



AMITY SCHOOL DISTRICT NO. 4J

AMITY, OREGON

JUNE 30, 2013

AUDIT REPORT

STEVE TUCHSCHERER
Certified Public Accountant
A Professional Corporation

AMITY SCHOOL DISTRICT NO. 4J

807 Trade Street
Amity, Oregon 97101-0138
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DISTRICT OFFICIALS

SANDY MCKEE. Board Chair
23350 SE McKee Road, Amity, OR 97101

RAY BOTTENBERG. Vice Chair
9605 Yocum Road, Sheridan, OR 97378

CRAIG HUDSON. Board Member
20465 Poco Lane, Amity, OR 97101

BARBARA ROWE Board Member
PO Box 590, Amity, OR 97101

PAUL DAUENHAUER.. . . . Board Member
12800 SE Fairview Rd., Dayton, OR 97114

ADMINISTRATION

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

ANN ADAMS. Deputy Clerk
807 Trade Street, Amity, OR 97101

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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, 2013, 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 standards generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for our 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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 2 through 8 and 32 through 35 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 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.

Other Information

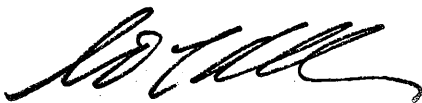
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Amity School District No. 4J's basic financial statements. The combining and individual non-major fund financial statements and additional supporting schedules listed in the table of contents as Other Supplementary Information 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards 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 combining and individual non-major fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements taken as a whole.

Other schedules listed in the table of contents as Additional Supporting Schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued our report dated December 2, 2013, on our consideration of the Amity School District No. 4J's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Amity School District No. 4J's internal control over financial reporting and compliance.



Steve Tuchscherer, CPA
December 2, 2013

MANAGEMENT'S DISCUSSION
AND ANALYSIS

AMITY SCHOOL DISTRICT NO. 4J
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2013
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, 2013. 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, 2013 are as follows:

- The District's net position increased by \$208,868 which represents a 30.9 percent increase from the previous year.
- General revenues accounted for \$7,464,668 in revenue, or 87.5 percent of all revenues. Program specific revenues in the form of charges for services, and grants and donations accounted for \$1,068,532 or 12.5 percent of total revenues of \$8,533,200.
- The District had \$8,324,332 in expenses related to governmental activities; which was less than total revenues, resulting in an increase in net position of \$208,868. Total expenses increased \$114,756 over the previous year.
- Total assets of governmental activities decreased by \$404,231. The decrease resulted primarily from a decrease of \$274,659 in capital assets, net of accumulated depreciation and a \$255,331 decrease in prepaid expense – pension obligation, net of accumulated amortization.
- Total liabilities decreased by \$613,101, largely due to a decrease in general obligation and PERS bonds of more than \$535,000, and a decrease in QZAB note payables of \$69,261.
- Among the governmental funds, the general fund had \$6,917,520 in receipts, which primarily consisted of state school support funds and property taxes. Actual revenues in the general fund were \$463,458 more than budgeted. Revenue from state school support fund was \$359,037 more than the budgeted amount. General Fund expenditures totaled \$6,621,245 including \$56,000 in budgeted interfund transfers out and \$69,261 in budgeted debt service payments. The General Fund's fund balance increased \$296,275 to \$1,261,451.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

AMITY SCHOOL DISTRICT NO. 4J
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2013
Unaudited

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

Fund Financial Statements

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

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.

AMITY SCHOOL DISTRICT NO. 4J
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2013
Unaudited

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 Title 1 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 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 \$885,262. This is a \$208,868 increase from last year's net position and represents a 30.9 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, 2013	June 30, 2012	Percentage Change
Assets			
Current and Other Assets	\$ 6,365,220	\$ 6,493,792	-1.98%
Capital Assets	5,371,191	5,646,850	-4.88%
Total Assets	11,736,411	12,140,642	-3.33%
Liabilities			
Long-Term Liabilities	10,160,060	10,666,244	-4.75%
Other Liabilities	691,088	798,005	-13.40%
Total Liabilities	10,851,148	11,464,249	-5.35%
Net Position			
Invested in Capital Assets			
Net of Debt	(45,457)	1,199,175	-103.79%
Restricted	59,331	105,502	-43.76%
Unrestricted	871,388	(628,283)	-238.69%
Total Net Position	\$ 885,262	\$ 676,394	30.88%

AMITY SCHOOL DISTRICT NO. 4J
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2013
Unaudited

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

	<u>Governmental Activities</u>		
	<u>2012-13</u>	<u>2011-12</u>	<u>Percentage Change</u>
Revenues			
Program Revenues			
Charges for Services	\$ 361,840	\$ 371,243	-2.5%
Operating Grants and Contributions	706,692	855,617	-17.4%
General Revenues			
Property Taxes	1,940,193	1,900,388	2.1%
State Basic School Support	5,190,182	4,770,343	8.8%
Other	334,293	317,878	5.2%
Total Revenues	<u>8,533,200</u>	<u>8,215,469</u>	3.9%
Program Expenses			
Instruction	4,774,502	4,671,085	2.2%
Support Services	2,707,734	2,715,524	-0.3%
Community Services	322,226	307,026	5.0%
Interest on Long-Term Debt	519,870	515,941	0.8%
Total Program Expenses	<u>8,324,332</u>	<u>8,209,576</u>	1.4%
Change in Net Position before Special Items	208,868	5,893	3444.3%
Special Items	-	-	
Change in Net Position	<u>\$ 208,868</u>	<u>\$ 5,893</u>	3444.3%

The largest governmental activities program is instruction, which comprises 57.4 percent of expenses. Interest expense was 6.25 percent of total expenses.

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.

AMITY SCHOOL DISTRICT NO. 4J
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2013
Unaudited

Governmental Activities

	<u>2012-13</u>		<u>2011-12</u>	
	<u>Total Cost of Services</u>	<u>Net Cost (Profit) of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost (Profit) of Services</u>
Instruction	\$ 4,774,502	\$4,039,631	\$4,671,085	\$ 3,865,591
Support Services				
Students	392,994	389,461	416,180	416,037
Instructional Staff	190,892	134,112	202,728	107,742
General Administration	184,301	184,301	185,172	185,172
School Administration	488,324	487,364	481,922	481,922
Business Services	229,648	229,648	195,701	194,650
Operation & Maintenance of Plant Services	637,919	637,919	667,302	667,302
Student Transportation Services	357,611	356,433	353,644	312,172
Staff Services	109,981	109,981	81,587	80,667
Technology Services	116,064	116,064	131,288	131,288
Community Services	322,226	51,016	307,026	24,232
Interest on Long-Term Debt	519,870	519,870	515,941	515,941
Total Program Expenses	<u>\$ 8,324,332</u>	<u>\$7,255,800</u>	<u>\$8,209,576</u>	<u>\$ 6,982,716</u>

The dependence on property tax and state basic support revenues is apparent. Over 84.6 percent of instruction activities are supported through property tax and state basic support. For all governmental activities general revenue support was 87.2 percent. Unrestricted state basic school support payments are by far the primary support of Amity School District No. 4J students.

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 \$2,123,292, an increase of \$188,129. The fund balance consists of non-spendable, restricted amounts, committed amounts, assigned amounts, 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 \$296,275.

AMITY SCHOOL DISTRICT NO. 4J
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2013
Unaudited

Budgetary Highlights

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

General Fund revenues were budgeted and anticipated to be collected in the amount of \$6,454,062 during the fiscal year. Actual General Fund receipts of \$6,917,520 exceeded budgeted revenues by \$463,458, or 7.18 percent. In the General Fund, District spending was less than budgeted amounts in most function areas. Total appropriations budgeted in the General Fund were \$7,429,062 while actual General Fund expenditures of \$6,621,245 resulted in a difference of \$807,817 or 10.87 percent of the budgeted total.

The IDEA Grant Fund actual revenues of \$194,476 were \$41,024 less than budgeted while expenditures of \$194,476 were \$41,024 less than the budgeted amount. The fund began the year with a \$0 balance and ended the year with a \$0 balance.

The Title 1 Grant Fund actual revenues of \$164,803 were \$90,197 less than budgeted while expenditures of \$164,803 were \$90,197 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 \$27,890 more than budgeted while expenditures equaled the budgeted amount of \$563,900. The fund began the year with a \$49,478 balance and ended the year with a \$44,652 balance.

The PERS Bond Service Fund actual revenues received were \$32,173 more than budgeted while expenditures equaled the budgeted amount. The fund began the year with a \$410,372 balance and ended the year with a \$332,530 balance.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2013, the District had invested \$9,814,003 in capital assets, including school buildings, athletic facilities, land, vehicles, computers and other equipment and furnishings. This amount represents a 0.2 percent increase prior to depreciation.

Total depreciation expense for the year was \$298,794. Additional information on the District's capital assets can be found in Note 4 in the notes to the basic financial statements section of this report.

Long-Term Debt

At June 30, 2013, the District had general obligation bonds payable due of \$9,997,240. The entire balance is backed by the full faith and credit of the District. Debt payments reduced the bonds payable debt by \$535,693 during the fiscal year. Interest of \$520,422 was paid on the bonded debt. The District had Qualified Zone Academy Bonds (QZAB) payable of \$666,648. The entire balance is backed by the full faith and credit of the District. Debt payments reduced the QZAB debt by \$69,261 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.

AMITY SCHOOL DISTRICT NO. 4J
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2013
Unaudited

Economic Factors and Next Year's Budget and Rates

The primary factors considered in developing the budget for next year were the District's significant increase in student population as well as a healthier state school fund resulting in a 14.3 percent increase in state school fund allocations, continued increases in PERS costs, and overall economic uncertainty.

Budgeted expenditures in the General Fund increased 15.34 percent to \$8,568,445 for fiscal year 2013-2014. Anticipated revenue increases in property taxes, state government funding and an increase in the estimated beginning fund balance account for the majority of the increases in budgeted expenditures.

The majority of appropriation increases used to balance the 2013-2014 budget were in employee benefit costs, textbook spending, and technology funding. No new programs were added to the 2013-2014 budget.

The State's budget for the 2013-2015 biennium is expected to meet the District's 2013-2014 budgeted state basic school support revenues. However, the district continues its conservative approach to review the status of the various issues impacting its funding while scrutinizing all expenditures in order to minimize the negative impact of this financial uncertainty.

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.

