qualified Zone Academy Bond (QZAB), original balance of $1,290,000, dated February 1, 2004, for funding qualified building improvements and equipment purchases. Interest costs are subsidized by the federal government. Annual payments of $69,261 are placed into a sinking fund maintained by a paying agent. Earnings of the sinking fund reduce total payments made to retire bonds. The debt will be paid to bondholders at maturity in 2019 from the sinking fund. Reported outstanding balance at fiscal year-end reflects total of original bond payable amount net of deposits made to date into sinking fund.

Current Year Activity:

	Outstanding Balance July 1, 2017	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2018	Due Within One Year
Principal	$ 389,604	$ -	$ 69,261	$ 320,343	$ 320,343
Interest	-	-	-	-	-
Total	$ 389,604	$ -	$ 69,261	$ 320,343	$ 320,343

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2019	$ 320,343	$ -	$ 320,343	0.00%
Total		$ 320,343	$ -	$ 320,343	

AMITY SCHOOL DISTRICT NO. 4J

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2018

QZAB held by Pacific Continental 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. Deposit amounts of $43,334.00 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, 2017	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2018	Due Within One Year
Principal	$ 606,666	$ -	$ 43,334	$ 563,332	$ 43,334
Interest	-	-	-	-	-
Total	$ 606,666	$ -	$ 43,334	$ 563,332	$ 43,334

Future Requirements:

Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
2019	$ 43,334	$ -	$ 43,334	0.00%
2020	43,334	-	43,334	0.00%
2021	43,334	-	43,334	0.00%
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	$563,332	$ -	$ 563,332	

AMITY SCHOOL DISTRICT NO. 4J

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2018

Bus Leases with Sovereign Bank

Bus Leases with Sovereign Bank. Total Lease $237,820 for 3 busses purchased on October 15, 2013 with an interest rate of 2.30%.

Current Year Activity:

	Outstanding Balance July 1, 2017	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2018	Due Within One Year
Principal	$ 104,373	$ -	$ 34,481	$ 69,892	$ 34,946
Interest	-	1,927	1,927	-	1,462
Total	$ 104,373	$ 1,927	$ 36,408	$ 69,892	$ 36,408

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2019	$ 34,946	$ 1,462	$ 36,408	0.00%
	2020	34,946	1,462	36,408	0.00%
Total		$ 69,892	$ 2,924	$ 72,816	

AMITY SCHOOL DISTRICT NO. 4J

Oregon Department of Education Form 581-3211-C

For the Fiscal Year Ended June 30, 2018

SUPPLEMENTAL INFORMATION 2017-2018

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	$ 168,374
Function 2550	$ -

C. Replacement of Equipment - General Fund:

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

Exclude these functions:		Exclude these functions:		$ -
1113,1122 & 1132	Extra-curricular Activities	4150	Construction	
1140	Pre-Kindergarten	2550	Pupil Transportation	
1300	Continuing Education	3100	Food Service	
1400	Summer School	3300	Community Services	

AMITY SCHOOL DISTRICT NO. 4J

Audit Revenue Summary - All Governmental Funds

For the Fiscal Year Ended June 30, 2018

Revenue from Local Sources		**Fund 100**	**Fund 200**	**Fund 300**	**Fund 400**
1110	Ad Valorem Taxes Levied by District	$ 1,663,017	$ -	$ 598,421	$ -
1190	Penalties and Interest on Taxes	8,999	-	3,241	-
1312	Regular Day School Tuition - Other Dist Within State	630	-	-	-
1500	Earnings on Investments	36,790	2,313	16,183	5,662
1600	Food Service	-	51,054	-	-
1700	Extracurricular Activities	43,169	230,529	-	-
1800	Community Service Activities	-	16,236	-	-
1910	Rentals	10,010	-	-	-
1920	Contributions and Donations From Private Sources	15,135	-	-	-
1940	Services Provided Other Local Education Agencies	-	10,700	-	-
1960	Recovery of Prior Years' Expenditue	4,519	-	-	-
1970	Services Provided Other Funds	-	-	581,360	-
1990	Miscallaneous	29,386	64,999	-	15,715
	Total Revenue from Local Sources	$ 1,811,656	$ 375,831	$ 1,199,205	$ 21,378

