



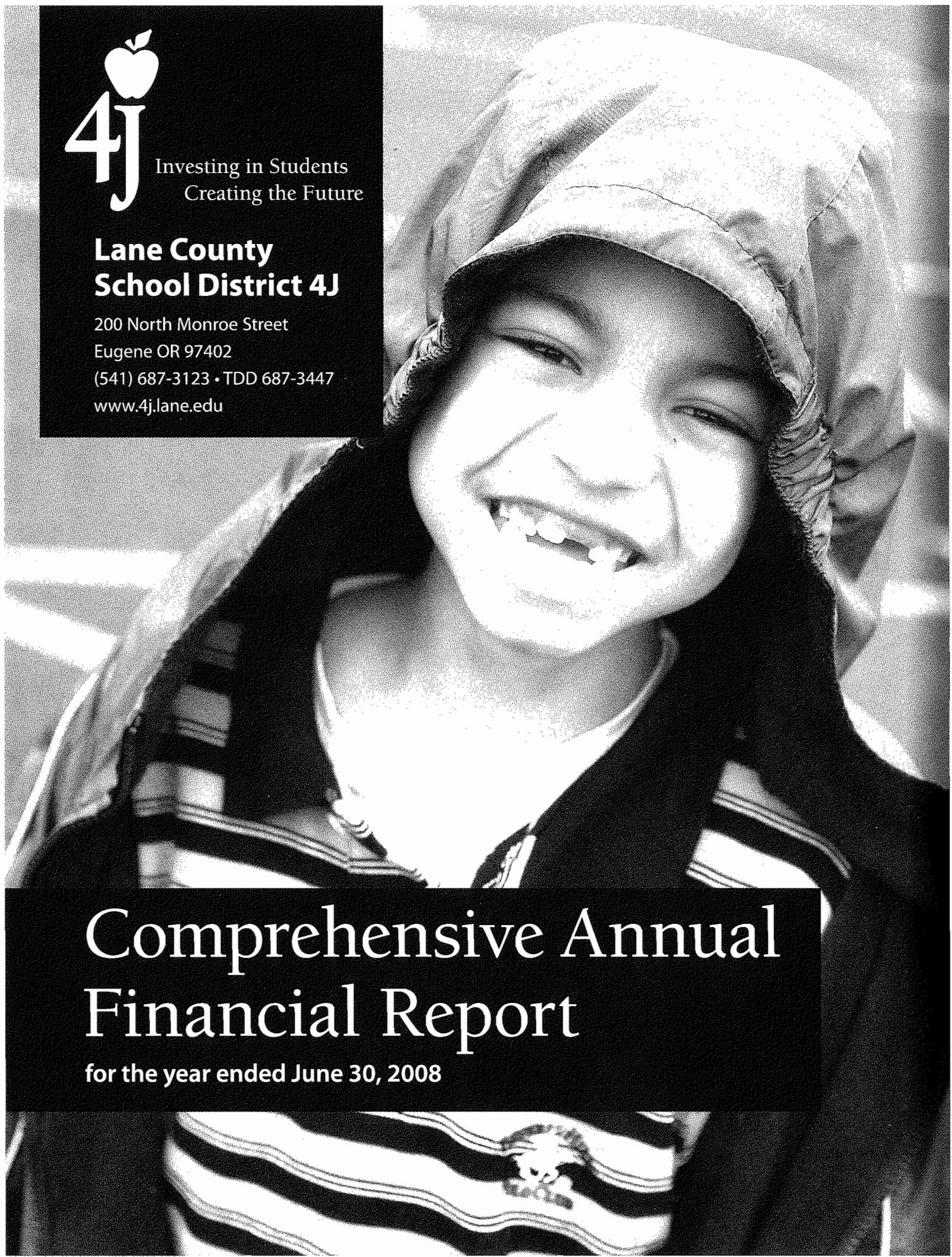
Investing in Students
Creating the Future

Lane County School District 4J

200 North Monroe Street
Eugene OR 97402
(541) 687-3123 • TDD 687-3447
www.4j.lane.edu

Comprehensive Annual Financial Report

for the year ended June 30, 2008



**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2008**

Prepared by: Financial Services Department

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Introductory Section



Investing in Students
Creating the Future

**Lane County
School District 4J**



December 29, 2008

To the Board of Directors and Residents of
Lane County School District No. 4J
Eugene, Oregon

The Comprehensive Annual Financial Report of Lane County School District No. 4J for the fiscal year ended June 30, 2008 is hereby submitted. State law requires that every general purpose government publish a complete set of audited financial statements within six months of the close of each fiscal year. This report is published to fulfill that requirement for the fiscal year ended June 30, 2008 and consists of management's representations concerning the finances of the District.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that was established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. We believe the enclosed data is accurate in all material aspects and is reported in accordance with generally accepted accounting principles (GAAP) designed to present fairly the financial position and results of operations of the various funds of the District and the District as a whole. All disclosures have been included that are necessary for the reader to gain an understanding of the District's financial activities.

The District's financial statements were audited by Grove, Mueller & Swank, P.C., a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2008 are free from material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit that there was a reasonable basis for rendering an unqualified opinion that the District's basic financial statements for the fiscal year ended June 30, 2008 are fairly presented, in all material respects, in conformity with GAAP. The independent auditor's report is located at the front of the financial section of this report.

In addition to meeting the requirements set forth in Oregon statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act and related OMB Circular A-133. These standards require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The results of the District's single audit for the fiscal year ended June 30, 2008 indicated neither instances of material weaknesses in the internal control structure nor significant violations of applicable laws and regulations. The independent auditor's reports related specifically to the Single Audit and OMB Circular A-133 are included in the Audit Comments section.

To the Board of Directors and Residents of
Lane County School District No. 4J

Generally accepted accounting principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A immediately follows the independent auditor's report on the financial statements

DISTRICT PROFILE

Lane County School District No. 4J, also known as Eugene Public Schools, is a financially independent, special-purpose municipal corporation exercising financial accountability for all public education within its boundaries. The District is primarily located in Lane County, with a small portion extending north into Linn County. Formed in 1854, the District encompasses approximately 155 square miles in western Oregon at the southern end of the Willamette Valley, 110 miles south of Portland. The District is governed by a seven member Board of Directors. Voters residing within District boundaries elect members to four-year overlapping terms. The duties of the Board include setting policy; approving expenditures and contracts; appointing the Superintendent; and hiring, terminating and approving resignations of all certified and administrative staff members. The Board also constitutes one-half of the Budget Committee and appoints the seven citizen members. As required by accounting principles generally accepted in the United States of America, all significant activities and organizations have been included in the financial statements.

The District is responsible for educating over 16,400 students in kindergarten through grade 12. Eighteen neighborhood schools, seven alternative programs and two charter schools comprise the elementary program. Each neighborhood school reflects the uniqueness of its students, staff and community. The alternative programs and charter schools reflect particular visions held by parents and staff and have emphases such as fine and performing arts, or language and culture immersion. The secondary program, grades 6–12, consists of eight neighborhood middle schools, an alternative middle school program, three language immersion programs, four regional high schools, three high school completion programs, an International High School (with a focus on foreign languages, history and culture), and an environmental science program. In addition, the District consolidated an alternative elementary program and a neighborhood middle school to create the District's first K-8 school. The two charter schools that serve elementary students also provide middle school education, and a third charter school focuses solely on secondary level education. Additionally, school and business partnerships exchange facilities and services for career training or other educational benefits and support. An open enrollment policy in the District allows any student to attend any District school provided space is available. The average age of the District's school buildings is forty-eight years.

The three District sponsored charter schools—The Village School, Ridgeline Montessori Public Charter School, and Network Charter School—are considered component units of the District. With an enrollment of 177 in kindergarten through eighth grade, The Village School offers a Waldorf-style instructional program based on the educational philosophy of Rudolph Steiner. Ridgeline Montessori provides a Montessori education, with 215 students enrolled in kindergarten through the eighth grade. The Network Charter School serves 128 students in a work-based, hands-on program for middle and high school students through a unique network of independent non-profit organizations and businesses.

The Board is required by State law to adopt a final budget no later than by the close of the preceding fiscal year. The annual budget serves as the foundation for the District's financial planning and control. The budget is prepared by fund, major program (e.g., instruction, supporting services), and

type of expenditure (e.g., salaries, employee benefits). Management may transfer resources within a major program category. The Board of Directors can, by resolution, transfer appropriations between existing appropriation categories. The Board may also amend the budget after public notice and a public hearing. Budget to actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. For two major governmental funds, General Fund and Federal, State, and Local Programs Fund, this comparison is presented in Financial Section C—Basic Financial Statements. For all other funds, this comparison is presented in Section E—Budgetary Comparisons.

LOCAL ECONOMY

Eugene is the second largest city in Oregon and is the seat of Lane County government. The City of Eugene, together with the City of Springfield, comprises the State's third largest metropolitan area. The area serves as the regional center for industry, service and trade, as well as for cultural, academic and recreational activities in the central part of western Oregon. Eugene is the site of the University of Oregon, the state's liberal arts institution. Other facilities for higher education include Lane Community College and Northwest Christian University.

In the past ten years, the District's and City of Eugene's populations have increased 11.1% percent and 11.5%, respectively. While modest population growth continues to be experienced by the City of Eugene and the State, the District's enrollment in regular programs is expected to continue a slow decline over the next several years. This decline is mainly due to demographic changes in the community.

Employment

The economy of the Eugene-Springfield metropolitan area has reduced its reliance on the wood products industry over time as evidenced by an increased share of employment in several non-lumber manufacturing sectors and in non-manufacturing industries such as retail trade, services and government. Eighty-one percent of total employment in the metropolitan area is based in three major sectors: services (44.6%), government (19.4%), and wholesale and retail trade (16.6%). Government employment is the largest single sector in the metropolitan area.

As reported by the Oregon Employment Department the Eugene-Springfield unemployment rate as of October 2008 was 8.2%. This was .9% higher than the State and the national rate. Over the last decade, unemployment was lowest at 4.5% in December 1999 and rose to a high of 8.8% in June 2003. The State of Oregon's Office of Economic Analysis' December 2008 report acknowledged that the state is in a recession and projects further job losses in 2009 with a turn around in the first half of 2010.

Despite the current economy and short-term outlook, long-term industry forecasts by the Oregon Employment Department expect Lane County to experience a 15% increase in nonfarm payroll employment through 2016. Sectors with strong forecasted growth are the education and health services sector, which is projected to increase by 31%, and the leisure and hospitality services sector, which is expected to increase by 20%. The professional and business sectors are expected to grow at a rate of 19%. Driving the expected increase in these sectors is the state and county's growing and aging population. Oregon's population age 65 or older could grow by 45 percent over the decade. As Lane County's population ages, it attracts and supports more businesses specializing in health, recreation, and ancillary business support services.