BASIC FINANCIAL
STATEMENTS

Government-wide
Financial Statements

AMITY SCHOOL DISTRICT NO. 4J

STATEMENT OF NET POSITION

June 30, 2013

		<u>Governmental Activities</u>
<u>ASSETS:</u>		
Current Assets:		
Cash and Investments	\$ 1,888,893	
Property Taxes Receivable	211,064	
Accounts Receivable	66,421	
Due From Other Governments	140,824	
Prepaid Expenses	-	
Prepaid Loan Fees, net of accumulated amortization	222,446	
Inventory-Food, Supplies & Commodities	5,612	
Total Current Assets		\$ 2,535,260
Capital Assets:		
Land	221,099	
Land Improvements	689,461	
Buildings & Improvements	8,347,961	
Vehicles	259,119	
Equipment	296,363	
Less: Accumulated Depreciation	(4,442,812)	
Total Capital Assets, Net of Depreciation		5,371,191
Other Assets:		
Prepaid Expense - Pension Obligation	6,618,174	
Less: Accumulated Amortization	\$ (2,788,214)	
Total Other Assets, Net of Amortization		3,829,960
Total Assets		\$ 11,736,411
<u>LIABILITIES:</u>		
Current Liabilities:		
Accounts Payable	\$ 19,332	
Accrued Vacation Benefits	15,567	
Interest Payable	7,288	
Advances from Grantors	-	
Current Portion of Long-Term Liabilities:		
Early Retirement Benefits	12,027	
Capital Leases Payable	-	
QZAB Note Payable	69,261	
General Obligations Bonds	390,000	
Limited Tax PERS Bonds	177,613	
Total Current Liabilities		\$ 691,088
Long-Term Liabilities:		
Noncurrent Portion of Long-Term Liabilities:		
Early Retirement Benefits	\$ -	
Capital Leases Payable	-	
General Obligations Bonds	\$ 4,360,000	
Limited Tax PERS Bonds	5,069,627	
QZAB Note Payable	597,387	
Net OPEB Obligation	133,046	
Total Long-Term Liabilities		10,160,060
Total Liabilities		\$ 10,851,148
<u>NET POSITION:</u>		
Invested in capital assets, net of related debt	\$ (45,457)	
Restricted for:		
Capital Construction & Building Maintenance	14,679	
Debt Service	44,652	
Unrestricted	871,388	
Total Net Position		\$ 885,262

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, 2013

	(Expenses)	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<u>GOVERNMENTAL ACTIVITIES:</u>					
Instruction					
Regular Instruction	\$ 3,486,583	\$ 295,951	\$ 98,185	\$ -	\$ (3,092,447)
Special Programs	1,270,423	-	325,013	-	(945,410)
Summer School Programs	17,496	-	15,722	-	(1,774)
Total Instruction	4,774,502	295,951	438,920	-	(4,039,631)
Support Services					
Students	392,994	-	3,533	-	(389,461)
Instructional Staff	190,892	-	56,780	-	(134,112)
General Administration	184,301	-	-	-	(184,301)
School Administration	488,324	-	960	-	(487,364)
Business Services	229,648	-	-	-	(229,648)
Operation & Maintenance of Plant Services	637,919	-	-	-	(637,919)
Student Transportation Services	357,611	-	1,178	-	(356,433)
Staff Services	109,981	-	-	-	(109,981)
Technology Services	116,064	-	-	-	(116,064)
Total Support Services	2,707,734	-	62,451	-	(2,645,283)
Community Services	322,226	65,889	205,321	-	(51,016)
Interest on Long-Term Debt	519,870	-	-	-	(519,870)
Total Governmental Activities	\$ 8,324,332	\$ 361,840	\$ 706,692	\$ -	\$ (7,255,800)

GENERAL REVENUES:

Local Sources	
Property Taxes, levied for general purposes	1,385,120
Property Taxes, levied for debt service purposes	555,073
Interest and Investment Earnings	15,468
Miscellaneous	134,624
County School Fund	98,806
State School Support available for general purposes	5,190,182
Common School Fund	85,395
Subtotal - General Revenues	7,464,668
Change in Net Assets	208,868
Net Assets, July 1, 2012	676,394
Net Position, June 30, 2013	\$ 885,262

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

Fund Financial Statements
Governmental Funds

AMITY SCHOOL DISTRICT NO. 4J

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2013

	General Fund #100	IDEA Grant Fund #200	Title 1 Fund #201	Debt Service Fund #300	PERS Bond Debt Service Fund #302	Other Funds	Total Governmental Funds
<u>ASSETS:</u>							
Cash and Cash Equivalents	\$ 1,045,269	\$ -	\$ -	\$ 30,800	\$ 332,530	\$ 480,294	\$ 1,888,893
Accounts Receivable	66,421	-	-	-	-	-	66,421
Property Taxes Receivable	146,185	-	-	64,879	-	-	211,064
Due From Other Funds	136,459	-	-	-	-	-	136,459
Due from Other Governments	-	120,713	-	-	-	20,111	140,824
Inventory-Food, Supplies & Commodities	-	-	-	-	-	5,612	5,612
Total Assets	\$ 1,394,334	\$ 120,713	\$ -	\$ 95,679	\$ 332,530	\$ 506,017	\$ 2,449,273
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u>							
LIABILITIES:							
Account Payables	\$ 19,332	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,332
Due to Other Funds	-	120,713	-	-	-	15,746	136,459
Total Liabilities	19,332	120,713	-	-	-	15,746	155,791
DEFERRED INFLOWS OF RESOURCES:							
Deferred Property Tax Revenue	113,550	-	-	51,027	-	-	164,577
Total Deferred Inflows of Resources	113,550	-	-	51,027	-	-	164,577
FUND BALANCES:							
Non-spendable	-	-	-	-	-	5,612	5,612
Restricted for:							
Capital Construction & Building Maintenance	-	-	-	-	-	14,680	14,680
Debt Service	-	-	-	44,652	-	-	44,652
Committed for:							
Educational Programs	-	-	-	-	-	75,429	75,429
Community Projects	-	-	-	-	-	10,677	10,677
Student Body Activities	-	-	-	-	-	99,825	99,825
Food Service Programs	-	-	-	-	-	4,365	4,365
Equipment Acquisition	-	-	-	-	-	70,948	70,948
Capital Construction & Building Maintenance	-	-	-	-	-	120,970	120,970
Employee Benefits Programs	-	-	-	-	-	87,765	87,765
Debt Service	-	-	-	-	332,530	-	332,530
Unassigned	1,261,451	-	-	-	-	-	1,261,451
Total Fund Balances	1,261,451	-	-	44,652	332,530	490,271	2,128,904
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 1,394,333	\$ 120,713	\$ -	\$ 95,679	\$ 332,530	\$ 506,017	\$ 2,449,272

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, 2013

Total Fund Balances - Governmental Funds \$ 2,128,904

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 not reported in the governmental funds.

The cost of the assets is -	\$ 9,814,003	
The accumulated depreciation is -	<u>(4,442,812)</u>	
Net Value of Assets		5,371,191

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

The original prepaid amount is -	6,618,174	
The accumulated amortization is -	<u>(2,788,214)</u>	
Net Value of Prepaid Expense		3,829,960

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.

The original prepaid amount net of accumulated amortization is -		222,446
--	--	---------

Accrued interest payable is not included as a liability in the governmental funds.

(7,288)

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

164,577

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

Long-term liabilities at year-end consist of :

Accrued Vacation Benefits	15,567	
Early Retirement Benefits	12,027	
Limited Tax PERS Bonds	5,247,240	
General Obligation Bonds	4,750,000	
Net OPEB Obligation	133,046	
QZAB Note Payable	<u>666,648</u>	
Total Long-Term Liabilities		<u>(10,824,528)</u>

Net Position of Governmental Activities	<u>\$ 885,262</u>
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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, 2013

	General Fund #100	IDEA Grant Fund #200	Title 1 Fund #201	Debt Service Fund #300	PERS Bond Debt Service Fund #302	Other Govern- mental Funds	Total Govern- mental Funds
REVENUES:							
Basic School Support Fund	\$ 5,181,774	\$ -	\$ -	\$ -	\$ -	\$ 8,408	\$ 5,190,182
Ad Valorem Taxes-Current Year	1,322,160	-	-	529,903	-	-	1,852,063
Ad Valorem Taxes-Prior Year	57,762	-	-	27,543	-	-	85,305
Services Provided to Other Funds	-	-	-	-	412,944	-	412,944
Fees and Charges	27,414	-	-	-	-	323,740	351,154
Admission to Co-Curricular Activities	10,686	-	-	-	-	-	10,686
Interest on Investments	11,815	-	-	1,628	1,429	596	15,468
Miscellaneous Local Revenues	47,670	-	-	-	-	86,954	134,624
County School Fund	98,806	-	-	-	-	-	98,806
Common School Fund	85,395	-	-	-	-	-	85,395
State Grants-In-Aid	74,032	-	-	-	-	23,792	97,824
Federal Reimbursement Grants	6	194,476	164,803	-	-	249,583	608,868
Total Revenues	6,917,520	194,476	164,803	559,074	414,373	693,073	8,943,319
EXPENDITURES:							
Instruction							
Regular Instruction	3,005,450	-	-	-	-	292,626	3,298,076
Special Programs	961,636	191,801	129,881	-	-	3,331	1,286,649
Summer School Programs	1,774	-	15,722	-	-	-	17,496
Supporting Services							
Students	398,927	509	-	-	-	3,024	402,460
Instructional Staff	137,864	2,166	17,574	-	-	37,040	194,644
General Administration	186,549	-	-	-	-	960	187,509
School Administration	502,263	-	-	-	-	517	502,780
Business Services	150,720	-	-	-	-	35,423	186,143
Operation & Maint. of Plant Services	663,766	-	-	-	-	-	663,766
Student Transportation Services	338,245	-	1,178	-	-	-	339,423
Information and Staff Services	18,594	-	-	-	-	89,755	108,349
Technology Services	118,037	-	-	-	-	-	118,037
Supplemental Retirement	12,159	-	-	-	-	-	12,159
Community Services	-	-	448	-	-	311,875	312,323
Debt Service	69,261	-	-	563,900	492,215	-	1,125,376
Total Expenditures	6,565,245	194,476	164,803	563,900	492,215	774,551	8,755,190
Excess (Deficiency) of Revenues							
Over Expenditures	352,275	-	-	(4,826)	(77,842)	(81,478)	188,129
OTHER FINANCING SOURCES (USES):							
Interfund Transfers In	-	-	-	-	-	56,000	56,000
Interfund Transfers Out	(56,000)	-	-	-	-	-	(56,000)
Net Change in Fund Balances	296,275	-	-	(4,826)	(77,842)	(25,478)	188,129
FUND BALANCES, July 1, 2012	965,176	-	-	49,478	410,372	510,137	1,935,163
FUND BALANCES, June 30, 2013	\$ 1,261,451	\$ -	\$ -	\$ 44,652	\$ 332,530	\$ 484,659	\$ 2,123,292

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

AMITY SCHOOL DISTRICT #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, 2013

Net Changes in Fund Balances - Total Governmental Funds \$ 188,129

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	\$ 23,135	
Less current year depreciation	<u>(298,794)</u>	(275,659)

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. However, these funds are recorded as revenue in the Statement of Activities.

	<u>2,825</u>	2,825
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Changes in the Food Service inventory balance from the prior year to the current year are an adjustment to expense for the Statement of Activities. That change is reflected as a change in fund balance reserve for the fund financial statements. That difference in accounting is reconciled here.

	<u>(13,802)</u>	(13,802)
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Expense accruals in the governmental funds do not include accrued interest expense payable. The change in payables from the prior year to the current year is reconciled here.

	<u>552</u>	552
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Payment of unfunded pension obligation was 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 of PERS funding.

Amount of current year amortization	<u>(255,331)</u>	(255,331)
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Cost of loan fees was 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 repayment period of the obligation is amortized, rather than expensed at the time the loan fees were incurred.

Amount of current year amortization	<u>(30,333)</u>	(30,333)
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Some items reported in Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

These activities consist of:

Increase in accrued OPEB	(8,984)	
Vacation Payable	<u>(15,567)</u>	(24,551)

Repayment of long-term debt principal amounts are expenditures in the governmental funds, but the repayment reduces long-term debt liabilities in the Statement of Net Position.

Retirement of principal is as follows:

Vacation Payable	7,295	
Early Retirement Benefits	4,789	
General Obligations Bonds	360,000	
Limited Tax PERS Bonds	175,693	
QZAB Note Payable	<u>69,261</u>	<u>617,038</u>

Changes in Net Position of Governmental Assets		<u>\$ 208,868</u>
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The accompanying notes to the basic financial statements are an integral part of this statement.

Notes to the Basic
Financial Statements

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

JUNE 30, 2013

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

1. 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.

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

JUNE 30, 2013

1. 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.

Title 1 Grant Fund – This fund includes all resources received from federal Title 1 grants passed through the Oregon Department of Education.

PERS Bond 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.

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

JUNE 30, 2013

1. 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.