Revenue from Intermediate Sources		**Fund 100**	**Fund 200**	**Fund 300**	**Fund 400**
2101	County School Funds	$ 2,933	$ -	$ -	$ -
2102	General ESD Revenue	72,335	-	-	-
2199	Other Intermediate Sources	553	-	-	-
2200	Restricted Revenue	1,869	-	-	-
	Total Revenue from Intermediate Sources	$ 77,690	$ -	$ -	$ -

Revenue from State Sources		**Fund 100**	**Fund 200**	**Fund 300**	**Fund 400**
2101	County School Funds	$ 2,933	$ -	$ -	$ -
2102	General ESD Revenue	72,335	-	-	-
2199	Other Intermediate Sources	553	-	-	-
2200	Restricted Revenue	1,869	-	-	-
	Total Revenue from Intermediate Sources	$ 77,690	$ -	$ -	$ -

Revenue from State Sources		**Fund 100**	**Fund 200**	**Fund 300**	**Fund 400**
3101	State School Fund - General Support	$ 6,882,800	$ -	$ -	$ -
3102	State School Fund - School Lunch Match	-	2,533	-	-
3103	Common School Fund	91,220	-	-	-
3199	Other Unrestricted Grtants-In-Aid	123,798	-	-	-
3222	State School Fund (SSF) Transportation Equipment	-	23,782	-	-
3299	Other Restricted Grants-In-Aid	1,800	153,929	-	-
	Total Revenue from State Sources	$ 7,099,618	$ 180,244	$ -	$ -

Revenue from Federal Sources		**Fund 100**	**Fund 200**	**Fund 300**	**Fund 400**
4500	Restricted Revenue From the Federal Government Through the State	$ -	$ 466,347	$ -	$ -
4700	Granits-In-Aid From the Federal Government Through Other Intermediate Agencies	-	996	-	-
4801	Federal Forest Fees	3	-	-	-
4900	Revenue for/on Behalf of the District	-	16,400	-	-
	Total Revenue from Federal Sources	$ 3	$ 483,743	$ -	$ -

Revenue from Other Sources		**Fund 100**	**Fund 200**	**Fund 300**	**Fund 400**
5200	Interfund Transfers	$ -	$ 225,000	$ -	$ 335,000
5300	Sale of or Compensation for Loss of Fixed Assets	200	-	-	-
5400	Resources - Beginning Fund Balance	959,918	579,995	637,359	584,116
	Total Revenue from Other Sources	$ 960,118	$ 804,995	$ 637,359	$ 919,116
	Grand Total	$ 10,026,776	$ 1,844,813	$ 1,836,564	$ 940,494

AMITY SCHOOL DISTRICT NO. 4J
Expenditure Summary - General Fund #100
For the Fiscal Year Ended June 30, 2018

Instruction Expenditures		**Totals**	**Object 100**	**Object 200**	**Object 300**	**Object 400**	**Object 500**	**Object 600**	**Object 700**
1111	Elementary, K-5 or K-6	$1,383,501	$ 881,321	$ 464,779	$ 6,833	$ 30,568	$ -	$ -	$ -
1113	Elementary Extracurricular	7,347	5,117	1,510	675	45	-	-	-
1121	Middle/Junior High Programs	865,013	560,272	287,265	3,911	13,565	-	-	-
1122	Middle/Junior High School Extracurricular	25,918	16,794	3,250	5,088	787	-	-	-
1131	High School Programs	1,340,295	855,906	421,204	26,717	36,418	-	50	-
1132	High School Extracurricular	246,099	116,817	40,294	37,491	32,237	16,951	2,308	-
1210	Programs for the Talented and Gifted	116	-	-	116	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	209,715	-	-	209,715	-	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	482,208	299,349	172,626	1,406	8,827	-	-	-
1271	Remediation	1,772	1,335	437	-	-	-	-	-
1280	Alternative Education	357,081	-	-	357,081	-	-	-	-
1291	English Second Language Programs	117,827	77,530	39,738	-	559	-	-	-
	Total Instruction Expenditures	$5,036,892	$ 2,814,442	$1,431,104	$ 649,032	$ 123,005	$ 16,951	$ 2,358	$ -