LONG-TERM FINANCIAL PLANNING

In June 2008 the School Board adopted a budget based on the District's Five-Year Financial Forecast, which supported the Board's policy of maintaining long-term financial stability. Board policies have been adopted on resource and planning allocation, accounting and financial practices, revenue, capital improvements, and debt and investment management. The accounting and financial practices policies include maintaining appropriate contingency funds; targeted at two percent of the general fund operating budget, and maintaining a general fund ending fund balance in order to offset cyclical variations in revenues and expenditures, thus maintaining a more stable service system. The targeted floor for the General Fund ending fund balance is five percent of annual operating revenues.

To assist with revenue stability, the Board voted to place a local option levy renewal measure on the November 2008 ballot which was one and a half years prior to current levy expiration. The measure passed which ensures levy revenues continue through 2014-2015. These revenues represent approximately 10% of general fund resources.

RELEVANT FINANCIAL POLICIES

The District's Financial Management Goals and Policies provide the framework for financial planning and decision-making by the School Board, Budget Committee and District staff. The policies state that, "The district will follow prudent and professional financial management practices in order to achieve and maintain long-term financial stability." Adhering to this policy, the Board increased the targeted ending fund balance for 2007-08 and 2008-09 from 5% to 8.5% to maintain service levels in the face of a potential economic downturn. The policy also states that "the District will have an adequate capital improvement program that maintains existing assets..." In 2005-2006 the Board approved funding for a five-year preventive maintenance program using revenues received from the sale of surplus real estate. The Board continues to support this policy with resources in 2008-2009.

LOCAL SUPPORT

Almost two decades ago, a tax limitation measure limited all educational agencies to a maximum of \$5 property tax revenue per \$1,000 assessed value and shifted the responsibility for the funding of schools from the local community to the State of Oregon. Subsequent property tax limitation measures cut property taxes; imposed a permanent tax rate of \$4.75 per \$1,000 assessed for the District operating levy; prohibited the use of bonded debt to fund equipment and routine capital repairs, and required 50% voter participation for bond approval except on general election dates. Beginning in 1999, the legislature allowed districts to seek approval of local option levies within certain limits. Revenue from these levies is outside the State School Fund Formula. In November 2008, voters approved a measure that limited the 50% voter participation requirement to March and September elections.

Local support for the District continues during these uncertain economic times. The District's voters have approved local funding measures by substantial margins. In May 2000, voters approved a five-year local option levy to assist with operations with a 63.6% "yes" vote. The levy was renewed for an additional five years in November 2004, and again in November 2008 with a "yes" vote of 63.7%.

In May 2002, voters approved a \$116 million general obligation bond with a 67.4% “yes” vote. The District issued \$70 million general obligation bonds in November 2002 and an additional \$46 million general obligation bonds were issued in August 2005. Proceeds of the bonds were used to build two elementary and two middle schools. The middle schools replaced buildings on the same sites, while two existing elementary schools were consolidated into each of the new elementary schools. The new elementary schools opened in September 2004, one middle school opened in September 2005 and the other in September 2006. In addition, the proceeds are being used to fund the District’s long-range facilities plan.

FOR THE FUTURE

2008-09 Budget

The Board adopted the District’s 2008–09 budget on June 18, 2008. The General Fund budget, excluding the unappropriated ending fund balance, was \$6.6 million higher than the 2007–08 General Fund budget. Included in the increase was \$570,000 for ongoing service additions, which supports the addition of licensed staff in the classroom; addresses expanded student service requirements; provides other essential support for schools, and continuation of programs funded on a time-limited basis for additional student achievement assistance at neighborhood schools; pilot programs to address particular student needs; and temporary support for operations. The Board was able to add additional staff, in part, by reducing funding for some other ongoing services.

Ongoing service additions included:

- Addition of licensed staff in the classroom including PE specialists at the elementary and middle schools, and licensed staff to support the increased graduation requirements for science at the high schools (5.8 FTE);
- Additions to address expanded student requirements including nursing services and staff for behavior support, autism services, English Language Learners, and School-to-work/Essential skills (3.5 FTE); and
- Provide essential support for schools including implementation of an on-line substitute dispatch system and a reorganization of both the human resources and executive administrative functions (2.5 FTE)

The majority of these additions were funded through reductions of other ongoing services.

Time-limited funding for the 2008-09 budget included:

- After school programs (6.9 FTE);
- Student achievement assistance at the district’s highest poverty schools;
- Targeted professional development;
- Expansion of middle level summer school program;
- Support for math at the secondary level;
- Transition programs for students moving from middle school to high school; and
- Funds to implement recommendations of the District’s strategic planning process.

In November 2008, Oregon's governor reduced funding to schools by 1.2% for the 2007-09 biennium due to an anticipated state revenue shortfall which resulted in a \$2.1 million revenue reduction to the district. The district implemented over \$2 million in budget reduction strategies such as reducing capital, equipment and district retirement transfers to offset the revenue reduction.

Capital Improvements

The Board adopted a long-range facilities plan in February 2002 based on recommendations from a broad-based committee. The plan consists of four bond elections totaling \$506 million over 24 years. A \$116 million general obligation bond approved by voters in May 2002 was the first; subsequent elections are scheduled approximately every six years. In the last few years, the District has sold surplus lots, five surplus schools and also demolished six schools to accommodate the four new schools that have opened. These actions support Board policy which states “the District will have an adequate capital improvement program that maintains existing District assets, provides for student and employee safety, maintains a quality instructional environment, and allows for enhancements that are necessary to meet changes in enrollment.” Continuing this effort into 2008-09, the budget includes scheduled capital projects of \$18.4 million using bond proceeds, state and local sources, and proceeds from the sale of surplus properties. The capital budget also includes funding for the fourth year of a five-year preventive maintenance program. When fully implemented, the 24-year plan will address approximately 60% of district facilities through replacement and/or renovation.

Five Year Financial Forecast

The District’s December 2008 Five Year Financial Forecast projects annual General Fund operating deficits in all years through 2012-13. Major factors contributing to the operating deficits are declining enrollment and increased costs, particularly salary and benefits. The forecast is based on state funding at the level proposed by the Governor. While enrollment continues to trend downward the rate of the decline is slowing. Board policy regarding financial management specifies that the district should maintain a contingency account at 2.0% of operating expenditures and a projected ending fund balance at 5.0% of operating revenues. The forecast assumes a general contingency at the targeted 2.0% for the forecast period and projected ending fund balances declining from 7.1% in 2008-09 to the 5.0% board target in remaining years. Corrective action is required in all forecast years to maintain the reserves at the 5.0% required by board policy. The projected ending fund balance reflects the budgeted Unappropriated Ending Fund Balance plus savings from under spending. It is also assumed that the current PERS Reserve of \$2.5 million will increase by \$2.0 million in the 2009-11 biennium and be used to offset probable rate increases in the 2011-13 biennium.

Strategic Planning

In August 2006, the District began an 18 month strategic planning process called “*Shaping 4J’s Future.*” The community-wide process considered how and where instructional programs would be provided in the face of declining enrollment and changing student demographics and built upon ongoing instructional planning and previous district-wide plans developed over the last several years.

In January 2008 the Superintendent presented guiding principals and goals to develop his recommendations. During February and March, the School Board scheduled time for public deliberation soliciting additional input from staff, community, and other stakeholder’s. On March 19th, the School Board approved a dozen “*Shaping 4J’s Future*” recommendations. The approved recommendations include merging two elementary schools; allocating more teachers and staff to schools serving students who have the greatest educational needs; limiting transfers at middle and high schools to better balance school size and program offerings; considering possible school boundary adjustments in areas where school closures and consolidations may have created illogical

To the Board of Directors and Residents of
Lane County School District No. 4J

boundaries; and studying elementary school transportation options in order to provide more families access to school choice.

AWARDS and ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Lane County School District No. 4J for its comprehensive annual financial report for the year ended June 30, 2007. This was the twenty-second year the District received this prestigious award. In order to be awarded a Certificate of Achievement, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program requirements, and we are submitting it to determine its eligibility for another certificate.

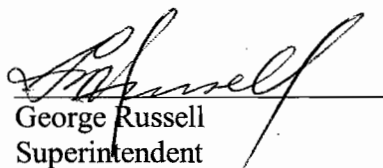
In addition to the recognition for the annual report, the District received GFOA's Distinguished Budget Presentation Award for its 2008 Budget Document, the eighteenth time the District has received the award.

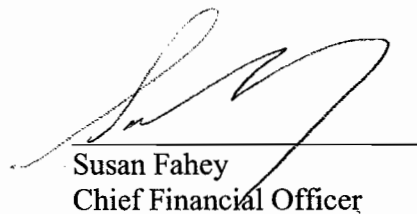
We believe these awards are representative of the District's continuing efforts to achieve excellence in the performance of public service and financial reporting.

Acknowledgments

The preparation of this report would not have been possible without the efficient and dedicated service of the entire financial services department staff. We appreciate and thank all the staff who assisted and contributed to the preparation of this report. Credit must also be given to the School Board and Budget Committee for their interest and support in maintaining the highest standards of professionalism in the management of Lane County School District 4J's finances.

Sincerely,


George Russell
Superintendent


Susan Fahey
Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lane County School
District 4J, Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Oliver S. Cox

President

Jeffrey R. Emer

Executive Director

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON

LISTING OF PRINCIPAL OFFICIALS

YEAR ENDED JUNE 30, 2008

**BOARD OF DIRECTORS
July 1, 2007–June 30, 2008**

	<u>Term Expires</u>
Dr. Charles Martinez, Jr., Chairperson 200 North Monroe St. Eugene, Oregon 97402	June 30, 2009
Beth Gerot, Vice-Chairperson 1270 River Road Eugene, Oregon 97404	June 30, 2009
Eric Forrest 3785 Waterbrook Way Eugene, Oregon 97408	June 30, 2009
Alicia Hays 274 Regal Court Eugene, Oregon 97401	June 30, 2011
Craig Smith 2611 Suncrest Avenue Eugene, Oregon 97405	June 30, 2011
Jim Torrey 3593 River Pointe Dr. Eugene, Oregon 97408	June 30, 2011
Yvette Webber-Davis 1574 Coburg Road, Box 184 Eugene, Oregon 97401	June 30, 2011