Budget amounts shown in the budgetary comparison schedules include both the original and, when applicable, the revised amount. The combining fund financial statements and individual fund financial statements include in the budget column any revisions to the budget since original budget amounts were adopted.

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

JUNE 30, 2013

1. 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. 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.

G. Receivables

Uncollected property taxes and revenues from other sources that are earned but not received by the fiscal year end are reported as receivable in the current assets section in the government-wide statement of net position by the District. Government 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 in the current assets section in the government-wide statement of net position by the District. All receivables are considered fully collectible; consequently no allowance for uncollectible taxes has been established.

Under the modified accrual basis of accounting used in the governmental fund financial statements, property taxes which have been collected within sixty days subsequent to year-end are considered measurable and

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

JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.):

G. Receivables (Cont.)

available and are therefore recognized as revenue. All other property taxes receivable are offset by deferred inflows of resources and, accordingly, have not been recognized as revenue. All taxes are considered collectible; consequently no allowance for uncollectible taxes has been established. Government 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 in the fund financial statements by the District. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

H. Prepaid Expenses

The District has elected to report the amount paid to Oregon Public Employee Retirement System (PERS) 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.

I. 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.

J. Capital Assets

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

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

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

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

JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.):

J. Capital Assets (Cont.)

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.

K. 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.

L. Deferred Inflows of Resources:

In the governmental funds, property taxes which have not been collected within sixty days subsequent to year-end are not considered measurable and available and are therefore not recognized as revenue, but rather as deferred inflows of resources.

M. 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.

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

JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.):

N. Equity Classifications:

Government-wide Statements

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

- a. Invested in capital assets, net of related debt - 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 City 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.

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

JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.):

N. Equity Classifications:

- 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 would typically 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 these other classified funds.

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.

2. 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.

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

JUNE 30, 2013

2. 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, 2013 the reported amount of the District's deposits was \$732,896 and the bank balance was \$1,123,971. 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, 2013, the District's investment in the Oregon State Treasurer's Local Government Investment Pool (LGIP) was unrated.

At June 30, 2013, the District's investments in financial institutions are as follows:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Oregon State Treasurer's Local Government		
Investment Pool (LGIP)	\$ 1,155,971	N/A
Federal Agency Notes	25	N/A
Total Investments	<u>\$ 1,155,996</u>	

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.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

3. RECEIVABLES:

Receivables as of the end of the year for the District's individual major funds and non-major funds in the aggregate are as follows:

	General Fund	IDEA Grant Fund	Debt Service Fund	Non-Major and Other Fund	Total
Property Taxes	\$ 146,185	\$ -	\$ 64,879	\$ -	\$ 211,064
Accounts Receivable	66,421	-	-	-	66,421
Due from Other Governments	-	120,713	-	20,111	140,824
Total	\$ 212,606	\$ 120,713	\$ 64,879	\$ 20,111	\$ 418,309

4. CAPITAL ASSETS:

The following is a summary of capital asset activity for the fiscal year ended June 30, 2013:

Governmental Activities	June 30, 2012	Additions	Deletions	June 30, 2013
Assets not being depreciated:				
Land	\$ 221,099	\$ -	\$ -	\$ 221,099
Total Non-Depreciable Assets	221,099	-	-	221,099
Assets being depreciated:				
Land Improvements	689,461	-	-	689,461
Buildings & Improvements	8,324,826	23,135	-	8,347,961
Vehicles	259,119	-	-	259,119
Equipment	296,363	-	-	296,363
Total Depreciable Assets	9,569,769	23,135	-	9,592,904
Less: Accumulated Depreciation				
Land Improvements	445,108	26,032	-	471,140
Buildings & Improvements	3,199,961	249,330	-	3,449,291
Vehicles	235,759	9,373	-	245,132
Equipment	263,190	14,059	-	277,249
Total Accumulated Depreciation	4,144,018	298,794	-	4,442,812
Net Value of Capital Assets Being Depreciated	5,425,751	(275,659)	-	5,150,092
Total Governmental Activities--				
Net Value of Capital Assets	<u>\$ 5,646,850</u>	<u>\$ (275,659)</u>	<u>\$ -</u>	<u>\$ 5,371,191</u>

Depreciation expense was charged to governmental functions as follows:

Instruction - Regular Programs	\$ 271,694
Instruction - Special Programs	2,290
Support Services--Business Services	1,500
Support Services--Operation & Maintenance	6,423
Support Services--Student Transportation	16,887
Total depreciation expense - governmental activities	<u>\$ 298,794</u>

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

5. LONG-TERM DEBT:

A summary of debt transactions for the year ended June 30, 2013 is as follows:

	Outstanding Balance June 1, 2012	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2013	Amounts Due Within One Year
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General Obligation and Limited Tax Bonded Debt:

General Obligation Refunding Bonds Series 2005 for partial refunding of Series 2002 General Obligation Bonds. Bonds are held by US Bank, NA trustee. The original balance of the refunding bonds was \$5,380,000 issued October 6, 2005. Fixed interest rates on the bonds vary from 3.5% to 5.0%.

Principal	\$ 5,110,000	\$ -	\$ 360,000	\$ 4,750,000	\$ 390,000
Interest	-	203,900	203,900	-	190,850
Totals	\$ 5,110,000	\$ 203,900	\$ 563,900	\$ 4,750,000	\$ 580,850

Oregon School Boards Association Limited Tax Pension Obligation Bonds Series 2004, held by Wells Fargo Bank Northwest, NA trustee. The original balance was \$6,618,714 issued April 21, 2004. Fixed interest rates on the bonds vary from 1.5% to 6.27%

Principal	\$ 5,422,933	\$ -	\$ 175,693	\$ 5,247,240	\$ 177,613
Interest	-	316,522	316,522	-	339,603
Totals	\$ 5,422,933	\$ 316,522	\$ 492,215	\$ 5,247,240	\$ 517,216

Qualified Zone Academy Bond:

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.

Principal	\$ 735,909	\$ -	\$ 69,261	\$ 666,648	\$ 69,261
Interest	-	-	-	-	-
Totals	\$ 735,909	\$ -	\$ 69,261	\$ 666,648	\$ 69,261

Early Retirement Benefits:

Certain employees have negotiated or are eligible for ongoing post-employment benefits

	\$ 16,816	\$ -	\$ 4,789	\$ 12,027	\$ 12,027
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TOTAL DEBT AGREEMENTS:	Principal	\$ 11,285,658	\$ -	\$ 609,743	\$ 10,675,915	\$ 648,901
	Interest	-	520,422	520,422	-	530,453
	Totals	\$ 11,285,658	\$ 520,422	\$ 1,130,165	\$ 10,675,915	\$ 1,179,354

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

JUNE 30, 2013

5. LONG-TERM DEBT (Cont.):

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

	Due Fiscal Year Ending June 30,	Principal	Interest	Total
<u>General Obligation and Limited Tax Bonds:</u>				
	2014	567,613	530,453	1,098,066
	2015	599,771	538,795	1,138,566
	2016	633,436	544,129	1,177,565
	2017	669,168	557,018	1,226,186
	2018	703,241	569,814	1,273,055
	2019-2023	3,344,012	3,027,255	6,371,267
	2024-2028	3,480,000	577,208	4,057,208
	Totals	<u>\$ 9,997,241</u>	<u>\$ 6,344,672</u>	<u>\$ 16,341,913</u>
<u>Qualified Zone Academy Bond:</u>				
	2019	<u>\$ 1,012,953</u>	<u>\$ -</u>	<u>\$ 1,012,953</u>
<u>Early Retirement Benefit:</u>				
	2014	<u>12,027</u>	<u>-</u>	<u>12,027</u>
	Totals	<u>\$ 12,027</u>	<u>\$ -</u>	<u>\$ 12,027</u>

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.

6. PENSION PLAN:

Plan Description - The District contributes to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the District’s contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: The Pension Program, the defined benefit portion of the plan, applies to qualifying District employees hired after August 29, 2003, and to inactive employees who return to employment following a six-month or greater break in service. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service.

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

JUNE 30, 2013

6. PENSION PLAN (CONT.):

Beginning January 1, 2004, all PERS member contributions go into the Individual Account Program (IAP), the defined contribution portion of the plan. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account.

Both PERS plans provide retirement and disability benefits, post employment health care benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238, which establishes the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to PERS, PO Box 23700, Tigard, OR, 97281-3700 or by calling 503-598-7377.

Funding Policy - Members of PERS are required to contribute 6.00% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The District is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate for the qualifying employees under the OPSRP plan. The OPERF and the OPSRP rates in effect for the year ended June 30, 2013 were 2.06% and 0.55% respectively. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature. The District is currently paying the member required contributions in accordance with collective bargaining agreements and conditions of employment for District employees meeting certain eligibility guidelines.

Annual Pension Cost - The District's contributions to PERS for the years ending June 30, 2011, 2012 and 2013 were \$192,983 and \$255,071, and \$257,842 respectively, which equaled the required contribution for the year. During 2002-03, the District issued limited tax pension bonds, the proceeds of which were used to finance a portion of its estimated unfunded actuarial liability (See Note #5).

7. OTHER POST-EMPLOYMENT BENEFITS (OPEB):

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

Plan Description

The District contributes to the Oregon Public Employees Retirement Systems' (PERS) 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. 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/>.

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

JUNE 30, 2013

7. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONT.):

Funding Policy

Participating employers are contractually required to contribute at a rate assessed bi-annually by the OPERB, currently 0.59% of annual covered 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 45. 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. The District's contributions to PERS' RHIA for the year ended June 30, 2013, was \$15,671, which equaled the required contributions for the year.

Annual OPEB Cost and Net OPEB Obligation

The District's annual other post-employment benefit cost (expense) is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance within the parameters of GASB 45. 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) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the fiscal year ending June 30, 2013, the amount actually contributed to the plans, and changes in the District's net OPEB obligation:

Annual required contribution	\$ 26,207
Interest on net OPEB obligation	5,892
Adjustment to the annual required contribution	<u>7,444</u>
Annual OPEB cost (expense)	39,543
Contributions made	<u>15,671</u>
Increase in net OPEB obligation	8,984
Net OPEB obligation, beginning of year	<u>124,062</u>
Net OPEB obligation, end of year	<u><u>\$ 133,046</u></u>

Early Retirement Benefit

A retired superintendent receives medical insurance benefits in accordance with his final contract until his eligibility for Medicare.

For government-wide statements, the potential liability created by the contractual obligation described above is recorded in the amount of \$12,027 as a liability for the District. For fund financial statements, expenditures for post retirement benefits are recognized when paid.

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

JUNE 30, 2013

8. 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.

9. 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 2012-13 fiscal year is \$10,192. 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.

10. 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.