Support Services Expenditures		**Totals**	**Object 100**	**Object 200**	**Object 300**	**Object 400**	**Object 500**	**Object 600**	**Object 700**
2110	Attendance and Social Work Services	$ 123,777	$ 70,816	$ 33,778	$ 19,183	$ -	$ -	$ -	$ -
2120	Guidance Services	273,871	187,486	85,120	93	1,172	-	-	-
2130	Health Services	1,824	-	-	1,824	-	-	-	-
2150	Speech Pathology and Audiology Services	150	-	-	150	-	-	-	-
2190	Service Direction, Student Support Services	119,625	80,960	38,665	-	-	-	-	-
2220	Educational Media Services	70,217	42,713	21,148	148	6,207	-	-	-
2230	Assessment & Testing	12,129	8,472	2,417	-	1,239	-	-	-
2240	Instructional Staff Development	12,192	-	12,002	190	-	-	-	-
2310	Board of Education Services	27,223	-	-	15,604	350	-	11,269	-
2320	Executive Administration Services	188,092	123,263	53,746	6,306	3,852	-	925	-
2410	Office of the Principal Services	623,483	402,648	215,566	160	2,425	-	2,685	-
2520	Fiscal Services	186,422	106,074	47,193	26,730	5,004	-	1,420	-
2540	Operation and Maintenance of Plant Services	764,825	237,953	143,391	293,286	41,564	-	48,631	-
2550	Student Transportation Services	426,482	24,668	9,742	380,502	7,589	-	3,981	-
2630	Information Services	18,303	11,251	6,892	160	-	-	-	-
2640	Staff Services	2,873	-	-	2,873	-	-	-	-
2660	Technology Services	263,464	77,111	36,933	53,648	95,772	-	-	-
	Total Support Services Expenditures	$3,114,952	$ 1,373,415	$ 706,593	$ 800,858	$ 165,174	$ -	$ 68,911	$ -

Other Uses Expenditures		**Totals**	**Object 100**	**Object 200**	**Object 300**	**Object 400**	**Object 500**	**Object 600**	**Object 700**
5100	Debt Service	$ 112,595	$ -	$ -	$ -	$ -	$ -	$112,595	$ -
5200	Transfers of Funds	560,000	-	-	-	-	-	-	560,000
	Total Other Uses Expenditures	$ 672,595	$ -	$ -	$ -	$ -	$ -	$112,595	$ 560,000
	Grand Total	$8,824,439	$ 4,187,857	$2,137,697	$1,449,891	$ 288,179	$ 16,951	$183,864	$ 560,000

AMITY SCHOOL DISTRICT NO. 4J

Expenditure Summary - Special Revenue Funds #200

For the Fiscal Year Ended June 30, 2018

Instruction Expenditures		**Totals**	**Object 100**	**Object 200**	**Object 300**	**Object 400**	**Object 500**	**Object 600**
1111	Elementary, K-5 or K-6	$ 24,764	$ 4,366	$ 1,012	$ 4,023	$ 15,363	$ -	$ -
1113	Elementary Extracurricular	46,155	-	-	-	46,155	-	-
1121	Middle/Junior High Programs	5,734	-	-	750	4,984	-	-
1122	Middle/Junior High School Extracurricular	31,259	-	-	-	31,259	-	-
1131	High School Programs	139,496	19,834	5,748	4,814	65,604	43,495	-
1132	High School Extracurricular	124,567	-	-	-	124,567	-	-
1250	Less Restrictive Programs for Students with Disabilities	139,831	97,743	37,142	4,946	-	-	-
1272	Title I	114,897	82,916	31,562	75	165	-	180
	Total Instruction Expenditures	$ 626,703	$ 204,859	$ 75,463	$ 14,608	$ 288,098	$ 43,495	$ 180

Support Services Expenditures		**Totals**	**Object 100**	**Object 200**	**Object 300**	**Object 400**	**Object 500**	**Object 600**
2110	Attendance and Social Work Services	$ 1,249	$ -	$ -	$ 282	$ 967	$ -	$ -
2190	Service Direction, Student Support Services	961	753	208	-	-	-	-
2210	Improvement of Instruction Services	5,100	3,729	833	479	59	-	-
2240	Instructional Staff Development	4,966	1,405	211	3,350	-	-	-
2520	Fiscal Services	7,452	-	7,452	-	-	-	-
2640	Staff Services	16,888	11,951	3,817	1,120	-	-	-
2660	Technology Services	47,934	-	-	3,548	44,386	-	-
	Total Support Services Expenditures	$ 84,551	$ 17,838	$ 12,521	$ 8,779	$ 45,412	$ -	$ -