ADMINISTRATION

Administration Office
200 North Monroe Street
Eugene, Oregon 97402

George Russell
Barbara Bellamy
Tom Henry
Susan Fahey

Superintendent and Clerk
Deputy Clerk
Deputy Clerk
Deputy Clerk

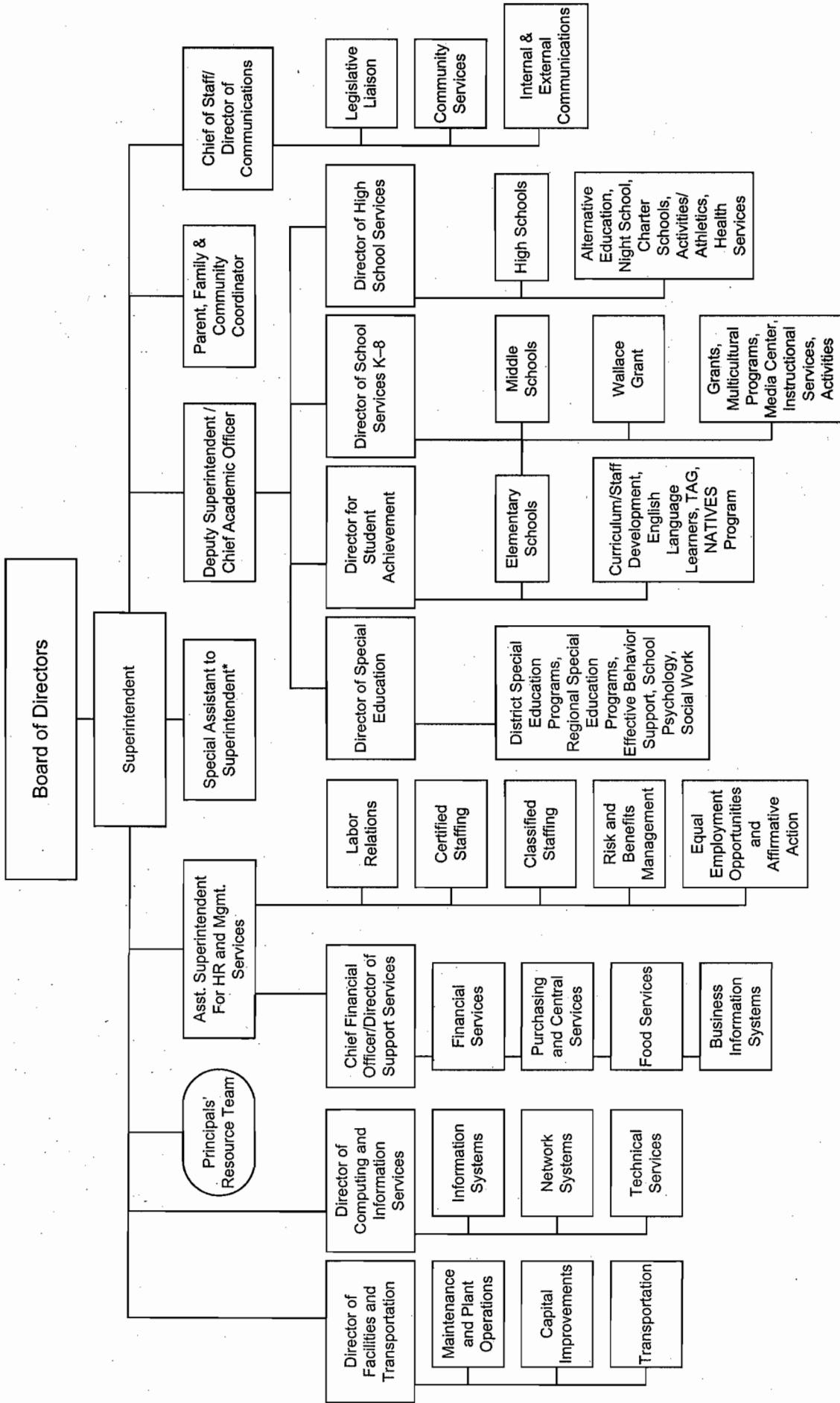
LEGAL COUNSEL

Luvaas Cobb, P.C.



Lane County School District 4J - Organization Chart 2007-2008 - Eugene, Oregon

Community



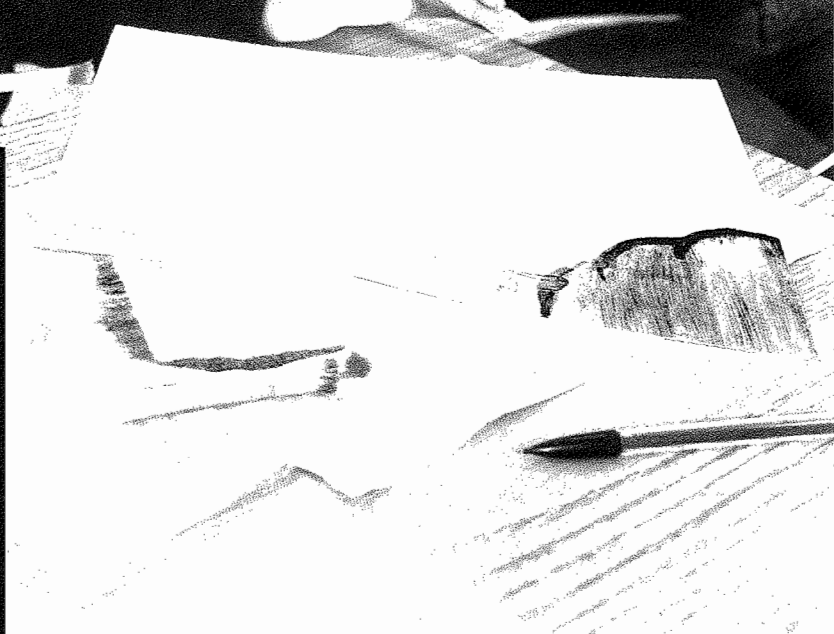
*Principal on Special Assignment

Financial Section



Investing in Students
Creating the Future

**Lane County
School District 4J**



INDEPENDENT AUDITOR'S REPORT



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Lane County School District No. 4J, Eugene, Oregon
Eugene, Oregon

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lane County School District No. 4J, Eugene, Oregon as of and for the year ended June 30, 2008, which collectively comprise the School District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the component units, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general and federal, state and local programs funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2008, on our consideration of the District's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Management's discussion and analysis and the schedule of funding progress for other postemployment benefits are not required parts of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, required and other supplemental information, and the statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The required and supplemental information and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

GROVE, MUELLER, & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By: 

Charles A. Swank, a Shareholder
December 29, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

LANE COUNTY SCHOOL DISTRICT 4J
Management's Discussion and Analysis
June 30, 2008

As management of Lane County School District 4J (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Transmittal Letter, which can be found on pages i–vii of this report. This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements.

Financial Highlights

- In the government-wide statements, the assets of the District exceeded its liabilities at June 30, 2008 by \$74.8 million. Of this amount, \$16.0 million represents the District's investment in capital assets net of related debt; \$2.9 million is available for restricted purposes; and \$55.8 million is unrestricted and available to meet the District's ongoing obligations.
- The District's total net assets decreased by \$8.1 million. Of this amount, \$4.2 million represents the District's amortization of its Prepaid PERS unfunded actuarial liability and post employment benefits other than pensions.
- The District's governmental funds report a combined ending fund balance of \$70.3 million at June 30, 2008, a decrease of \$12.6 million in comparison with the prior year. The decrease is primarily due to the District completing remodel/renovation projects of \$8.4 million in the Capital Project Fund, and using \$3.8 million in reserves for one-time expenditures to fund strategies to increase student achievement.
- At the end of the fiscal year, the General Fund unreserved fund balance was \$17.1 million, which represents 11.5% of total General Fund expenditures and is above the Budget Committee target of 8.5% for the 2007-09 biennium.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. These statements include:

Statement of Net Assets. The *statement of net assets* presents information on all of the assets and liabilities of the District as of the date on the statement. Net assets are those remaining after the liabilities have been paid off or otherwise satisfied. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

Statement of Activities. The *statement of activities* presents information showing how the net assets of the District changed over the most recent fiscal year by tracking revenues, expenses and other transactions that increase or reduce net assets. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, and earned and unused vacation leave).

In the government-wide financial statements, the District's activities are shown in one category as *governmental activities*. All of the District's basic functions are shown here, such as regular and special education instruction, administration, transportation, child nutrition services, and facilities operations and maintenance. These activities are primarily financed through property taxes, Oregon's State School Fund, and other intergovernmental revenues.

The government-wide financial statements can be found on pages 13 and 14 of this report.

Fund Financial Statements

The *fund financial statements* provide more detailed information about the District's funds, focusing on its most significant or "major" funds—not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds. To be considered a major fund, the fund must meet two criteria. Assets, liabilities, revenue, or expenses must be at least 10% of all governmental funds and at least 5% of all governmental funds plus the proprietary fund.

Governmental funds. The governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, however, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

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

The District maintains eight individual governmental funds, four of which are considered major funds. Information is presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, the Debt Service Fund, the Capital Projects Fund, and the Federal, State and Local Programs Fund, all of which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the combining statements.

The basic governmental fund financial statements can be found on pages 15–18 of this report.

Proprietary funds. The District maintains one proprietary fund type (internal service fund). Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses its internal service fund to account for insurance premiums and claims. Since these services benefit governmental, rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 21–23 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24–46 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information*. Management's Discussion and Analysis and the Schedule of Funding Progress, are considered required supplementary information.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented as Supplementary Information on pages 48–49 of this report.

Government-wide Financial Analysis

Statement of Net Assets. As noted earlier, net assets may serve as a useful indicator of a government's financial position over time. In the case of the District, assets exceeded liabilities by \$74.6 million at the close of the most recent fiscal year, a decrease of 9.8% over the prior year.

The change from 2007 reflects an \$8.7 million decrease in cash and investments. The District's pension asset decreased by \$2.4 million as the District began to amortize the asset over the life of the related pension obligation. Capital assets, which consist of the District's, land, buildings, building improvements, site improvements, construction in progress, vehicles, and equipment, represents 48.9% of total assets.

Increases in accrued and other liabilities of \$3.6 million include \$2.1 million for accrued payroll and associated charges related to implementing labor agreement provisions. Additional liabilities, representing 16.7% of the District's total liabilities, consist of payables on accounts, salaries and benefits, interest charges, and unearned revenue received from granting agencies. The District's largest liability (83.3%) is for the repayment of long-term debt (general obligation bonds, pension bonds, early termination benefits and capital leases).

A large portion of the District's net assets (21.4%) reflects its investment in capital assets (land, construction in progress, buildings and improvements, vehicles and equipment net of accumulated depreciation) less any related debts used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students and other District residents; consequently these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally, property taxes), since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's net assets (3.9%) represents resources that are subject to external restrictions on how they may be used. The remaining net assets are unrestricted and available for spending at management's discretion.

	Net Assets (in thousands)		Total Change 2007 to 2008
	Governmental Activities		
	2008	2007	
Cash and other assets	\$103,288	\$114,081	\$ (10,793)
Property taxes receivable	4,444	3,866	578
Pension assets	48,634	51,065	(2,431)
Capital assets	<u>149,666</u>	<u>148,961</u>	<u>705</u>
Total assets	<u>306,032</u>	<u>317,973</u>	<u>(11,941)</u>
Accrued and other liabilities	38,688	35,122	3,566
Long-term debt	<u>192,576</u>	<u>199,961</u>	<u>(7,385)</u>
Total liabilities	<u>231,264</u>	<u>235,083</u>	<u>(3,819)</u>
Net assets:			
Invested in capital assets, net of related debt	15,988	14,772	1,216
Restricted	2,934	4,033	(1,099)
Unrestricted	<u>55,846</u>	<u>64,085</u>	<u>(8,239)</u>
Total net assets	\$ <u>74,768</u>	\$ <u>82,890</u>	\$ <u>(8,122)</u>

At the end of the current fiscal year, the District is able to report positive balances in all three categories of net assets, which was also true for the prior fiscal year.