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

JUNE 30, 2013

11. 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, 2013 consisted of the following individual fund receivables and payables:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund #100	\$136,459	
Special Revenue Funds:		
IDEA Fund #200		\$120,713
FEDERAL MISCELLANEOUS FUND #204		10,183
Food Service Fund #280		5,563
Total	<u>\$136,459</u>	<u>\$136,459</u>

Interfund transfers for the year ended June 30, 2013 were as follows:

	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund #100	\$ 56,000	
Food Service Fund #280		\$ 30,000
Unemployment Fund #298		11,000
Capital Improvement Fund #430		15,000
Total	<u>\$ 56,000</u>	<u>\$ 56,000</u>

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 represents the District's election to provide General Fund support towards capital improvement activities.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

12. FUND BALANCE COMPARISONS:

<u>Fund</u>	<u>Actual</u> <u>June 30, 2013</u>	<u>Budgeted</u> <u>July 1, 2013</u>
General Fund #100	\$ 1,261,451	\$ 1,200,000
IDEA Grant Fund # 200	-	-
Title 1 Fund # 201	-	-
Federal Miscellaneous Grants Fund # 204	-	-
State Miscellaneous Grants Fund # 205	11,024	-
Community Projects Fund # 250	10,677	12,500
Student Body Fund # 270	99,825	130,000
Food Service Fund # 280	4,365	10,000
Vehicle Replacement Fund # 292	68,095	68,100
Technology Replacement Fund # 293	2,853	7,391
Unemployment Fund # 298	87,765	87,200
Scholarship Fund # 299	64,405	65,000
Debt Service Fund # 300	44,652	30,483
PERS Bond Debt Fund # 302	332,530	285,000
Capital Improvement Fund #430	\$ 135,650	\$ 135,000

REQUIRED
SUPPLEMENTARY
INFORMATION

AMITY SCHOOL DISTRICT NO. 4J

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

GENERAL FUND #100

For the Fiscal Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u> <u>(See Note 1)</u>	<u>Variance</u> <u>with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Revenues from Local Sources:				
Ad Valorem Taxes-Current Year	1,243,900	1,243,900	1,322,160	78,260
Ad Valorem Taxes-Prior Year	56,100	56,100	57,762	1,662
Land Sales - Delinquent Taxes	25	25	-	(25)
Penalties & Interest on Taxes	25	25	25	-
Interest on Investments	10,000	10,000	11,815	1,815
Admission to Co-Curricular	20,000	20,000	10,686	(9,314)
Fees	25,000	25,000	27,414	2,414
Rental on Buildings	9,600	9,600	9,600	-
Contributions from Private Sources	375	375	-	(375)
Services Provided Charter Schools	10,000	10,000	9,308	(692)
Recovery of Prior Years' Expenditures	-	-	7,235	7,235
Miscellaneous	30,000	30,000	21,260	(8,740)
Fingerprint Fees	300	300	242	(58)
Total Local Revenues	1,405,325	1,405,325	1,477,507	72,182
Revenues from Intermediate Sources:				
County School Fund	6,000	6,000	2,616	(3,384)
ESD Apportionment	94,500	94,500	94,894	394
Other Intermediate Sources	1,500	1,500	1,296	(204)
Total Intermediate Revenues	102,000	102,000	98,806	(3,194)
Revenues from State Sources:				
Basic School Support Fund	4,822,737	4,822,737	5,181,774	359,037
Common School Fund	80,000	80,000	85,395	5,395
Other Unrestricted Grants-in-Aid	44,000	44,000	74,032	30,032
Total State Revenues	4,946,737	4,946,737	5,341,201	394,464
Revenues from Federal Sources:				
Federal Forest Fees	-	-	6	6
Total Federal Revenues	-	-	6	6
Total Revenues	6,454,062	6,454,062	6,917,520	463,458
Total Expenditures	7,429,062	7,429,062	6,621,245	(807,817)
Excess (Deficiency) of Revenues Over Expenditure	(975,000)	(975,000)	296,275	1,271,275
Fund Balance - July 1, 2012	975,000	975,000	965,176	(9,824)
Fund Balance - June 30, 2013	\$ 0	\$ 0	\$ 1,261,451	\$ 1,261,451

AMITY SCHOOL DISTRICT NO. 4J

SCHEDULE OF EXPENDITURES

GENERAL FUND #100

For the Fiscal Year Ended June 30, 2013

	Actual Amounts (Budgetary Basis - See Note 1)							Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Salaries	Employee	Purchased	Supplies	Other	Transfers	Total	Original	Final	
	100	200	300	and 400	Objects 600	700				
INSTRUCTION:										
Regular Programs:										
#1111 Primary, K-5	\$ 731,925	\$ 327,280	\$ 7,901	\$ 30,170	\$ -	\$ -	\$ 1,097,276	\$ 1,174,708	\$ 1,194,458	\$ (97,182)
#1112 Intermediate	144	45	-	-	-	-	189	-	-	189
#1113 Elementary Extracurricular	4,384	1,265	-	-	-	-	5,649	8,113	8,113	(2,464)
#1121 Middle School	445,269	199,028	4,674	11,468	-	-	660,439	666,587	689,687	(29,248)
#1122 Middle School Extracurricular	9,656	2,342	3,932	241	-	-	16,171	19,397	19,397	(3,226)
#1131 High School	681,331	328,061	26,229	38,545	386	-	1,074,552	1,066,626	1,123,426	(48,874)
#1132 High School Extracurricular	75,826	26,694	26,511	18,443	3,700	-	151,174	138,001	138,351	12,823
Special Programs:										
#1210 Talented & Gifted	512	131	-	756	-	-	1,399	3,700	3,700	(2,301)
#1220 Restrict. Prgms f/ Stdnts w/Disablt.	-	-	109,832	-	-	-	109,832	134,700	134,700	(24,868)
#1225 Restrict. Prgms f/ Stdnts w/Disablt. - Out of Di	-	-	-	-	-	-	-	1,100	1,100	(1,100)
#1250 Resources Room	202,527	114,409	16,617	9,254	50	-	342,857	408,122	408,122	(65,265)
#1280 Alternative Education	-	-	413,127	-	-	-	413,127	343,500	343,500	69,627
#1291 English as Second Language	39,563	18,146	36,562	150	-	-	94,421	92,268	92,268	2,153
#1292 Teen Parent Program	-	-	-	-	-	-	-	200	200	(200)
#1294 Youth Corrections Education	-	-	-	-	-	-	-	2,000	2,000	(2,000)
#1430 High School Summer Programs	1,394	380	-	-	-	-	1,774	1,523	1,523	251
Total Instruction	2,192,531	1,017,781	645,385	109,027	4,136	-	3,968,860	4,060,545	4,160,545	(191,685)
SUPPORT SERVICES:										
Students:										
#2110 Attendance and Social Work Svcs	57,634	41,601	15,460	-	-	-	114,695	114,964	114,964	(269)
#2120 Guidance Services	89,922	52,137	896	3,838	-	-	146,793	154,969	154,969	(8,176)
#2130 Health Services	-	-	2,200	211	-	-	2,411	2,550	2,550	(139)
#2140 Psychological Services	-	-	35,602	-	-	-	35,602	18,000	18,000	17,602
#2150 Speech, Pathlgy & Audiology Svcs	-	-	2,494	-	-	-	2,494	62,649	62,649	(60,155)
#2190 Service Direction Services	66,185	30,592	155	-	-	-	96,932	97,339	97,339	(407)
Instructional Staff:										
#2210 Improvement of Instruct. Svcs	587	133	451	179	-	-	1,350	1,000	1,000	350
#2220 Education Media Services	64,138	39,735	1,573	5,422	100	-	110,968	154,412	98,412	12,556
#2230 Assessment and Testing	5,880	3,383	-	5,133	1,402	-	15,798	12,180	12,180	3,618
#2240 Instructional Staff Development	-	7,915	731	1,102	-	-	9,748	12,400	12,400	(2,652)
General Administration:										
#2310 Board of Education Services	-	-	18,847	2,519	7,799	-	29,165	38,650	38,650	(9,485)
#2320 Executive Administrative Services	106,602	43,774	5,465	1,213	330	-	157,384	161,412	161,412	(4,028)
School Administration:										
#2410 Office of the Principal Services	326,399	170,819	2,929	1,623	493	-	502,263	485,344	485,344	16,919
Business:										
#2520 Fiscal Services	89,653	36,938	22,084	1,615	430	-	150,720	157,848	157,848	(7,128)
#2540 Operation and Maintenance of Plant Services										
Care & Upkeep of Buildings	161,858	107,124	224,063	25,440	51,367	-	569,852	673,852	634,852	(65,000)
Care & Upkeep of Grounds	6,312	3,535	15,372	326	50	-	25,595	31,328	31,328	(5,733)
District-Wide Maintenance	38,080	21,274	6,300	2,665	-	-	68,319	74,347	74,347	(6,028)
#2550 Student Transportation Services										
Service Direction	6,002	2,418	-	-	-	-	8,420	7,370	7,370	1,050
Vehicle Operations Services	1,647	287	236,912	11,500	1,727	-	252,073	254,831	254,831	(2,758)
Special Education Transportation Svcs	-	-	58,642	-	-	-	58,642	63,000	63,000	(4,358)
Other Student Transportation Services	12,192	6,918	-	-	-	-	19,110	19,033	19,033	77
Central Activities:										
#2630 Information Services	12,356	5,629	150	-	-	-	18,135	21,012	21,012	(2,877)
#2640 Staff Services	-	-	459	-	-	-	459	3,450	3,450	(2,991)
#2660 Technology Services	44,553	21,309	45,231	5,944	1,000	-	118,037	110,414	110,414	7,623
#2700 Supplemental Retirement Program	-	12,159	-	-	-	-	12,159	18,000	13,000	(841)
Total Support Services	1,090,000	607,680	696,016	68,730	64,698	-	2,527,124	2,750,355	2,650,355	(123,231)
Debt Service	-	-	-	-	69,261	-	69,261	69,262	69,262	(1)
Interfund Transfers	-	-	-	-	-	56,000	56,000	56,000	56,000	-
Contingency	-	-	-	-	-	-	-	492,900	492,900	(492,900)
Total General Fund Expenditures	\$ 3,282,531	\$ 1,625,461	\$1,341,401	\$177,757	\$138,095	\$ 56,000	\$ 6,621,245	\$ 7,429,062	\$ 7,429,062	\$ (807,817)

AMITY SCHOOL DISTRICT NO. 4J

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

IDEA GRANT FUND #200

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Revenues from Federal Sources:				
IDEA Grant	\$ 215,000	\$ 215,000	\$ 186,457	\$ (28,543)
IDEA Supplemental Grant	10,000	10,000	3,647	(6,353)
IDEA - 619 Grant	-	-	4,178	4,178
Restricted Revenue from the Fed Gov't thru the State	10,000	10,000	194	(9,806)
Other Grants-In-Aid	500	500	-	(500)
Total Federal Revenues	235,500	235,500	194,476	(41,024)
Total Revenues	235,500	235,500	194,476	(41,024)
EXPENDITURES:				
Instruction:				
#1255 Resource Rooms				
Salaries	137,782	137,782	105,000	(32,782)
Employee Benefits	56,718	56,718	81,223	24,505
Purchased Services	3,000	3,000	-	(3,000)
Supplies & Materials	1,000	1,000	-	(1,000)
#1256 Resource Rooms				
Salaries	-	-	1,307	1,307
Employee Benefits	-	-	218	218
#1260 Treatment and Habilitation				
Purchased Services	-	-	4,053	4,053
Total Instruction	198,500	198,500	191,801	(6,699)
Support Services				
#2190 Service Direction, Student Support Services				
Salaries	24,100	24,100	275	(23,825)
Employee Benefits	525	525	69	(456)
Purchased Services	225	225	165	(60)
# 2210 Improvement of Instruction Services				
Salaries	4,850	4,850	579	(4,271)
Employee Benefits	1,100	1,100	137	(963)
Purchased Services	4,000	4,000	1,256	(2,744)
Supplies and Materials	200	200	-	(200)
#2240 Instructional Staff Development				
Salaries	2,000	2,000	-	(2,000)
Purchased Services	-	-	194	194
Total Support Services	37,000	37,000	2,675	(34,325)
Total Expenditures	235,500	235,500	194,476	(41,024)
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Fund Balance - July 1, 2012	-	-	-	-
Fund Balance - June 30, 2013	\$ -	\$ -	\$ -	\$ -