Enterprise and Community Services Expenditures		**Totals**	**Object 100**	**Object 200**	**Object 300**	**Object 400**	**Object 500**	**Object 600**
3100	Food Services	$ 297,950	$ 94,874	$ 41,513	$ 4,771	$ 153,811	$ -	$ 2,981
3300	Community Services	2,375	-	-	2,375	-	-	-
3500	Custody and Care of Children Services	7,225	5,610	1,615	-	-	-	-
	Total Enterprise and Community Services Expenditures	$ 307,550	$ 100,484	$ 43,128	$ 7,146	$ 153,811	$ -	$ 2,981

Other Uses Expenditures		**Totals**	**Object 100**	**Object 200**	**Object 300**	**Object 400**	**Object 500**	**Object 600**
5100	Debt Service	$ 36,408	$ -	$ -	$ -	$ -	$ -	$ 36,408
	Total Other Uses Expenditures	$ 36,408	$ -	$ -	$ -	$ -	$ -	$ 36,408
	Grand Total	$ 1,055,212	$ 323,182	$ 131,112	$ 30,533	$ 487,320	$ 43,495	$ 39,569

AMITY SCHOOL DISTRICT NO. 4J

Expenditure Summary - Debt Service Fund #300

For the Fiscal Year Ended June 30, 2018

		Totals	Object 600
Other Uses Expenditures			
5100	Debt Service	$ 1,230,794	$ 1,230,794
	Total Other Uses Expenditures	$ 1,230,794	$ 1,230,794
	Grand Total	$ 1,230,794	$ 1,230,794

AMITY SCHOOL DISTRICT NO. 4J

Expenditure Summary - Capital Projects Funds #400

For the Fiscal Year Ended June 30, 2018

		Totals	Object 300	Object 500	Object 600
Support Services Expenditures					
2540	Operation and Maintenance of Plant Services	$ 14,999	$ -	$ 14,999	$ -
	Total Support Services Expenditures	$ 14,999	$ -	$ 14,999	$ -

		Totals	Object 300	Object 500	Object 600
Facilities Acquisition and Construction Expenditures					
4150	Building Acquisition, Construction, and Improvement Services	$ 367,145	$ 122,116	$ 244,753	$ 276
	Total Facilities Acquisition and Construction Expenditures	$ 367,145	$ 122,116	$ 244,753	$ 276
	Grand Total	$ 382,144	$ 122,116	$ 259,752	$ 276