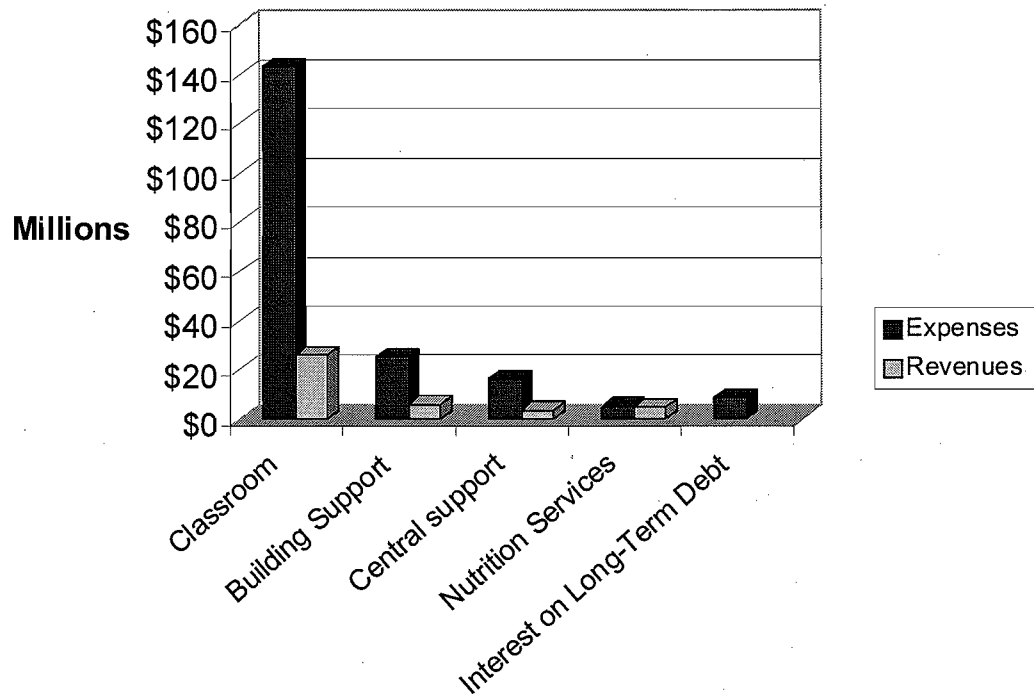
Governmental Activities. During the 2007–08 fiscal year, the District's net assets decreased by \$8.1 million as opposed to an increase of \$20 million in 2006–07. The key elements in this change are the net effect of the following:

- General revenues decreased \$5.9 million, or 3.7 %, from 2006-07, due to the 2006-07 \$5.3 million sale of surplus property and interest earnings on investments declining due to lower reserve levels.
- Revenues from operating grants and contributions decreased \$2.1 million, or 6.1%, due in part, to the loss of funds provided by the City of Eugene local option levy.
- Classroom service and classroom support service expenses increased \$11.0 million, which was 8.3%. The increase includes staff additions for physical education, music, language arts, math, counseling, and class size reduction. Other factors contributing to the increase were additional staff to support the District's higher instructional improvement and staff development expenses to ensure that student support was based on best practices for improving student achievement.
- Building support services expenses increased \$2.3 million, or 10.0%. Increases in student transportation service expenses included implementation of employee agreements and additional fuel costs. Computing and information services expenses also increased as more technology and staff services were provided to schools.

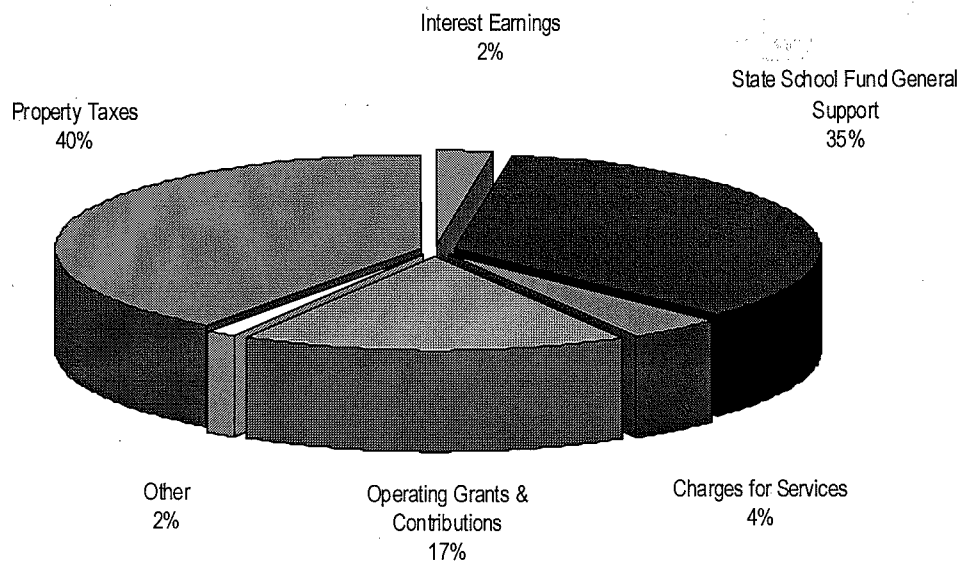
- Central support services increased \$5.7 million, or 51.4%, due, in part, to the amortization of the District's pension asset and the recognition of expenses related to the District's obligation for other postemployment benefits.

Changes in Net Assets (in thousands)			
	<u>Governmental Activities</u>		Total Change
	<u>2008</u>	<u>2007</u>	<u>2007 to 2008</u>
Revenues:			
Program revenues:			
Charges for services	\$ 8,055	\$ 8,878	\$ (823)
Operating grants and contributions	32,428	34,482	(2,054)
Capital grants and contributions	435	502	(67)
General revenues:			
Property taxes	76,571	75,244	1,327
State school fund – general support	66,811	68,077	(1,266)
Other federal and local sources	3,024	8,428	(5,404)
Earnings on investments	<u>4,650</u>	<u>5,166</u>	<u>(516)</u>
Total revenues	<u>191,974</u>	<u>200,777</u>	<u>(8,803)</u>
Expenses:			
Classroom services	143,356	132,393	10,963
Building support services	25,395	23,094	2,301
Central support services	16,896	11,162	5,734
Nutrition services	5,424	4,946	478
Interest on long-term debt	<u>9,025</u>	<u>9,179</u>	<u>(154)</u>
Total expenses	<u>200,096</u>	<u>180,774</u>	<u>19,322</u>
Change in net assets	(8,122)	20,003	(28,125)
Net assets – beginning	<u>82,890</u>	<u>62,887</u>	<u>20,003</u>
Net assets – ending	\$ <u>74,768</u>	\$ <u>82,890</u>	\$ <u>(8,122)</u>

Expenses and Program Revenues



Revenues by Source - Governmental Activities



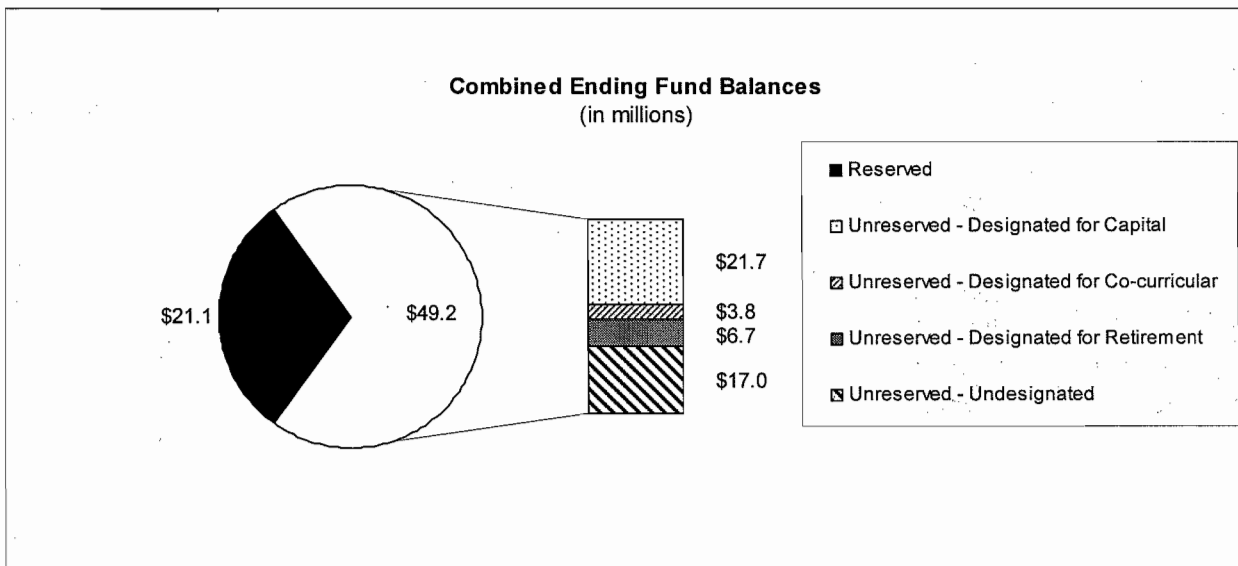
Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on relatively short-term cash flow and funding for future basic services. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year. Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into reserved and unreserved portions. Reservations indicate the portion of the District's fund balances that are not available for general appropriations. The fund balance of the Debt Service Fund and portions of the Capital Projects and Other Governmental Funds are legally restricted to be spent for the purpose of the fund and are not available for spending at the District's discretion. The unreserved fund balance is further subdivided between designated and undesignated portions. Designations reflect the District's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds.

On June 30, 2008, the District's governmental funds reported *combined ending fund balances* of \$70.3 million, a decrease of \$12.6 million in comparison with prior year. Included in this year's change in the combined fund balances are decreases of:

- \$3.8 million in the General Fund's ending fund balance as the District spent reserves on initiatives and strategies to increase student achievement including after school transition programs; expanding middle level summer school, continuing funding for the District's most needy neighborhood schools; and training on how to better use technology in the classroom and to better serve high needs students.
- \$7.9 million in the Capital Projects Fund as the District continued renovating District buildings;



Of the \$70.3 million combined ending fund balances, \$49.2 million constitutes *unreserved ending fund balance*, which is available for spending at the District's discretion. About 65% of the unreserved ending fund balance (\$32.2 million) is *designated ending fund balance*: 67.4% (\$21.7 million) is designated for capital expenditures, 20.9% (\$6.7 million) is designated for payment of

future retirement obligations and another 11.7% (\$3.8 million) is designated for co-curricular activities.