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, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Revenues from Federal Sources:				
Title 1 Grant	\$ 115,000	\$115,000	\$ 128,447	\$ 13,447
Restricted from Federal thru State	140,000	140,000	36,356	(103,644)
Total Federal Revenues	255,000	255,000	164,803	(90,197)
Total Revenues	255,000	255,000	164,803	(90,197)
EXPENDITURES:				
Instruction:				
#1272 Title 1				
Salaries	86,645	86,645	66,252	(20,393)
Employee Benefits	53,870	53,870	44,395	(9,475)
Purchased Services	29,400	29,400	-	(29,400)
Supplies and Materials	4,060	4,060	19,084	15,024
Other Uses	-	-	150	150
#1410 Intermediate Summer School Program				
Salaries	-	-	11,945	11,945
Employee Benefits	-	-	3,072	3,072
#1440 Primary K-3 Summer School Program				
Purchased Services	-	-	482	482
Supplies and Materials	-	-	223	223
Total Instruction	173,975	173,975	145,603	(28,372)
Support Services:				
#2110 Attendance and Social Work Services				
Supplies and Materials	600	600	-	(600)
#2210 Improvement of Instruction Services				
Purchased Services	-	-	1,600	1,600
#2240 Instructional Staff Development				
Salaries	28,000	28,000	504	(27,496)
Employee Benefits	2,775	2,775	128	(2,647)
Purchased Services	45,435	45,435	15,286	(30,149)
Supplies and Materials	-	-	56	56
#2542 Care & Upkeep of Buildings				
Salaries	1,500	1,500	-	(1,500)
Employee Benefits	270	270	-	(270)
#2552 Vehicle Operation Services				
Salaries	1,200	1,200	1,093	(107)
Employee Benefits	145	145	85	(60)
Purchased Services	600	600	-	(600)
Total Support Services	80,525	80,525	18,752	(61,773)
Enterprise and Community Services:				
#3330 Civic Services				
Supplies and Materials	500	500	448	(52)
Total Enterprise and Community Services	500	500	448	(52)
Total Expenditures	255,000	255,000	164,803	(90,197)
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Fund Balance - July 1, 2012	-	-	-	-
Fund Balance - June 30, 2013	\$ -	\$ -	\$ -	\$ -

OTHER
SUPPLEMENTARY
INFORMATION

Combining and Individual
Fund Financial Statements

Additional Supporting Schedules

Non-Major Governmental Funds

AMITY SCHOOL DISTRICT NO. 4J
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
June 30, 2013

	Non-Major Funds - By Fund Type		Totals (Memorandum Only)
	Special Revenue	Capital Projects	2013
<u>ASSETS:</u>			
Cash and Investments	\$ 344,644	\$ 135,650	\$ 480,294
Taxes Receivable	-	-	-
Prepaid Expenses	-	-	-
Intergovernmental Receivable	20,111	-	20,111
Inventories	5,612	-	5,612
Total Assets	\$ 370,367	\$ 135,650	\$ 506,017
<u>LIABILITIES AND FUND EQUITY:</u>			
Liabilities:			
Current Liabilities:			
Due to Other Funds	\$ 15,746	\$ -	\$ 15,746
Total Liabilities	15,746	-	15,746
Fund Equity:			
Fund Balance:			
Non-spendable	5,612	-	5,612
Restricted for:			
Capital Construction & Building Maintenance	-	14,680	14,680
Committed for:			
Educational Programs	75,429	-	75,429
Community Projects	10,677	-	10,677
Student Body Activities	99,825	-	99,825
Food Service Programs	4,365	-	4,365
Equipment Acquisition	70,948	-	70,948
Capital Construction & Building Maintenance	-	120,970	120,970
Employee Benefits Programs	87,765	-	87,765
Total Fund Equity	354,621	135,650	490,271
Total Liabilities and Fund Equity	\$ 370,367	\$ 135,650	\$ 506,017

AMITY SCHOOL DISTRICT NO. 4J

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

ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE

For the Fiscal Year Ended June 30, 2013

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
<u>REVENUES:</u>			
Revenues from:			
Basic School Support Fund	\$ 8,408	\$ -	\$ 8,408
Fees and Charges	323,740	-	323,740
Interest on Investments	596	-	596
Miscellaneous Local Revenues	41,960	44,994	86,954
State Grants-In-Aid	23,792	-	23,792
Federal Reimbursement Grants	249,583	-	249,583
Total Revenues	648,079	44,994	693,073
<u>EXPENDITURES:</u>			
Instruction			
Regular Instruction	292,626	-	292,626
Special Programs	3,331	-	3,331
Support Services			
Students	3,024	-	3,024
Instructional Staff	37,040	-	37,040
School Administration	960	-	960
Business Services	517	-	517
Operation & Maint. of Plant Services	11,641	23,782	35,423
Technology Services	89,755	-	89,755
Enterprise and Community Services	311,875	-	311,875
Total Expenditures	750,769	23,782	774,551
Excess (Deficiency) of Revenues Over Expenditures	(102,690)	21,212	(81,478)
<u>OTHER FINANCING SOURCES (USES):</u>			
Operating Transfers In	41,000	15,000	56,000
Total Other Financing Sources (Uses)	41,000	15,000	56,000
Net Change in Fund Balances	(61,690)	36,212	(25,478)
Fund Balances - July 1, 2012	410,699	99,438	510,137
Fund Balances - June 30, 2013	\$ 349,009	\$ 135,650	\$ 484,659

Non-Major Special Revenue Funds

AMITY SCHOOL DISTRICT NO. 4J

COMBINING BALANCE SHEET

NON-MAJOR SPECIAL REVENUE FUNDS

June 30, 2013

	Federal 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	QZAB Fund #296	Unemploy- ment Fund #298	Scholarship Fund #299	Total
ASSETS:											
Cash and Investments	\$ -	\$ 11,024	\$ 10,677	\$ 99,825	\$ -	\$ 68,095	\$ 2,853	\$ -	\$ 87,765	\$ 64,405	\$ 344,644
Intergovernmental Receivable	10,183	-	-	-	9,928	-	-	-	-	-	20,111
Inventories-Food, Supplies and Commodities	-	-	-	-	5,612	-	-	-	-	-	5,612
Total Assets	\$ 10,183	\$ 11,024	\$ 10,677	\$ 99,825	\$ 15,540	\$ 68,095	\$ 2,853	\$ -	\$ 87,765	\$ 64,405	\$ 370,367
LIABILITIES & FUND BALANCES:											
LIABILITIES:											
Due to Other Funds	\$ 10,183	\$ -	\$ -	\$ -	\$ 5,563	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,746
Total Liabilities	10,183	-	-	-	5,563	-	-	-	-	-	15,746
FUND BALANCES:											
Non-spendable	-	-	-	-	5,612	-	-	-	-	-	5,612
Restricted for:											
Committed for:											
Educational Programs	-	11,024	-	-	-	-	-	-	-	64,405	75,429
Community Projects	-	-	10,677	-	-	-	-	-	-	-	10,677
Student Body Activities	-	-	-	99,825	-	-	-	-	-	-	99,825
Food Service Programs	-	-	-	-	4,365	-	-	-	-	-	4,365
Equipment Acquisition	-	-	-	-	-	68,095	2,853	-	-	-	70,948
Employee Benefits Programs	-	-	-	-	-	-	-	-	87,765	-	87,765
Total Fund Balances	-	11,024	10,677	99,825	9,977	68,095	2,853	-	87,765	64,405	354,621
Total Liabilities and Fund Balances	\$ 10,183	\$ 11,024	\$ 10,677	\$ 99,825	\$ 15,540	\$ 68,095	\$ 2,853	\$ -	\$ 87,765	\$ 64,405	\$ 370,367

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, 2013

	Federal 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	QZAB Fund #296	Unem- ployment Fund #298	Scholarship Fund #299	Totals
REVENUES:											
Basic School Support Fund	\$ -	\$ -	\$ -	\$ -	\$ 3,108	\$ 5,300	\$ -	\$ -	\$ -	\$ -	\$ 8,408
Fees and Charges	-	-	8,419	257,851	57,470	-	-	-	-	-	323,740
Interest on Investments	-	-	-	-	5	-	-	6	464	121	596
Miscellaneous Local Revenues	-	3,000	-	-	2,048	-	36,912	-	-	-	41,960
State Grants-In-Aid	-	22,632	-	-	1,160	-	-	-	-	-	23,792
Federal Reimbursement Grants	45,870	-	-	-	203,713	-	-	-	-	-	249,583
Total Revenues	45,870	25,632	8,419	257,851	267,504	5,300	36,912	6	464	121	648,079
EXPENDITURES:											
Instruction											
Regular Instruction	8,295	7,828	-	266,379	-	-	10,124	-	-	-	292,626
Special Programs	3,331	-	-	-	-	-	-	-	-	-	3,331
Support Services											
Students	3,024	-	-	-	-	-	-	-	-	-	3,024
Instructional Staff	30,260	6,780	-	-	-	-	-	-	-	-	37,040
School Administration	960	-	-	-	-	-	-	-	-	-	960
Business Services	-	-	-	-	-	-	-	-	517	-	517
Operation & Maint. of Plant Services	-	-	-	-	-	-	-	11,641	-	-	11,641
Technology Services	-	-	-	-	-	-	89,755	-	-	-	89,755
Enterprise & Community Svcs	-	-	10,591	-	298,776	-	-	-	-	2,508	311,875
Total Expenditures	45,870	14,608	10,591	266,379	298,776	-	99,879	11,641	517	2,508	750,769
Excess (Deficiency) of Revenues Over Expenditures	-	11,024	(2,172)	(8,528)	(31,272)	5,300	(62,967)	(11,635)	(53)	(2,387)	(102,690)
OTHER FINANCING SOURCES (USES):											
Operating Transfers In	-	-	-	-	30,000	-	-	-	11,000	-	41,000
Total Other Financing Sources (Uses)	-	-	-	-	30,000	-	-	-	11,000	-	41,000
Net Change in Fund Balances	-	11,024	(2,172)	(8,528)	(1,272)	5,300	(62,967)	(11,635)	10,947	(2,387)	(61,690)
Fund Balances - July 1, 2012	-	-	12,849	108,353	5,637	62,795	65,820	11,635	76,818	66,792	410,699
Fund Balances - June 30, 2013	\$ -	\$ 11,024	\$ 10,677	\$ 99,825	\$ 4,365	\$ 68,095	\$ 2,853	\$ -	\$ 87,765	\$ 64,405	\$ 349,009