AMITY SCHOOL DISTRICT NO. 4J

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED June 30, 2018

Federal Grantor/Pass Through Grantor/ Program Title		*Grant Fund*	*Federal CFDA Number*	*Grant Period*	*Original Program or Grant Amount*	*(Receivable)/ Deferred Revenue June 30, 2017*	*Cash Received*	*Expenditures*	*(Receivable)/ Deferred Revenue June 30, 2018*
US. DEPARTMENT OF EDUCATION									
Passed Through Oregon Department of Education:									
Title IA - Grants to Local Education Agencies		*Title 1*	*84.010*	*2017-18*	*114,897*	*$ -*	*$ 114,897*	*$ 114,897*	*$ -*
Total Title I					*114,897*	*-*	*114,897*	*114,897*	*-*
Title II-A Teacher Quality		*Federal Misc.*	*84.367*	*2016-17*	*33,917*	*(3,267)*	*3,601*	*334*	*-*
Title II-A Teacher Quality		*Federal Misc.*	*84.367*	*2017-18*	*20,215*	*-*	*18,766*	*19,886*	*(1,120)*
Total Title I I-A					*54,132*	*(3,267)*	*22,367*	*20,220*	*(1,120)*
Title IV - Student Support and Academic Enrichment		*Federal Misc.*	*84.424*	*2017-18*	*10,000*	*-*	*10,000*	*10,000*	*-*
IDEA - Special Education Grants to States		*IDEA Grant*	*84.027*	*2017-18*	*147,085*	*-*	*-*	*26,580*	*(26,580)*
IDEA - Special Education Grants to States		*IDEA Grant*	*84.027*	*2016-17*	*147,678*	*-*	*106,602*	*107,613*	*(1,011)*
IDEA - Enhancement & Extended Assessment Training		*IDEA Grant*	*84.027*	*2016-17*	*2,122*	*(757)*	*1,719*	*962*	*-*
IDEA - Enhancement & Extended Assessment Training		*IDEA Grant*	*84.027*	*2017-18*	*2,122*	*-*	*163*	*163*	
IDEA - Special Ed Preschool Grant		*IDEA Grant*	*84.173*	*2017-18*	*3,327*	*-*	*1,065*	*1,065*	*-*
IDEA - Special Ed Preschool Grant		*IDEA Grant*	*84.173*	*2016-17*	*3,882*	*-*	*3,882*	*3,882*	*-*
IDEA - SPR & I		*IDEA Grant*	*84.027*	*2017-18*	*1,774*	*-*	*1,774*	*1,774*	*-*
IDEA - Post School Outcomes		*State Grant*	*84.027*	*2016-17*	*75*	*-*	*75*	*75*	*-*
IDEA - Post School Outcomes		*State Grant*	*84.027*	*2017-18*	*462*	*-*	*-*	*462*	*(462)*
Special Education - State Personnel Development		*IDEA Grant*	*84.323*	*2016-17*	*3,496*	*(112)*	*539*	*427*	*-*
Total IDEA					*312,023*	*(869)*	*115,819*	*143,003*	*(28,053)*
Total Passed through Oregon Department of Education					*$ 491,052*	*$ (4,136)*	*$ 263,083*	*$ 288,120*	*$ (29,173)*
Passed through Education Service District:									
Education for Homeless Children and Youth		*Federal Misc.*	*84.196*	*2017-18*	*996*	*-*	*804*	*996*	*(192)*
Total Passed through Umpqua Training & Employment					*$ 996*	*$ -*	*$ 804*	*$ 996*	*$ (192)*
Total U.S. Department of Education					*$ 492,048*	*$ (4,136)*	*$ 263,887*	*$ 289,116*	*$ (29,365)*
U.S. DEPARTMENT OF AGRICULTURE									
Passed Through Oregon Department of Education.									
Commodities	*	*Food Service*	*10.555*	*2017-18*	*$ 16,400*	*$ -*	*$ 16,400*	*$ 16,400*	*$ -*
National School Lunch - Breakfast	*	*Food Service*	*10.553*	*2017-18*	*42,491*	*-*	*39,942*	*42,491*	*(2,549)*
National School Lunch - Section 4	*	*Food Service*	*10.555*	*2017-18*	*136,275*	*-*	*128,924*	*136,275*	*(7,351)*
Total National School Lunch Program					*195,166*	*-*	*185,266*	*195,166*	*(9,900)*
Passed Through Douglas County:									
School and Roads - Grants to States		*General Fund*	*10.665*	*2017-18*	*3*	*-*	*3*	*3*	*-*
Total U.S. Department of Agriculture					*$ 195,169*	*$ -*	*$ 185,269*	*$ 195,169*	*$ (9,900)*
TOTALS					***$ 687,217***	***$ (4,136)***	***$ 449,156***	***$ 484,285***	***$ (39,265)***

This schedule is prepared using the modified accrual basis of accounting.

RECONCILIATION TO REVENUE:

Cash Receipts per Schedule Above	*$ 449,156*
Grants Receivable/Deferred Revenue Beginning of Year	*(4,136)*
Grants Receivable/Deferred Revenue End of Year	*39,265*
Federal Revenue Recognized per Financial Statements	*$ 484,285*

**** major program***

ACCOMPANYING

INFORMATION

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AMITY SCHOOL DISTRICT NO. 4J

INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

As of June 30, 2018

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

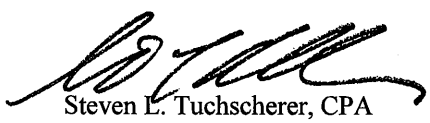
We have audited the basic financial statements of the Amity School District No. 4J as of and for the year ended June 30, 2018, and have issued our report thereon dated December 7, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance
As part of obtaining reasonable assurance about whether the Amity School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.
We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **State school fund factors and calculation.**

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

OAR 162-10-0230 Internal Control
In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District 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.



Steven L. Tuchscherer, CPA
Umpqua Valley Financial
Roseburg, Oregon
December 7, 2018