General Fund. The General Fund is the chief operating fund of the District. As of June 30, 2008, unreserved fund balance was \$17.1 million. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund revenues. Fund balance represents 11.6% of total General Fund revenues.

The fund balance decreased by \$3.8 million during the current fiscal year compared to a \$10.0 million increase in 2006–07. The change is attributed to the net effect of the following:

- State revenue increasing \$4.2 million over 2006–07 due in part to increased state K-12 funding for the 2007-09 biennium.
- Local tax revenue increasing \$2.9 million from the prior year due the lingering effects of a previously strong real estate market.
- Instruction and supporting services expenditures increasing by \$12.0 million and \$8.0 million respectively, due to increase staffing expenditures previously supported by the City of Eugene local option levy. Staff additions included elementary and PE specialists, counselors, media specialists, nurses, secondary athletics and activities, and maintenance, grounds, and custodial staff. Other factors contributing to the increase were additional staff to support the District's programs at all instructional levels including staff for physical education, music, language arts, math, and counseling.

General Fund salaries totaled \$82.1 million while the associated employee benefits of retirement, social security, and insurance added \$45.7 million to arrive at 86.5% of total General Fund expenditures for employee costs.

Debt Service Fund. The Debt Service Fund has a total fund balance of \$9.6 million which is about a \$300,000 decrease from 2007, all of which is reserved for the payment of debt service.

Federal, State, and Local Programs Fund. The Federal, State, and Local Programs Fund has a fund balance of approximately \$310,000, all of which is reserved for youth services.

Capital Projects Fund. The Capital Projects Fund has a fund balance of \$23.7 million which is a \$7.9 million decrease from 2007. Capital expenditures of \$9.2 million were partially offset by local revenues, interest earnings and transfers-in of over \$1.3 million. All of the Capital Projects Fund balance is reserved or designated for capital projects.

General Fund Budgetary Highlights

The Board approved changes to the General Fund adopted budget for the fiscal year ended June 30, 2008. Budget amendments reflected changes in programs, program funding, and the reconciliation of net working capital. Differences in the original and final adopted budgets include an increase in transfers of about \$2.6 million, mainly to build the reserves in the Fleet and Equipment Fund for the purchase of textbooks and equipment. Instructional and Supporting Services appropriations increased by about of \$3.8 and \$3.0 million, respectively. The additional appropriations were budgeted to implement employee agreements, provide budget authority for unanticipated increased staff funding, and fund school choice strategies and promote equity.

No significant differences between actual and budgeted expenditures occurred during the year.

During the year all General Fund expenditures were within budget.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets includes land, buildings and improvements, site improvements, vehicles and equipment, and construction in progress. As of June 30, 2008, the District had over \$149.7 million invested in capital assets, net of depreciation, as shown in the following table:

	Capital Assets (Net of Depreciation)		Total Change 2008–2007
	(in thousands)		
	<u>2008</u>	<u>2007</u>	
Land	\$ 1,621	1,621	0
Buildings & Improvements	135,329	137,511	(2,182)
Vehicles & Equipment	5,980	6,734	(754)
Construction in Progress	<u>6,736</u>	<u>3,095</u>	<u>3,641</u>
Total	\$ <u>149,666</u>	<u>148,961</u>	<u>705</u>

During the year, the change in the District's investment in capital assets was due to the net effect of the following:

- Buildings & Improvements and Vehicles & Equipment decreased by \$2.9 million as the District recognized depreciation expense in excess of completed capital projects.
- Construction in progress increased \$3.6 million as the District continues to support the long-range facilities plan for updating and renovating District facilities.

Additional information on the District's capital assets can be found in note E on pages 36–38 of this report.

Long-term debt. At the end of the current fiscal year, the District had total bonded debt outstanding of \$196.0 million consisting of general obligation and pension bond debt, including unamortized premiums.

The District maintains an underlying "Aa3" rating from Moody's for general obligation debt. State statutes limit the amount of general obligation debt a governmental entity may issue to 7.95% of its total assessed valuation. The current debt limitation for the District is nearly \$1.5 billion, which is significantly in excess of the District's outstanding general obligation debt.

Additional information on the District's long-term debt can be found in note H, on pages 40–43 of this report.

Economic Factors and Next Year's Budget

The most significant economic factor for the District is the State of Oregon's State School Fund Formula. The formula consists of a General Purpose Grant, a Transportation Grant, a Facility Grant and certain local revenues. For the year ended June 30, 2008, the State School Fund General Purpose Grant provided 35.4% of the District's total governmental fund revenues and 46.9% of the District's General Fund revenues. Resources calculated into the formula amounted to 64.6% of the District's total governmental fund revenues and 85.7% of the District's General Fund revenues for the year ended June 30, 2008. For the year ending June 30, 2009, the District adopted a General Fund budget of \$168.7 million, which is \$4.4 million more than the 2007–08 adopted budget.

Increases include ongoing service additions of 21 FTE for licensed staff in the classroom to address expanded student service requirements including services for special education students and provide essential support for schools. Programs funded on a time-limited basis include additional student achievement assistance at certain neighborhood schools; after school programs; targeted professional development and pilot programs to address particular student needs; temporary support for operations; and funds to implement recommendations of the District's strategic planning process. The Board was able to add additional staff by reducing funding for some other ongoing services and using excess reserves.

In November 2008, Oregon's governor reduced funding to schools by 1.2% for the 2007-09 biennium due to an anticipated state revenue shortfall which resulted in a \$2.1 million revenue reduction to the district. The district implemented over \$2.0 million in budget reduction strategies such as reducing capital, equipment and district retirement transfers to offset the revenue reduction.

District enrollment declined during the 2007-08 and, excluding charter school component units, is expected to continue a slow decline over the next several years.

The School Board has set a policy that states that the District budget 2.0% of its operating budget as contingency and maintain 5.0% of annual operating revenues as unreserved ending fund balance. The 2008-09 adopted budget included a 2.1% contingency account and a projected ending fund balance (including under spending) of 8.5%.

The District's Budget Committee and School Board considered all of these factors while preparing the District's budget for the 2008-09 fiscal year.

Requests for Information

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Phillip Scrima, Financial Operations and Reporting Manager, at 200 North Monroe, Eugene, Oregon 97402.

BASIC FINANCIAL STATEMENTS

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
STATEMENT OF NET ASSETS
JUNE 30, 2008, WITH COMPARATIVE DATA

	Governmental Activities		Component Units
	2008	2007	
ASSETS			
Cash and investments	\$ 95,736,164	\$ 104,463,528	\$ 1,329,078
Receivables:			
Property taxes	4,443,552	3,866,003	-
Accounts and other receivables	7,059,603	9,031,504	112,490
Inventories	492,434	585,512	6,000
Prepaid PERS unfunded actuarial liability	48,633,721	51,065,407	-
Capital assets not being depreciated			
Land and construction in progress	8,357,141	4,715,738	-
Capital assets, net of accumulated depreciation			
Athletic field improvements	3,799,569	4,155,869	-
Buildings and improvements	131,529,805	133,354,765	-
Machinery and equipment	2,348,226	2,689,987	131,537
Vehicles	3,631,631	4,044,893	-
TOTAL ASSETS	306,031,846	317,973,206	1,579,105
LIABILITIES			
Accounts payable	6,057,204	5,294,349	108,598
Accrued payroll and related charges	14,362,729	12,267,206	74,598
Accrued interest	3,133,746	4,464,188	-
Unearned revenue	4,896,287	4,656,984	108,294
Long-term debt			
Due within one year	10,238,261	8,439,366 ⁽¹⁾	-
Due in more than one year	192,576,026	199,961,017 ⁽¹⁾	-
TOTAL LIABILITIES	231,264,253	235,083,110	291,490
NET ASSETS			
Invested in capital assets, net of related debt	15,987,837	14,772,028	131,537
Restricted for:			
Debt service	2,623,362	3,751,929	-
Federal, state and local programs	310,522	281,445	-
Total Restricted Net Assets	2,933,884	4,033,374	-
Unrestricted	55,845,872	64,084,694 ⁽¹⁾	1,156,078
TOTAL NET ASSETS	\$ 74,767,593	\$ 82,890,096	\$ 1,287,615

⁽¹⁾ As restated

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

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2008, WITH COMPARATIVE DATA

Functions	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities 2008	
GOVERNMENTAL ACTIVITIES						
Direct classroom services						
Regular instruction	\$ 73,910,359	\$ 258,126	\$ 4,871,673	\$ -	\$ (61,304,745)	\$ -
Special programs	28,911,345	462,341	9,455,454	-	(18,829,986)	-
Total direct classroom services	102,821,704	720,467	14,327,127	-	(80,134,731)	(2,364,087)
Classroom support services						
Extra-curricular activities	7,706,799	481,322	5,179,260	-	(2,046,217)	(745,910)
Student support	10,459,082	13,607	1,413,263	-	(9,032,212)	(5,766,530)
Libraries, curriculum and staff development	8,606,827	-	3,507,612	-	(5,099,215)	(4,382,279)
School administration	12,942,806	-	154,864	-	(12,787,942)	(12,149,114)
Community services	818,355	36,411	492,608	-	(289,336)	(329,235)
Total classroom support services	40,533,869	531,340	10,747,607	-	(29,254,922)	(23,373,068)
Building support services						
Facilities operation and maintenance	13,654,032	514,916	165	-	(13,138,951)	(12,275,626)
Student transportation	6,696,347	191,452	4,337,163	434,949	(1,732,783)	(339,526)
Computing and information services	4,468,300	447,944	193,083	-	(3,827,273)	(3,179,456)
Warehouse and purchasing	575,905	-	-	-	(575,905)	(514,788)
Total building support services	25,394,584	1,154,312	4,530,411	434,949	(19,274,912)	(16,308,396)
Central support services						
Executive administration	1,424,786	22,207	-	-	(1,402,579)	(1,110,148)
Financial services	1,642,545	-	-	-	(1,642,545)	(1,380,810)
Human resources/employee insurance benefits	5,217,921	3,656,300	93,171	-	(1,468,450)	(236,224)
District retirement	8,026,836	-	-	-	(8,026,836)	(4,235,312)
Communications and intergovernmental relations	583,967	-	-	-	(583,967)	(502,933)
Total central support services	16,896,055	3,678,507	93,171	-	(13,124,377)	(7,465,427)
Nutrition services	5,424,214	1,970,201	2,729,384	-	(724,629)	(449,945)
Interest on long-term liabilities	9,025,104	-	-	-	(9,025,104)	(9,179,263)
Unallocated depreciation	-	-	-	-	-	(59,660)
Total school district	\$ 200,095,530	\$ 8,054,827	\$ 32,427,700	\$ 434,949	(159,178,054)	(136,911,830)
COMPONENT UNITS						
	\$ 3,340,167	\$ 82,569	\$ 463,318	\$ -		(2,794,280)
General revenues:						
Property taxes levied for:						
General purposes					62,517,534	59,196,969
Debt service					14,053,580	16,047,003
Federal aid not restricted to specific purposes					2,777,437	2,633,094
State aid not restricted to specific purposes					66,810,401	68,077,308
Earnings on investments					4,649,939	5,165,714
Other local revenue					246,660	5,794,817
Total general revenues					151,055,551	156,914,905
Change in net assets					(8,122,503)	20,003,075
Net assets - beginning					82,890,096 ⁽¹⁾	62,887,021
Net assets - ending					\$ 74,767,593	\$ 82,890,096 ⁽¹⁾