AMITY SCHOOL DISTRICT NO. 4J

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

FEDERAL MISCELLANEOUS GRANTS FUND #204

For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Budgetary Basis) (See Note 1)	with Final Budget Positive (Negative)
REVENUES:				
Revenues from Federal Sources:				
Title Iia Improving Teacher Quality Grant	\$ 70,000	\$ 70,000	\$ 29,258	\$ (40,742)
Title IIIa English Language No Child Left Behind	10,000	10,000	3,331	(6,669)
Title VI Grant	-	16,126	8,204	(7,922)
Vocational Education Carl Perkins Grant	4,000	4,000	-	(4,000)
Title X Innovative Program	4,000	4,000	3,115	(885)
Grants-in-Aid from the Fed Gov't	30,000	30,000	-	(30,000)
Other Restricted Federal Grant	3,000	3,000	1,962	(1,038)
Total Federal Revenues	121,000	137,126	45,870	(91,256)
Total Revenues	121,000	137,126	45,870	(91,256)
EXPENDITURES:				
Instruction:				
#1111 Primary, K-5 - Title Iia				
Salaries	10,000	10,000	-	(10,000)
Supplies and Materials	-	16,126	5,144	(10,982)
#1131 High School Programs - Title X				
Salaries	1,000	1,000	-	(1,000)
Supplies and Materials	-	-	3,060	3,060
Other Uses	-	-	91	91
#1131 High School Programs - Carl Perkins				
Salaries	1,000	1,000	-	(1,000)
Supplies and Materials	2,000	2,000	-	(2,000)
#1291 English Second Language Program				
Salaries	4,640	4,640	1,485	(3,155)
Employee Benefits	1,660	1,660	231	(1,429)
Purchased Services	2,700	2,700	1,615	(1,085)
Supplies and Materials	1,000	1,000	-	(1,000)
Total Instruction	24,000	40,126	11,626	(28,500)
Support Services:				
#2110 Attendance Services				
Purchased Services	-	-	95	95
Supplies and Materials	1,500	1,500	2,180	680
Other Uses	-	-	749	749
#2213 Social Work Services - Safe and Drug Free Schools				
Supplies and Materi.	20,000	20,000	-	(20,000)
#2240 Instructional Staff Development - Title Iia				
Salaries	38,500	38,500	11,850	(26,650)
Employee Benefits	5,275	5,275	2,875	(2,400)
Purchased Services	27,225	27,225	13,573	(13,652)
#2241 Instructional Staff Development - TNT				
Salaries	2,235	2,235	1,766	(469)
Employee Benefits	765	765	196	(569)
#2490 Other Support Services				
Purchased Services	-	-	960	960
#2520 Title X				
Fiscal Services - Salaries	400	400	-	(400)
Fiscal Services - Employee Benefits	330	330	-	(330)
Fiscal Services - Purchased Services	270	270	-	(270)
#2552 Vehicle Operation Services - Title X				
Purchased Services	500	500	-	(500)
Total Support Services	97,000	97,000	34,244	(62,756)
Total Expenditures	121,000	137,126	45,870	(91,256)
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Fund Balance - July 1, 2012	-	-	-	-
Fund Balance - June 30, 2013	\$ -	\$ -	\$ -	\$ -

AMITY SCHOOL DISTRICT NO. 4J

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

STATE MISCELLANEOUS GRANTS FUND #205

For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES:</u>				
Other Revenue from Local Sources	\$ -	\$ -	\$ 3,000	\$ 3,000
Other Restricted State Grants	60,000	60,000	22,632	(37,368)
Total Revenues	60,000	60,000	25,632	(34,368)
Total Revenues	60,000	60,000	25,632	(34,368)
<u>EXPENDITURES:</u>				
Instruction:				
#1111 Primary, K-5 Programs				
Supplies & Materials	30,000	30,000	-	(30,000)
#1121 Middle School Programs				
Supplies & Materials	-	-	7,828	7,828
Total Instruction	30,000	30,000	7,828	(22,172)
Support Services:				
#2113 Social Work Services				
Salaries	30,000	30,000	-	(30,000)
#2210 Improvement of Instruction Services				
Purchased Services	-	-	6,780	6,780
Total Support Services	30,000	30,000	6,780	(23,220)
Total Expenditures	60,000	60,000	14,608	(45,392)
Excess (Deficiency) of Revenues Over Expenditures	-	-	11,024	11,024
Fund Balance - July 1, 2012	-	-	-	-
Fund Balance - June 30, 2013	\$ -	\$ -	\$ 11,024	\$ 11,024

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, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES:</u>				
Revenues from Local Sources:				
Tuition - Bridge Program	\$ 12,000	\$ 12,000	\$ 8,419	\$ (3,581)
Total Local Revenues	12,000	12,000	8,419	(3,581)
Total Revenues	12,000	12,000	8,419	(3,581)
<u>EXPENDITURES:</u>				
Enterprise and Community Services:				
#3502 Custody and Care of Children Services				
Salaries	14,800	14,800	8,759	(6,041)
Employee Benefits	7,700	7,700	1,832	(5,868)
Purchased Services	3,000	3,000	-	(3,000)
Supplies and Materials	500	500	-	(500)
Total Enterprise and Community Services	26,000	26,000	10,591	(15,409)
Total Expenditures	26,000	26,000	10,591	(15,409)
Excess (Deficiency) of Revenues Over Expenditures	(14,000)	(14,000)	(2,172)	11,828
Fund Balance - July 1, 2012	14,000	14,000	12,849	(1,151)
Fund Balance - June 30, 2013	\$ -	\$ -	\$ 10,677	\$ 10,677

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, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES:</u>				
Revenues from Local Sources:				
Other Curricular Activities	\$ 230,000	\$ 230,000	\$ 257,851	\$ 27,851
Total Revenues from Local Sources	230,000	230,000	257,851	27,851
Total Revenues	230,000	230,000	257,851	27,851
<u>EXPENDITURES:</u>				
Instruction:				
#1113 Primary Extracurricular - Materials and Supplies	55,000	55,000	33,325	(21,675)
#1122 Middle School Extracurricular - Materials and Supplies	55,000	55,000	26,597	(28,403)
#1132 High School Extracurricular - Materials and Supplies	240,000	240,000	206,457	(33,543)
Total Instruction	350,000	350,000	266,379	(83,621)
Total Expenditures	350,000	350,000	266,379	(83,621)
Excess (Deficiency) of Revenues Over Expenditure	(120,000)	(120,000)	(8,528)	111,472
Fund Balance - July 1, 2012	120,000	120,000	108,353	(11,647)
Fund Balance - June 30, 2013	\$ -	\$ -	\$ 99,825	\$ 99,825

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, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES:</u>				
Revenues from Local Sources:				
Interest on Investments	\$ -	\$ -	\$ 5	\$ 5
Breakfast Sales	5,000	5,000	2,773	(2,227)
Lunch Sales	85,000	85,000	50,545	(34,455)
Daily Sales - Non-reimbursable	10,000	10,000	4,152	(5,848)
Special Functions	4,000	4,000	2,048	(1,952)
Miscellaneous Revenue	1,300	1,300	-	(1,300)
Total Local Revenues	105,300	105,300	59,523	(45,777)
Revenues from State Sources:				
Basic School Support Fund	3,000	3,000	3,108	108
Reduced Price Meal Reimbursement	700	700	1,160	460
Total State Revenues	3,700	3,700	4,268	568
Revenues from Federal Sources:				
School Nutrition Reimbursements - Lunch & Breakfast	200,000	200,000	193,521	(6,479)
Restricted Rev From the Fed Gov through other agencies	8,000	8,000	-	(8,000)
Commodities	22,000	22,000	10,192	(11,808)
Total Federal Revenues	230,000	230,000	203,713	(26,287)
Total Revenues	339,000	339,000	267,504	(71,496)
<u>EXPENDITURES:</u>				
Enterprise and Community Services:				
#3120 Food Services:				
Salaries	74,807	74,807	69,881	(4,926)
Employee Benefits	68,031	68,031	59,056	(8,975)
Purchased Services	10,600	10,600	2,714	(7,886)
Supplies and Materials	202,041	202,041	145,505	(56,536)
Other Objects	4,700	4,700	3,830	(870)
#3190 Other Food Services:				
Salaries	10,009	10,009	9,340	(669)
Employee Benefits	8,812	8,812	8,450	(362)
Total Enterprise and Community Services	379,000	379,000	298,776	(80,224)
Total Expenditures	379,000	379,000	298,776	(80,224)
Excess (Deficiency) of Revenues Over Expenditures	(40,000)	(40,000)	(31,272)	8,728
<u>OTHER FINANCING SOURCES:</u>				
Interfund Transfer In	30,000	30,000	30,000	-
Total Other Financing Sources	30,000	30,000	30,000	-
Net Change in Fund Balance	(10,000)	(10,000)	(1,272)	8,728
Fund Balance - July 1, 2012	10,000	10,000	5,637	(4,363)
Fund Balance - June 30, 2013	\$ 0	\$ 0	\$ 4,365	\$ 4,365

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, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Revenues from State Sources:				
SSF Transportation	5,300	5,300	5,300	-
Total State Revenues	5,300	5,300	5,300	-
Total Revenues	5,300	5,300	5,300	-
EXPENDITURES:				
Support Services:				
#2550 Transportation Services				
Capital Outlay	130,000	130,000	-	(130,000)
Total Support Services	130,000	130,000	-	(130,000)
Other Uses:				
#5110 Debt Service				
#610 Lease Payment Principal	35,000	35,000	-	(35,000)
#620 Lease Payment Interest	8,095	8,095	-	(8,095)
Total Other Uses	43,095	43,095	-	(43,095)
Total Expenditures	173,095	173,095	-	(173,095)
Excess (Deficiency) of Revenues Over Expenditure	(167,795)	(167,795)	5,300	173,095
Fund Balance - July 1, 2012	62,795	62,795	62,795	-
Fund Balance - June 30, 2013	\$ -	\$ -	\$ 68,095	\$ 173,095

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, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES:</u>				
Revenues from Local Sources:				
E-Rate Revenue	\$ 54,567	\$ 54,567	\$ 36,912	\$ (17,655)
Total Revenues from Local Sources	54,567	54,567	36,912	(17,655)
Total Revenues	54,567	54,567	36,912	(17,655)
<u>EXPENDITURES:</u>				
Instruction:				
#1121 Junior High Programs				
Supplies & Materials	-	12,543	10,124	(2,419)
Total Instruction	-	12,543	10,124	(2,419)
Support Services:				
#2660 Technology Services				
Salaries	17,042	17,042	17,308	266
Employee Benefits	8,388	8,388	8,964	576
Purchased Services	15,000	5,000	2,467	(2,533)
Supplies & Materials	84,912	82,369	61,016	(21,353)
Total Support Services	125,342	112,799	89,755	(23,044)
Total Expenditures	125,342	125,342	99,879	(25,463)
Excess (Deficiency) of Revenues Over Expendit	(70,775)	(70,775)	(62,967)	7,808
Fund Balance - July 1, 2012	70,775	70,775	65,820	(4,955)
Fund Balance - June 30, 2013	\$ -	\$ -	\$ 2,853	\$ 2,853

AMITY SCHOOL DISTRICT NO. 4J

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

QZAB FUND #296

For the Fiscal Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u> <u>(See Note 1)</u>	<u>Variance</u> <u>with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Revenues from Local Sources:				
Interest on Investments	\$ 20	\$ 20	\$ 6	\$ (14)
Total Local Revenues	20	20	6	(14)
Total Revenues	20	20	6	(14)
<u>EXPENDITURES:</u>				
Support Services:				
#2542 Care & Upkeep of Buildings				
Purchased Services	34,373	34,373	11,641	(22,732)
Total Support Services	34,373	34,373	11,641	(22,732)
Total Expenditures	34,373	34,373	11,641	(22,732)
Excess (Deficiency) of Revenues Over Expenditu	(34,353)	(34,353)	(11,635)	22,718
Fund Balance - July 1, 2012	34,353	34,353	11,635	(22,718)
Fund Balance - June 30, 2013	\$ -	\$ -	\$ -	\$ -

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, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Revenues from Local Sources:				
Interest on Investments	\$ 500	\$ 500	\$ 464	\$ (36)
Total Revenues from Local Sources	500	500	464	(36)
Total Revenues	500	500	464	(36)
EXPENDITURES:				
Support Services:				
#2520 Fiscal Services -				
Employee Benefits	88,166	88,166	397	(87,769)
Purchased Services	150	150	120	(30)
Total Support Services	88,316	88,316	517	(87,799)
Total Expenditures	88,316	88,316	517	(87,799)
Excess (Deficiency) of Revenues Over Expenditures	(87,816)	(87,816)	(53)	87,763
OTHER FINANCING SOURCES:				
Interfund Transfer In	11,000	11,000	11,000	-
Total Other Financing Sources	11,000	11,000	11,000	-
Net Change in Fund Balance	(76,816)	(76,816)	10,947	87,763
Fund Balance - July 1, 2012	76,816	76,816	76,818	2
Fund Balance - June 30, 2013	\$ -	\$ -	\$ 87,765	\$ 87,765

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, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES:</u>				
Revenues from Locals Sources:				
Interest on Investments	\$ 360	\$ 360	\$ 121	\$ (239)
Total Local Revenues	360	360	121	(239)
Total Revenues	360	360	121	(239)
<u>EXPENDITURES:</u>				
Enterprise and Community Services				
#3390 Other Community Services - Purchased Services	4,000	4,000	2,508	(1,492)
Total Enterprise and Community Services	4,000	4,000	2,508	(1,492)
Other Uses				
#6000 Contingency	63,155	63,155	-	(63,155)
Total Expenditures	67,155	67,155	2,508	(64,647)
Excess (Deficiency) of Revenues Over Expenditures	(66,795)	(66,795)	(2,387)	64,408
Fund Balance - July 1, 2012	66,795	66,795	66,792	(3)
Fund Balance - June 30, 2013	\$ -	\$ -	\$ 64,405	\$ 64,405

Debt Service Funds

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Revenues from Local Sources:				
Current Year's Taxes	\$ 515,184	\$ 515,184	\$ 529,903	\$ 14,719
Prior Year's Taxes	15,000	15,000	27,543	12,543
Penalties and Interest on Local Taxes	-	-	12	12
Interest on Investments	1,000	1,000	1,616	616
Total Revenues	531,184	531,184	559,074	27,890
<u>EXPENDITURES:</u>				
Other Uses:				
#5110 Debt Service:				
#610 Principal Redemption	360,000	360,000	360,000	-
#620 Interest Expense	203,900	203,900	203,900	-
Total Other Uses	563,900	563,900	563,900	-
Total Expenditures	563,900	563,900	563,900	-
Excess (Deficiency) of Revenues Over Expenditu	(32,716)	(32,716)	(4,826)	27,890
Fund Balance - July 1, 2012	32,716	32,716	49,478	(27,890)
Fund Balance - June 30, 2013	\$ -	\$ -	\$ 44,652	\$ -

AMITY SCHOOL DISTRICT NO. 4J

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

**PERS BOND DEBT SERVICE FUND #302
(A Major Fund)**

For the Fiscal Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u> <u>(See Note 1)</u>	<u>Variance</u> <u>with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Revenues from Local Sources:				
Services Provided Other Funds	\$ 380,000	\$ 380,000	\$ 412,944	\$ 32,944
Interest Income	2,200	2,200	1,429	(771)
Total Revenues	382,200	382,200	414,373	32,173
<u>EXPENDITURES:</u>				
Other Uses:				
#5110 Debt Service:				
#610 Principal Redemption	175,693	175,693	175,693	-
#620 Interest Expense	316,522	316,522	316,522	-
Total Other Uses	492,215	492,215	492,215	-
Total Expenditures	492,215	492,215	492,215	-
Excess (Deficiency) of Revenues Over Expenditur	(110,015)	(110,015)	(77,842)	32,173
Fund Balance - July 1, 2012	405,000	405,000	410,372	5,372
Fund Balance - June 30, 2013	\$ 294,985	\$ 294,985	\$ 332,530	\$ 37,545

Capital Projects Funds

AMITY SCHOOL DISTRICT NO. 4J

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

CAPITAL IMPROVEMENT FUND #430 (A Non-Major Fund)

For the Fiscal Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u>
			<u>(Budgetary</u>	<u>Final Budget</u>
			<u>Basis)</u>	<u>Positive</u>
			<u>(See Note 1)</u>	<u>(Negative)</u>
<u>REVENUES:</u>				
Revenues from Local Sources:				
Miscellaneous	\$ 16,800	\$ 16,800	\$ 44,994	\$ 28,194
Total Revenues	16,800	16,800	44,994	28,194
<u>EXPENDITURES:</u>				
Support Services:				
#2542 Care & Upkeep of Building Services				
Purchased Services	56,800	56,800	23,782	(33,018)
Capital Outlay	74,438	74,438	-	(74,438)
Total Support Services	131,238	131,238	23,782	(107,456)
Total Expenditures	131,238	131,238	23,782	(107,456)
Excess (Deficiency) of Revenues Over Expenditures	(114,438)	(114,438)	21,212	135,650
<u>OTHER FINANCING SOURCES:</u>				
Interfund Transfer In	15,000	15,000	15,000	-
Total Other Financing Sources	15,000	15,000	15,000	-
Net Change in Fund Balance	(99,438)	(99,438)	36,212	135,650
Fund Balance - July 1, 2012	99,438	99,438	99,438	-
Fund Balance - June 30, 2013	\$ -	\$ -	\$ 135,650	\$ 135,650

Additional Supporting Schedules

AMITY SCHOOL DISTRICT NO. 4J

SCHEDULE OF PROPERTY TAX TRANSACTIONS

For the Fiscal Year Ended June 30, 2013

	Subject to Measure 5 Limits	Bond Levy Tax, Outside Measure 5 Limits	Total
Yamhill County:			
Assessed Valuation, 2012-13 Tax Roll	\$ 261,546,572	\$ 261,546,572	\$ 261,546,572
General Fund Permanent Rate Levy, Per One Thousand Dollars	4.7796		4.7796
General Obligation Bond Levy Rate, Per One Thousand Dollars		1.8013	1.8013
Amount Levy Rates Will Raise	1,250,088	471,124	1,721,212
Loss Due to Measure 5 Compression	(38,692)	-	(38,692)
Other Adjustments	-	13,270	13,270
Net Tax Levy - Yamhill County	<u>\$ 1,211,396</u>	<u>\$ 484,394</u>	<u>\$ 1,695,790</u>
Polk County:			
Assessed Valuation, 2012-13 Tax Roll	\$ 46,661,345	\$ 46,661,345	\$ 46,661,345
General Fund Permanent Rate Levy, Per One Thousand Dollars	4.7796		4.7796
General Obligation Bond Levy Rate, Per One Thousand Dollars		1.8013	1.8013
Amount Levy Rates Will Raise	223,023	84,051	307,074
Additional Taxes - Farmland		2,830	2,830
Loss Due to Measure 5 Compression	(8,870)	-	(8,870)
Net Tax Levy - Polk County	<u>\$ 214,153</u>	<u>\$ 86,881</u>	<u>\$ 301,034</u>

	Uncollected Balance July 1, 2012	Tax Collector's Adjustments Increase (Decrease)	Collections During the Year	Uncollected Balance June 30, 2013
Tax Year				
2012-13	\$ 1,996,823	\$ (83,746)	\$ 1,821,622	\$ 91,456
2011-12	88,547	22,579	66,888	44,238
2010-11	70,866	(5,058)	25,544	40,264
2009-10	32,318	5,223	17,363	20,178
2008-09	11,752	4,190	11,100	4,842
2007-08	3,083	890	1,397	2,576
2006-07 & PRIOR	10,261	(709)	2,042	7,510
Totals	<u>\$ 2,213,650</u>	<u>\$ (56,631)</u>	1,945,956	<u>\$ 211,064</u>
Less 2011-12 Accrual			(55,076)	
Add 2012-13 Accrual			46,486	
Total Property Tax Revenues - Modified Accrual Method			<u>\$ 1,937,366</u>	

Modified Accrual (Budget Basis) Revenues by Fund:	Current	Prior	Total
General Fund	\$ 1,322,160	\$ 57,762	\$ 1,379,922
Debt Service Fund	529,903	27,543	557,446
Total Property Tax Revenues	<u>\$ 1,852,063</u>	<u>\$ 85,305</u>	<u>\$ 1,937,368</u>

AMITY SCHOOL DISTRICT NO. 4J
SCHEDULE OF FUND EXPENDITURES AND APPROPRIATIONS
For the Fiscal Year Ended June 30, 2013

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Over/(Under)</u> <u>Appropriations</u>
GENERAL FUND #100			
Instruction	\$ 3,968,860	\$ 4,160,545	*** \$ (191,685)
Support Services	2,527,124	2,650,355	*** (123,231)
Other Uses	125,261	125,262	(1)
Contingency	-	492,900	(492,900)
IDEA GRANT FUND #200			
Instruction	191,801	198,500	(6,699)
Support Services	2,675	37,000	(34,325)
TITLE 1 FUND #201			
Instruction	145,603	173,975	(28,372)
Support Services	18,752	80,525	(61,773)
Enterprise and Community Services	448	500	(52)
FEDERAL MISCELLANEOUS GRANTS FUND #204			
Instruction	11,626	40,126	** (28,500)
Support Services	34,244	97,000	** (62,756)
STATE MISCELLANEOUS GRANTS FUND #205			
Instruction	7,828	30,000	(22,172)
Support Services	6,780	30,000	(23,220)
COMMUNITY PROJECTS FUND #250			
Enterprise and Community Services	10,591	26,000	(15,409)
STUDENT BODY FUND #270			
Instruction	266,379	350,000	(83,621)
FOOD SERVICE FUND #280			
Enterprise and Community Services	298,776	379,000	(80,224)
VEHICLE REPLACEMENT FUND #292			
Support Services	-	130,000	(130,000)
Other Uses	-	43,095	(43,095)
TECHNOLOGY REPLACEMENT FUND #293			
Instruction	10,124	12,543	* (2,419)
Support Services	89,755	112,799	* (23,044)
QZAB Fund #296			
Support Services	11,641	34,373	(22,732)
UNEMPLOYMENT FUND #298			
Instruction	-	-	-
Support Services	517	88,316	(87,799)
SCHOLARSHIP FUND #299			
Enterprise and Community Services	2,508	4,000	(1,492)
Contingency	-	63,155	(63,155)
DEBT SERVICE FUND #300			
Other Uses	563,900	563,900	-
PERS BOND DEBT SERVICE FUND #302			
Other Uses	492,215	492,215	-
CAPITAL IMPROVEMENT FUND #430			
Support Services	23,782	131,238	(107,456)
TOTAL ALL FUNDS	<u>\$ 8,811,190</u>	<u>\$ 10,547,322</u>	<u>\$(1,736,132)</u>

RECAP:

Original Budget Appropriation	10,531,196
* Resolution 2012-2013 (1)	-
** Resolution 2012-2013 (2)	16,126
*** Resolution 2012-2013 (7)	-
Total Budget Appropriations	<u>\$ 10,547,322</u>

- * Appropriations Transfer Resolution 2012-2013 (1) dated August 8, 2012 transferred Technology Replacement Fund #293 appropriations of \$12,543 from Support Services to Instruction in the same fund.
- ** Supplemental Budget Resolution 2012-2013 (2) dated November 14, 2012 for Federal Grants Fund #204: received unanticipated revenues (Title VI Grant) in the amount of \$16,126 and appropriated the same amount for Instruction in the same fund.
- *** Appropriations Transfer Resolution 2012-2013 (7) dated June 19, 2013 transferred General Fund #100 appropriations of \$100,000 from Support Services to Instruction in the same fund.

AMITY SCHOOL DISTRICT NO. 4J

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2013

	<u>Outstanding Balance July 1, 2012</u>	<u>New Issues and Matured</u>	<u>Principal and Retired</u>	<u>Outstanding Balance June 30, 2013</u>	<u>Amount Due Within One Year</u>
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General Obligation Refunding Bonds Series 2005 for partial refunding of Series 2002 General Obligation Bonds. Bonds are held by US Bank, NA trustee. The original balance of the refunding bonds was \$5,380,000 issued October 6, 2005. Fixed interest rates on the bonds vary from 3.5% to 5.0%.

Principal	\$ 5,110,000	\$ -	\$ 360,000	\$ 4,750,000	\$ 390,000
Interest	-	203,900	203,900	-	190,850
Totals	\$ 5,110,000	\$ 203,900	\$ 563,900	\$ 4,750,000	\$ 580,850

Oregon School Boards Association Limited Tax Pension Obligation Bonds Series 2004, held by Wells Fargo Bank Northwest, NA trustee. The original balance was \$6,618,714 issued April 21, 2004. Fixed interest rates on the bonds vary from 1.5% to 6.27%.