⁽¹⁾ As restated

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

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2008, WITH COMPARATIVE DATA

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>
ASSETS			
Equity in pooled cash and investments	\$ 27,455,535	\$ -	\$ 14,130,681
Cash and investments	-	9,110,048	13,422,022
Receivables			
Property taxes	3,688,896	754,656	-
Accounts and other receivables	1,772,558	9,482	46,956
Due from other funds	2,683,374	374,354	-
Inventories	175,605	-	-
<i>Total Assets</i>	<u>\$ 35,775,968</u>	<u>\$ 10,248,540</u>	<u>\$ 27,599,659</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts and interest payable	\$ 4,098,548	\$ -	\$ 1,241,264
Accrued payroll and related charges	10,853,963	-	465
Due to other funds	374,354	-	1,126,577
Deferred revenue	3,322,451	670,794	-
Unearned revenue	73,064	-	1,507,204
<i>Total Liabilities</i>	<u>18,722,380</u>	<u>670,794</u>	<u>3,875,510</u>
Fund balances			
Reserved for:			
Debt service	-	9,577,746	-
Capital expenditures	-	-	11,192,773
Youth services	-	-	-
Unreserved, reported in:			
General fund	17,053,588	-	-
Capital projects fund	-	-	12,531,376
Special revenue funds	-	-	-
<i>Total Fund Balances</i>	<u>17,053,588</u>	<u>9,577,746</u>	<u>23,724,149</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 35,775,968</u>	<u>\$ 10,248,540</u>	<u>\$ 27,599,659</u>

Federal, State and Local Programs	Other Governmental Funds	Totals	
		2008	2007
\$ -	\$ 16,328,792	\$ 57,915,008	\$ 60,524,293
-	3,525,231	26,057,301	31,777,413
-	-	4,443,552	3,866,003
3,506,398	588,301	5,923,695	7,944,736
-	-	3,057,728	953,211
-	316,829	492,434	585,512
<u>\$ 3,506,398</u>	<u>\$ 20,759,153</u>	<u>\$ 97,889,718</u>	<u>\$ 105,651,168</u>
\$ 230,341	\$ 487,051	\$ 6,057,204	\$ 5,294,349
31,968	3,425	10,889,821	9,331,804
952,485	604,312	3,057,728	953,211
-	-	3,993,245	3,508,667
1,981,083	-	3,561,351	3,618,257
<u>3,195,877</u>	<u>1,094,788</u>	<u>27,559,349</u>	<u>22,706,288</u>
-	-	9,577,746	9,907,812
-	-	11,192,773	17,830,225
310,521	-	310,521	281,445
-	-	17,053,588	20,845,607
-	-	12,531,376	13,782,621
-	19,664,365	19,664,365	20,297,170
<u>310,521</u>	<u>19,664,365</u>	<u>70,330,369</u>	<u>82,944,880</u>
<u>\$ 3,506,398</u>	<u>\$ 20,759,153</u>	<u>\$ 97,889,718</u>	<u>\$ 105,651,168</u>

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

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LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
STATEMENT OF NET ASSETS
JUNE 30, 2008

Total Governmental Fund Balances (page 15) \$ 70,330,369

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$269,898,289 and the accumulated depreciation is \$120,231,917. 149,666,372

Pension assets are not financial resources in governmental funds, but are reported in the Statement of Net Assets. 48,633,721

The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. 8,967,767

Property tax revenue is recognized in the net assets of governmental activities when the taxes are levied, however in the governmental fund statements it is recognized when available to be used for current year operations. Taxes not collected within 60 days of the end of the year are not considered available to pay for current year operations and therefore not reported as revenue in the governmental funds. 3,993,245

Interest on long-term debt is accrued and reported as a liability in the Statement of Net Assets while in the governmental funds it is recorded as an expenditure when due. (3,133,746)

Vested compensated absences are reported when earned as a liability in the Statement of Net Assets while in the governmental funds only the unpaid balance of reimbursable unused leave is reported as a liability. (875,848)

Long-term liabilities not payable in the current period are not reported as liabilities in the governmental funds. These liabilities at year end consist of:

Limited pension obligation bonds	\$ 53,235,000	
Bonds payable	142,771,353	
Capital leases payable	2,582,834	
Early retirement benefits	2,238,522	
Net OPEB obligation	1,986,578	
Total long-term liabilities		<u>(202,814,287)</u>

Total Net Assets (page 13) \$ 74,767,593

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

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008, WITH COMPARATIVE DATA

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>
REVENUES			
Local sources	\$ 68,826,963	\$ 17,358,901	\$ 828,311
Intermediate sources	159,545	-	-
State sources	75,498,265	-	-
Federal sources	2,911,292	-	-
<i>Total Revenues</i>	<u>147,396,065</u>	<u>17,358,901</u>	<u>828,311</u>
EXPENDITURES			
Current			
Instruction	89,952,412	-	-
Supporting services	57,180,514	-	-
Community services	324,674	-	-
Facilities acquisition and construction	-	-	-
Debt service			
Principal	315,140	7,008,929	-
Interest	7,457	10,680,038	-
Capital outlay	-	-	9,237,008
<i>Total Expenditures</i>	<u>147,780,197</u>	<u>17,688,967</u>	<u>9,237,008</u>
REVENUES OVER (UNDER) EXPENDITURES	(384,132)	(330,066)	(8,408,697)
OTHER FINANCING SOURCES (USES)			
Transfers in	1,319,351	-	520,000
Transfers out	(5,298,514)	-	-
Capital leases	571,276	-	-
Sale of capital assets	-	-	-
Insurance recoveries	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>(3,407,887)</u>	<u>-</u>	<u>520,000</u>
NET CHANGE IN FUND BALANCES	(3,792,019)	(330,066)	(7,888,697)
FUND BALANCES, Beginning of year	<u>20,845,607</u>	<u>9,907,812</u>	<u>31,612,846</u>
FUND BALANCES, End of year	<u>\$ 17,053,588</u>	<u>\$ 9,577,746</u>	<u>\$ 23,724,149</u>

Federal, State and Local Programs	Other Governmental Funds	Totals	
		2008	2007
\$ 3,404,983	\$ 10,707,058	\$ 101,126,216	\$ 107,757,019
-	-	159,545	445,910
1,793,163	487,193	77,778,621	74,562,394
10,551,729	2,677,139	16,140,160	16,873,156
15,749,875	13,871,390	195,204,542	199,638,479
9,371,003	7,665,511	106,988,926	98,248,573
5,809,556	4,943,891	67,933,961	64,577,675
523,180	5,199,597	6,047,451	5,620,404
-	-	-	2,931
-	365,720	7,689,789	7,048,490
-	80,472	10,767,967	11,251,596
17,060	636,823	9,890,891	14,287,800
15,720,799	18,892,014	209,318,985	201,037,469
29,076	(5,020,624)	(14,114,443)	(1,398,990)
-	4,179,460	6,018,811	8,828,064
-	-	(5,298,514)	(8,551,078)
-	208,359	779,635	1,179,526
-	-	-	5,271,907
-	-	-	47,595
-	4,387,819	1,499,932	6,776,014
29,076	(632,805)	(12,614,511)	5,377,024
281,445	20,297,170	82,944,880	77,567,856
<u>\$ 310,521</u>	<u>\$ 19,664,365</u>	<u>\$ 70,330,369</u>	<u>\$ 82,944,880</u>

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

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2008

Net change in fund balances - total governmental funds (page 17) \$ (12,614,511)

Amounts reported for governmental activities in the Statement of Activities (page 14) are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimate useful lives and reported as depreciation expense. This is the amount by which current year's capitalized expenditures (\$10,327,213) exceeded depreciation (\$9,610,044). 717,169

In the Statement of Activities, only the gain on the sale of capital assets is reported. However, in the governmental funds the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold. (12,049)

Long-term debt proceeds are reported as other financing sources in governmental funds, thereby increasing fund balances. In the Statement of Net Assets, however, issuing long-term debt increases liabilities and has no effect on net assets. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Assets.

Capital leases	\$	(779,635)	
Debt principal repaid		7,689,789	
Total long-term liabilities			6,910,154

In the governmental funds, interest on long-term debt is recorded as interest expense when due, whereas in the Statement of Activities it is accrued. 1,330,442

Amortization of pension assets increases expense in the Statement of Activities but does not require the use of current financial resources and therefore does not affect the fund balance in the governmental funds. (2,431,686)

Amortization of bond issuance premiums reduce interest expense in the Statement of Activities but does not require the use of current financial resources and therefore does not affect the fund balance in the governmental funds. 412,422

Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied. 484,578

In the governmental funds, retirement benefits are measured by the amount of financial resources used (essentially, the amounts actually paid). In the Statement of Activities, however, the early termination benefits are measured by the amounts earned during the year and the net OPEB obligation by the amount actuarially determined.

Early termination benefits paid of \$1,261,014 exceeded amounts earned of \$1,010,916.	250,098		
Additions to the net OPEB obligation of \$4,584,512 exceeded amounts paid of \$2,597,924.		(1,986,578)	
Total retirement obligations			(1,736,480)

Vested compensated absences are accrued when earned in the Statement of Activities while in the governmental funds they are recorded when paid. This year, the amount earned of \$875,848 exceeded the amount paid of \$735,260. (142,828)

The net change in retained earnings of the internal service fund is not included in the governmental funds but is reported in the Statement of Activities. (1,039,714)

Change in net assets of governmental activities (page 14) \$ (8,122,503)

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

FUND FINANCIAL STATEMENTS

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND – This fund accounts for the financial operations of the District that are not accounted for in any other fund. Principal sources of revenue are state school funding and property taxes. Primary expenditures are salaries for educational and support staff.

This fund accounts for all general operating revenues and expenditures by the District.

FEDERAL, STATE AND LOCAL PROGRAMS – This fund accounts for resources and expenditures from federal, state and local grant programs.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Variance with Final Budget	Actual		GAAP Basis
				Budget Basis	Adjustments	
REVENUES						
Local sources	\$ 68,627,000	\$ 68,802,470	\$ 24,493	\$ 68,826,963	\$ -	\$ 68,826,963
Intermediate sources	245,000	252,000	(92,455)	159,545	-	159,545
State sources	76,241,000	76,828,871	(1,330,606)	75,498,265	-	75,498,265
Federal sources	177,000	177,000	2,734,292	2,911,292	-	2,911,292
<i>Total Revenues</i>	<u>145,290,000</u>	<u>146,060,341</u>	<u>1,335,724</u>	<u>147,396,065</u>	<u>-</u>	<u>147,396,065</u>
EXPENDITURES						
Current						
Instruction	85,864,753	89,703,796	63	89,703,733	248,679	89,952,412
Supporting services	54,191,124	57,188,342	7,828	57,180,514	(58,420)	57,122,094
Community services	293,075	346,538	21,864	324,674	-	324,674
Facilities acquisition and construction	1,000	1,000	1,000	-	-	-
Operating contingency	8,983,000	1,401,479	1,401,479	-	-	-
Debt service	1,000	1,000	1,000	-	322,597	322,597
Capital outlay	-	-	-	-	58,420	58,420
<i>Total Expenditures</i>	<u>149,333,952</u>	<u>148,642,155</u>	<u>1,433,234</u>	<u>147,208,921</u>	<u>571,276</u>	<u>147,780,197</u>
REVENUES OVER (UNDER) EXPENDITURES	(4,043,952)	(2,581,814)	2,768,958	187,144	(571,276)	(384,132)
OTHER FINANCING SOURCES (USES)						
Transfers in	118,000	118,000	1,201,351	1,319,351	-	1,319,351
Transfers out	(3,195,016)	(5,786,514)	488,000	(5,298,514)	-	(5,298,514)
Capital leases	-	-	-	-	571,276	571,276
<i>Total Other Financing Sources (Uses)</i>	<u>(3,077,016)</u>	<u>(5,668,514)</u>	<u>1,689,351</u>	<u>(3,979,163)</u>	<u>571,276</u>	<u>(3,407,887)</u>
NET CHANGE IN FUND BALANCE	(7,120,968)	(8,250,328)	4,458,309	(3,792,019)	-	(3,792,019)
FUND BALANCE, Beginning of year	<u>18,904,578</u>	<u>20,845,607</u>	<u>-</u>	<u>20,845,607</u>	<u>-</u>	<u>20,845,607</u>
FUND BALANCE, End of year	<u>\$ 11,783,610</u>	<u>\$ 12,595,279</u>	<u>\$ 4,458,309</u>	<u>\$ 17,053,588</u>	<u>\$ -</u>	<u>\$ 17,053,588</u>

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

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - FEDERAL, STATE AND LOCAL PROGRAMS FUND
YEAR ENDED JUNE 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>	<u>Actual</u>		<u>GAAP Basis</u>
				<u>Budget Basis</u>	<u>Adjustments</u>	
REVENUES						
Local sources	\$ 3,111,555	\$ 3,949,011	\$ (544,028)	\$ 3,404,983	\$ -	\$ 3,404,983
State sources	2,612,317	2,612,317	(819,154)	1,793,163	-	1,793,163
Federal sources	11,274,616	11,532,429	(980,700)	10,551,729	-	10,551,729
<i>Total Revenues</i>	16,998,488	18,093,757	(2,343,882)	15,749,875	-	15,749,875
EXPENDITURES						
Current						
Instruction	10,421,695	11,085,269	1,714,266	9,371,003	-	9,371,003
Supporting services	6,124,333	6,439,928	630,372	5,809,556	-	5,809,556
Community services	452,460	572,600	32,360	540,240	(17,060)	523,180
Capital outlay	-	-	-	-	17,060	17,060
<i>Total Expenditures</i>	16,998,488	18,375,200	2,654,401	15,720,799	-	15,720,799
REVENUES OVER (UNDER) EXPENDITURES	-	(281,443)	310,519	29,076	-	29,076
NET CHANGE IN FUND BALANCE	-	(281,443)	310,519	29,076	-	29,076
FUND BALANCE, Beginning of year	-	281,443	2	281,445	-	281,445
FUND BALANCE, End of year	\$ -	\$ -	\$ 310,521	\$ 310,521	\$ -	\$ 310,521

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

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FUND FINANCIAL STATEMENTS

PROPRIETARY FUND

INTERNAL SERVICE FUND - Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Insurance Reserve Fund - Accounts for the majority of the District's insurance functions, including employee benefit plans and property and liability insurance. The fund is financed primarily by interfund charges and interest earnings.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2008, WITH COMPARATIVE DATA

	Governmental Activities- Internal Service Fund- Insurance Reserve Fund	
	2008	2007
ASSETS		
Current assets:		
Equity in pooled cash and investments	\$ 11,763,855	\$ 12,161,822
Accounts and other receivables	1,135,908	1,086,768
<i>Total Assets</i>	<u>12,899,763</u>	<u>13,248,590</u>
LIABILITIES		
Current liabilities:		
Accrued payroll and related charges	2,597,060	2,202,382
Unearned revenue	1,334,936	1,038,727
<i>Total Liabilities</i>	<u>3,931,996</u>	<u>3,241,109</u>
NET ASSETS		
Unrestricted	8,967,767	10,007,481
<i>Total Net Assets</i>	<u>\$ 8,967,767</u>	<u>\$ 10,007,481</u>

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

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2008, WITH COMPARATIVE DATA

	Governmental Activities- Internal Service Fund- Insurance Reserve Fund	
	2008	2007
OPERATING REVENUES		
Interfund charges for services	\$ 26,846,527	\$ 24,901,951
Other reimbursements	77,349	66,375
<i>Total Operating Revenues</i>	26,923,876	24,968,326
OPERATING EXPENSES	27,556,425	23,855,518
OPERATING INCOME (LOSS)	(632,549)	1,112,808
NONOPERATING REVENUES		
Interest income	313,132	367,651
INCOME (LOSS) BEFORE TRANSFERS	(319,417)	1,480,459
TRANSFERS		
Transfers in	599,054	568,839
Transfers out	(1,319,351)	(845,825)
<i>Total Transfers</i>	(720,297)	(276,986)
CHANGE IN NET ASSETS	(1,039,714)	1,203,473
TOTAL NET ASSETS, Beginning of year	10,007,481	8,804,008
TOTAL NET ASSETS, End of year	\$ 8,967,767	\$ 10,007,481

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

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2008, WITH COMPARATIVE DATA

	Governmental Activities- Internal Service Fund- Insurance Reserve Fund	
	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 77,349	\$ 38,375
Receipts from interfund services provided	27,093,596	26,019,873
Payments to suppliers	(26,580,816)	(23,224,609)
Payments to employees	(580,931)	(596,253)
<i>Net Cash Provided by Operating Activities</i>	9,198	2,237,386
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in from other funds	599,054	568,839
Transfers out to other funds	(1,319,351)	(845,825)
<i>Net Cash Used by Noncapital Financing Activities</i>	(720,297)	(276,986)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	313,132	367,651
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(397,967)	2,328,051
CASH AND CASH EQUIVALENTS, Beginning of year	12,161,822	9,833,771
CASH AND CASH EQUIVALENTS, End of year	\$ 11,763,855	\$ 12,161,822
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ (632,549)	\$ 1,112,808
Adjustments to reconcile operating income to net cash provided by operating activities:		
Decrease (increase) in accounts and other receivables	(49,140)	1,038,262
Increase (decrease) in accrued payroll and related charges	394,678	(5,344)
Increase in unearned revenue	296,209	91,660
Total adjustments	641,747	1,124,578
Net cash provided by operating activities	\$ 9,198	\$ 2,237,386

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

NOTES TO THE FINANCIAL STATEMENTS

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LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Lane County School District No. 4J (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting financial reporting principles. The District's significant accounting policies are described below.

A. Reporting Entity

Lane County School District No. 4J is a municipal corporation governed by an elected seven-member Board of Directors. Administrative officials are approved by the Board. The daily functioning of the District is under the supervision of the Superintendent-Clerk. As required by the generally accepted accounting principles, all activities of the District have been included in these financial statements.

The accompanying financial statements present the District and its component units, charter schools for which the primary government is not financially accountable, but for which the nature and significance of their financial relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The component units are presented in total as a separate column in the government-wide financial statements to emphasize that they are legally separate organizations from the District. These discretely presented component units are: Ridgeline Montessori Public Charter School, The Village School and Network Charter School. Condensed financial information for each of these component units is presented as supplemental information. Complete financial statements for each of the individual component units may be obtained from its administrative office.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the District and its component units. For the most part, eliminations have been made from the government-wide financial statements to minimize the double-counting of internal activities. For example, indirect expense allocations charged to individual funds have been eliminated in the statement of activities. Interfund services provided and used are not eliminated in the process of consolidation. For reasons noted above, the District is reported separately from its legally separate component units on the government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Depreciation expense for capital assets that can specifically be identified with a function are included in its direct expenses. Depreciation expense for "shared" capital assets (for example, a school building is used primarily for instruction, school administration, operation and maintenance of facilities, and school lunch services) are ratably included in the direct expenses of the appropriate functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include 1) charges for goods and services provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds and the proprietary fund. Major individual governmental funds are reported as separate columns in the fund financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The *government-wide financial statements* are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and *available*. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, as well as expenditures related to early retirement, arbitrage rebates and postemployment healthcare benefits are recorded only when payment is due.

Property taxes, interest revenue and charges for services associated with the current fiscal period are all considered to be susceptible to accrual.

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District except for those required to be accounted for in another funds.

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt and pension debt of governmental funds.

The *Capital Projects Fund* accounts for resources accumulated and payments made for the acquisition and improvement of sites, construction and remodel of facilities.

The *Federal, State and Local Programs Fund* accounts for resources acquired and payments made for federal, state and local grants.

Additionally, the District reports the following fund type:

An *Internal Service Fund* (Proprietary Fund) accounts for the insurance services provided to the other funds of the District.

The District reports deferred revenue on the balance sheets of the governmental funds. Deferred revenues arise when revenue does not meet both the measurable and available criteria for recognition in the current period. Deferred revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. The District reports unearned revenue on the balance sheets of the governmental funds in connection with resources that have been received but not yet earned. In subsequent periods, when both recognition criteria are met or when the District has a legal claim to the resources, the liability for deferred or unearned revenue is removed from the balance sheet and revenue is recognized.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service fund are charges to other funds for insurance. Operating expenses for the internal service fund include insurance premiums, salaries and benefits, supplies, materials and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

D. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reporting amounts of certain assets, liabilities, revenues and expenses as of, and for the year ended, June 30, 2008. Actual results may differ from such estimates.

E. Assets, liabilities and net assets or equity

1. Cash and Investments

Oregon Revised Statutes and District policy authorize school districts to invest in obligations of the U.S. Treasury, agencies and instrumentalities of the United States, commercial paper, banker's acceptances guaranteed by a qualified financial institution, repurchase agreements, interest-bearing bonds of any city, county, port, or school district in Oregon (subject to specific standards), and the state local government investment pool, among others.

Investments are carried at amortized cost, which approximates fair value. During the year, the District's investments have included obligations of the U.S. Treasury, its agencies and instrumentalities, deposits in financial institutions, and the State Treasurer's investment pool, all of which are authorized by Oregon law. For purposes of the statement of cash flows, the balance of equity in pooled cash and investments is considered to be cash or a cash equivalent (investments purchased with an original maturity of three months or less).