Principal	\$ 5,422,933	\$ -	\$ 175,693	\$ 5,247,240	\$ 177,613
Interest	-	316,522	316,522	-	339,603
Totals	\$ 5,422,933	\$ 316,522	\$ 492,215	\$ 5,247,240	\$ 517,216

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.

Principal	\$ 735,909	\$ -	\$ 69,261	\$ 666,648	\$ 69,261
Interest	-	-	-	-	-
Totals	\$ 735,909	\$ -	\$ 69,261	\$ 666,648	\$ 69,261

TOTAL DEBT AGREEMENTS:

Principal	\$ 11,268,842	\$ -	\$ 604,954	\$ 10,663,888	\$ 636,874
Interest	-	520,422	520,422	-	530,453
Totals	\$ 11,268,842	\$ 520,422	\$ 1,125,376	\$ 10,663,888	\$ 1,167,327

AMITY SCHOOL DISTRICT NO. 4J

**SCHEDULE OF FUTURE REQUIREMENTS FOR
RETIREMENT OF LONG-TERM DEBT**

For the Fiscal Year Ended June 30, 2012

	Fiscal Year Ended June 30,	Total	Principal	Interest	Coupon Interest Rate
General Obligation Refunding Bonds Series 2005	2014	\$ 580,850	\$ 390,000	\$ 190,850	5.00%
for refunding of Series 2002 GO Bonds	2015	591,350	420,000	171,350	5.00%
- Original Balance \$5,380,000	2016	605,350	455,000	150,350	3.60%
	2017	623,970	490,000	133,970	3.70%
	2018	640,840	525,000	115,840	3.75%
	2019	656,152	560,000	96,152	3.80%
	2020	669,872	595,000	74,872	3.85%
	2021	686,965	635,000	51,965	3.90%
	2022	707,200	680,000	27,200	4.00%
Totals		\$ 5,762,549	\$ 4,750,000	\$ 1,012,549	
Oregon School Boards Association Limited Tax	2014	\$ 517,216	\$ 177,613	\$ 339,603	5.33%
Pension Obligation Bonds Series 2004,	2015	547,216	179,771	367,445	5.54%
Wells Fargo Bank Northwest, NA, Trustee	2016	572,215	178,436	393,779	5.71%
- Original Balance \$6,618,714	2017	602,216	179,168	423,048	5.83%
	2018	632,215	178,241	453,974	5.96%
	2019	662,215	176,588	485,627	6.07%
	2020	697,216	176,485	520,731	6.15%
	2021	727,216	173,920	553,296	6.22%
	2022	762,216	173,094	589,122	6.26%
	2023	802,215	173,925	628,290	6.27%
	2024	842,216	645,000	197,216	6.27%
	2025	881,028	720,000	161,028	5.68%
	2026	920,132	800,000	120,132	5.68%
	2027	964,692	890,000	74,692	5.68%
	2028	449,140	425,000	24,140	5.68%
Totals		\$ 10,579,364	\$ 5,247,241	\$ 5,332,123	
Qualified Zone Academy Bond (QZAB), original					
America. Annual deposit of \$69,261 into Custodian					
Account at US Bank earning 3% annually is required.					
- Original Balance \$1,290,000	2019	\$ 1,012,953	\$ 1,012,953	\$ -	N/A
Totals		\$ 1,012,953	\$ 1,012,953	\$ -	
Total Future Requirements for Long-Term Debt		\$ 17,354,866	\$ 11,010,194	\$ 6,344,672	

INDEPENDENT AUDITOR'S
COMMENTS

AMITY SCHOOL DISTRICT NO. 4J
AUDITOR'S COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATION

As of June 30, 2013

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, 2013, and have issued our report thereon dated December 2, 2013. 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.



Steve Tuchscherer, CPA, PC

Roseburg, Oregon
December 2, 2013

SINGLE AUDIT SECTION

AMITY SCHOOL DISTRICT NO. 4J
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Year Ended June 30, 2013

Federal Grantor/Pass Through Grantor/ Program Title	Fund	Federal CFDA	Grant Period	Original Program or Grant Amount	Receivable/ Deferred Revenue June 30, 2012	Cash Received	Expenditures	Receivable/ Deferred Revenue June 30, 2013
Passed Through Oregon Department of Education:								
Title 1-A	Title 1	84.010A	2011-12	\$ 92,270	\$ (28,051)	\$ 30,594	\$ 2,543	\$ -
Title 1-A	Title 1	84.010A	2012-13	129,904	-	125,904	125,904	-
Title 1 - School Improvement Grant	Title 1	84.010A	2012-13	-	-	-	-	-
School Improvement Fund	Title 1	84.010	2011-12	50,050	(7,830)	44,186	36,356	-
Total Title 1				272,224	(35,881)	200,684	164,803	-
Title 2-A Improving Teacher Quality	Federal Misc.	84.367	2011-12	35,642	(12,922)	28,463	15,541	-
Title 2-A Improving Teacher Quality	Federal Misc.	84.367	2012-13	37,786	-	6,633	13,717	(7,084)
Total Title 2A - Improving Teacher Quality				73,428	(12,922)	35,096	29,258	(7,084)
IDEA - Special Education Grants to States	IDEA Grant	84.027A	2011-12	154,214	(81,046)	133,256	52,210	-
IDEA - Special Education Grants to States	IDEA Grant	84.027A	2012-13	145,887	-	13,727	134,247	(120,520)
IDEA - Part B, Section 611	IDEA Grant	84.027	2012-13	-	-	-	-	-
IDEA - Enhancement & Extended Assessment Training	IDEA Grant	84.027	2012-13	2,122	-	2,122	2,122	-
IDEA, Special Education- Preschool Grants-11/12	IDEA Grant	84.173	2011-12	3,491	(1,123)	3,491	2,368	-
IDEA, Special Education-Preschool Grants-12/13	IDEA Grant	84.173	2012-13	1,810	-	1,810	1,810	-
IDEA - SPR&I	IDEA Grant	84.027	2012-13	1,525	-	1,525	1,525	-
SPDG EBISS Breadth	IDEA Grant	84.323	2012-13	3,000	-	-	194	(194)
Total IDEA				312,049	(82,169)	155,931	194,476	(120,714)
Title X - McKinney Homeless Children and Youth	Federal Misc.	84.387	2009-10	2,120	(832)	832	-	-
Title X - McKinney Homeless Children and Youth		84.196	2012-13	3,196	-	690	3,115	(2,425)
Total Title X - McKinney Homeless Children and Youth				5,316	(832)	1,522	3,115	(2,425)
Title VI - Rural and Low Income Schools	General	84.358	2012-13	16,126	-	8,204	8,204	-
Passed through Education Service District:								
TNT Grant 11-12	Federal Misc.	84.387	2011-12	2,538	(503)	503	-	-
TNT Grant 12-13		84.387	2012-13	-	-	1,288	1,962	(674)
Total TNT Grant s				2,538	(503)	1,791	1,962	(674)
Title IIIa - English Language Acquisition	Federal Misc.	84.365	2012-13	3,000	-	3,331	3,331	-
Title IIIa - English Language Acquisition	Federal Misc.	84.365	2011-12	3,000	(978)	978	-	-
Total Title IIIa - English Language Acquisition				6,000	(978)	4,309	3,331	-
Total U.S. Department of Education				\$ 687,681	\$ (133,285)	\$ 407,537	\$ 405,149	\$ (130,897)
U.S. DEPARTMENT OF AGRICULTURE								
Passed Through Oregon Department of Education:								
Commodities	* Food Service	10.550	2012-13	\$ 10,192	\$ -	\$ 10,192	\$ 10,192	\$ -
National School Lunch - Breakfast	* Food Service	10.553		-	-	-	-	-
National School Lunch - Breakfast	* Food Service	10.553	2012-13	48,758	-	48,758	51,926	(3,168)
National School Lunch - Section 4	* Food Service	10.555		-	-	-	-	-
National School Lunch - Section 4	* Food Service	10.555	2012-13	134,835	-	134,835	141,595	(6,760)
Total National School Lunch Program	*			193,785	-	193,785	203,713	(9,928)
Passed Through Yamhill County:								
Federal Forest Fees	General	10.665	2012-13	-	-	6	6	-
Total U.S. Department of Agriculture				193,785	-	193,791	203,719	(9,928)
TOTALS				\$ 881,466	\$ (133,285)	\$ 601,328	\$ 608,868	\$ (140,825)

This schedule is prepared using the modified accrual basis of accounting

RECONCILIATION TO REVENUE:

Cash Receipts per Schedule Above	\$ 601,328
Grants Receivable/Deferred Revenue Beginning of Year	(133,285)
Grants Receivable/Deferred Revenue End of Year	140,825
Federal Revenue Recognized per Financial Statements	\$ 608,868

* major program



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

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

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Amity School District No. 4J, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Amity School District No. 4J's basic financial statements and have issued our report thereon dated December 2, 2013.

Internal Control over Financial Reporting

In planning and performing my audit, I considered Amity School District's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Amity School District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Amity School District's internal control over financial reporting.

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

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

Purpose of this Report

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

Steve Tuchscherer, CPA
December 2, 2013



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

I have audited the compliance of Amity School District No. 4J with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2013. Amity School District No. 4J's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on Amity School District No. 4J's compliance based on my audit. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Amity School District No. 4J's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In my opinion, Amity School District No. 4J complied, in all material respects, with the types of requirements referred to above that could have a material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

The management of Amity School District No. 4J is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Amity School District No. 4J's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Amity School District No. 4J's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a rea-

sonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Steve Tuchscherer, CPA
December 2, 2013

AMITY SCHOOL DISTRICT NO. 4J
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2013

Section I—Summary of Auditor’s Results

1. The auditor’s report expresses an unqualified opinion on the financial statements of Amity School District No. 4J.
2. No material weaknesses in internal control were disclosed by the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Amity School District No. 4J were disclosed during the audit.
4. No significant deficiencies in internal control were disclosed by the audit of the financial statements.
5. No material weaknesses or significant deficiencies in internal controls over major programs were disclosed by the audit.
6. The auditor’s report on compliance for the major federal award program expresses an unqualified opinion.
7. The audit did not disclose any findings that are required to be reported.
8. The program tested as a major program was the National School Lunch cluster, CFDA Number(s) 10.550, 10.553 and 10.555.
9. The threshold for distinguishing between Type A and B programs was \$300,000.
10. The District was determined to be a low-risk auditee.

Section II—Financial Statements Findings

No findings related to the financial statements are reported for the year ended June 30, 2013.

Section III—Findings and Questioned Costs for Federal Awards.

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

Section IV—Summary Schedule of Prior Audit Findings

There were no findings or questioned costs for the year ended June 30, 2012.

AMITY SCHOOL DISTRICT NO. 4J

Oregon Department of Education Form 581-3211-C

For the Fiscal Year Ended June 30, 2013

SUPPLEMENTAL INFORMATION, 2012-2013

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

A. Energy Bills for Heating - All Funds:

Please enter your expenditures for electricity
& heating fuel for these Functions & Objects.

	Objects 325 & 326
Function 2540	\$ 122,339
Function 2550	\$ -

B. Replacement of Equipment - General Fund:

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

Exclude these functions:

1113,1122 & 1132

1140

1300

1400

Extra-curricular Activities

Pre-Kindergarten

Continuing Education

Summer School

Exclude these functions:

4150 Construction

2550 Pupil Transportation

3100 Food Service

3300 Community Services

\$ -