The District is required by Oregon law to insure its deposits with financial institutions through federal depository insurance funds coverage or participation in institution collateral pools that insure public deposits.

The State Treasurer of the State of Oregon maintains the Oregon Short-term Fund, of which the Local Government Investment Pool (LGIP) is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. The Oregon Short-term Fund is the LGIP for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of Federal arbitrage regulations. The investments are regulated by the Oregon Short-term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). At June 30, 2008, the fair value of the position in the Oregon State Treasurer's Short-term

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment Pool was equal to 99.97% of the value of the pool shares. The investment in the Oregon Short-term Fund is not subject to risk evaluation. Separate financial statements for the Oregon Short-term Fund are available from the Oregon State Treasurer.

2. Interfund Receivables and Payables and Transfers

The receipt and payment of monies through one central checking account, as well as transfers between funds, result in interfund payables and receivables until cash is transferred from one fund to the other. These amounts represent current assets and liabilities and are reported as due to or due from other funds.

3. Property Taxes Receivable

Ad valorem property taxes are levied on all taxable property as of July 1. Property taxes become a lien on July 1 for personal and real property. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Uncollected property taxes are shown in the balance sheet of the governmental funds. Property taxes collected within approximately 60 days of fiscal year end are recognized as revenue, while the remaining amount of taxes receivable are recorded as deferred revenue because they are not deemed available to finance operations of the current period.

4. Inventories

School operating supplies, gasoline and diesel, food, cafeteria supplies and grocery scrip are stated at average cost. Commodities received from the United States Department of Agriculture (USDA) are stated at values assigned by the USDA. Inventory items are charged as expenditures at the time of withdrawal from inventory (consumption method). Accordingly, inventories are considered a resource available for expenditure and included in the fund balance of the applicable funds.

5. Pension Assets

The District also reports a PERS asset which represents the District's unamortized balance of the prepaid unfunded actuarial liability at June 30, 2008. The pension asset is equal to payments made from the issuance of pension bonds less accumulated amortization calculated on the straight-line method over the life of the pension obligation bonds.

6. Capital Assets

Capital assets, which include grounds and improvements, buildings, construction in progress, equipment and vehicles are reported in the government-wide financial statements. The District defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets that are purchased or constructed are recorded at historical cost where historical records are available or estimated historical cost where no historical records exist. Donated capital assets are recorded at estimated fair market value at the date of donation.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Maintenance and equipment replacements of a routine nature and repairs that do not add to the value of the asset or materially extend assets lives are charged to expenditures as incurred and not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

Improvements, buildings, equipment and vehicles of the District are depreciated using the straight-line method over the following estimated lives:

Assets	Years
Buildings	60
Portable buildings, building improvements	20
Site improvements	15
Trucks, trailers, miscellaneous vehicles	15
Custodial, grounds equipment	15
School buses, passenger cars, vans and pickups	10
Miscellaneous equipment	10
Computer equipment	5

At the inception of a lease, an expenditure and an other financing source are recognized at the net present value of future minimum lease payments in the governmental fund from which lease payments will be made. Subsequent lease payments are recorded as expenditures in the appropriate governmental fund on the due date.

7. Long-term Obligations

In the government-wide financial statements and proprietary fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Repayments of capital lease obligations are recorded in the Capital Equipment Fund. Payments of early retirement benefit obligations are recorded in the District Retirement Fund.

8. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Comparative Data

Comparative data for the prior year have been presented only for certain sections of the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations.

10. Grant Revenue

Unreimbursed grant expenditures due from grantor agencies are reflected in the governmental fund financial statements as receivables and revenues. Cash received from grantor agencies in excess of related grant expenditures is recorded as deferred revenue in the balance sheet. USDA commodity inventory is recorded at cost when received and the assigned value is recognized as revenue and expenditures when used.

11. Early Termination Benefits

The Board of Directors, through contract negotiations, previously authorized the District to offer early termination benefits as an incentive for employees to retire early. Early termination benefits are offered to all non-temporary employees. To be eligible, retirees must have ten years consecutive employment with the District and meet certain PERS requirements. Licensed and administrative employees must also be hired prior to the plan phase out date of July 1, 1998 or July 1 1996, respectively. Qualifying employees are eligible to receive up to \$450 per month until age 62 and continuation of District provided group health care insurance coverage until age 65. The District provides payments in accordance with current employee contracts primarily on a pay-as-you-go basis. Additional funds were transferred to the District Retirement Fund to allow smoothing of General Fund retirement expenditures. At June 30, 2008, the District was providing early termination benefits to 235 employees. During the year ended June 30, 2008, governmental fund expenditures related to termination benefits totaled \$1,261,014.

Expenditures are recorded in the governmental funds as the termination benefits are paid. The present value of future termination benefits is recorded in the Statement of Net Assets.

12. Post Employment Benefits other than Pensions

The District administers a single-employer defined benefit healthcare plan per the requirements of collective bargaining agreements. The plan provides postretirement healthcare insurance for eligible retirees and their spouses through the District's group health insurance plans, which cover both active and retired participants. Benefit provisions are established through negotiations between the District and representatives of collective bargaining units. The District's post employment medical plan does not issue a publically available financial report. The District implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions for fiscal year ending June 30, 2008.

The District has not established a trust fund to supplement the costs of the net OPEB obligation. The District pays 56% of the monthly premium contribution made for active members under the age of 65 for the largest group receiving benefits. The District's regular health care benefit providers underwrite the retirees' policies. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. The required contribution is based on projected pay-as-you-go financing requirements. At June 30, 2008, there were 513 retirees that were receiving the post employment healthcare benefit. For the fiscal year 2008, the District contributed \$2,597,934 to the plan or

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

approximately 44% of total premiums. Plan members receiving benefits contributed \$3,365,410 or approximately 56% of the total premiums during the fiscal year 2008.

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the guidance of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs 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, 2008, the amount actually contributed to the plan, and changes in the Net OPEB obligations:

Annual required contribution (ARC)	\$ 4,584,512
Interest on Net OPEB obligation	0
Adjustment to annual required contribution	0
Annual OPEB cost (expense)	<u>4,584,512</u>
Contributions made	<u>(2,597,934)</u>
Increase in net OPEB obligation	1,986,578
Net OPEB obligation - beginning of year	<u>0</u>
Net OPEB obligation - end of year	<u>\$ 1,986,578</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 was:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2008	\$ 4,584,512	57%	\$ 1,986,578

As of July 1, 2007, the actuarial accrued liability for benefits was \$35,828,398, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$35,828,398. The covered payroll (annual payroll of active employees covered by the plan) was \$86,565,126 for fiscal year 2008 and the ratio of the UAAL to the covered payroll was 41%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimate are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are made on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of the valuation and historical patterns of sharing of benefit and cost between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the most recently conducted, actuarial valuation (as of July 1, 2007), the projected unit credit cost method was used. This method attempts to track the actual economic pattern of benefit accrual over an employee's working lifetime. The discount rate is selected based on the expected long-term annual investment returns for Oregon's Local Government Investment Pool and comparable investment vehicles. A discount rate of 4.5% was used in the most recent actuarial valuation for the closed period. The report states health care costs rates are trending down from 8.0% in 2008 to 5.0% in 2036 for the major medical component, which is representative of the overall plan. The District's unfunded actuarial accrued liability is being amortized using the level-dollar method over 15 years.

13. Compensated Absences

Compensated absences for vacation pay are reported in the governmental fund types only if they have matured. Accumulated sick pay does not vest and is, therefore, recorded when leave is taken.

14. Risk Management

The District self-insures for fleet physical damage, and fleet liability is insured after the District pays a \$25,000 deductible per occurrence. Both general commercial liability and property damage are insured after the District pays a \$150,000 deductible per occurrence.

The District self-insures for unemployment.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgeting and Appropriations

A budget is prepared annually for the governmental and proprietary funds in accordance with legal requirements set forth under Oregon Local Budget Law. All funds are budgeted on the modified accrual basis of accounting.

Expenditures are controlled by appropriations adopted by resolution of the Board of Directors. The legal level of appropriations is at the major program category level (Instruction, Supporting Services, Community Services, Facilities Acquisition and Construction, Debt Service and Operating Contingency) and lapses at the end of each fiscal year. The Board of Directors can, by resolution, transfer appropriations between existing appropriation categories and increase appropriations to allow expenditure of unexpected revenues during the year. Management can transfer appropriations within a major program category. During the year ended June 30, 2008, additional appropriations totaling \$3,999,722 were made to allow expenditure of unexpected revenues. Final budget amounts include the original budget and approved increases and transfers.

B. Budgetary Basis Accounting

The District accounts for certain transactions on a budgetary basis which differs from GAAP basis. A description of the principal differences between the budgetary basis and GAAP in recording and reporting transactions follows:

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2008

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

	<u>Budgetary Basis</u>	<u>GAAP Basis</u>
USDA Commodity Inventory	USDA commodity inventory is recorded at cost when received and the assigned value is recognized as revenue and expenditures when used.	Revenue is recognized for the difference in cost and assigned value when commodities are received.
Properties acquired by long-term financing such as from capital leases or installment contracts	Only the current year's payment is recorded as a capital outlay expenditure of the fund in which payments are budgeted.	The net present value of the total stream of payments is recorded in the fund from which payments will be made as an expenditure in the year of acquisition with a corresponding offset to other financing sources. Subsequent payments on the obligations are recorded as debt service expenditures.
Classification of expenditures by character	The character of expenditures (current expenditures, capital outlay, debt service) is reported at the object level. Budgets and appropriations are made for each major function.	Expenditures are classified and reported by character (current expenditures, capital outlay and debt service) within the financial statements.
Insurance recoveries	Insurance proceeds are recorded as other revenue from local sources.	Insurance proceeds are recorded as other financing sources.

III. DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

The District maintains a cash and investment pool that is available for use by all funds, except the Student Body Fund. Each fund's portion of this pool is displayed on the governmental balance sheet as "equity in pooled cash and investments." The deposits and investments of the Student Body Fund are held separately from those of other District funds and are displayed as "cash and investments." Cash and investments are comprised of the following at June 30, 2008:

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2008

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND INVESTMENTS (continued)

	Carrying Amount
Deposits	\$ 46,661,495
Investments	49,074,669
	<u>\$ 95,736,164</u>
Equity in Pooled Cash and Investments-Governmental Funds, Balance Sheet	\$ 57,915,008
Cash and Investments-Governmental Funds, Balance Sheet	26,057,301
Equity in Pooled Cash and Investments-Internal Service Fund, Statement of Net Assets	11,763,855
	<u>\$ 95,736,164</u>

	Carrying Amount	Bank Balance
Deposits		
Pooled demand deposits	\$ 42,966,573	\$ 43,330,684
Capital projects fund demand deposits	1,433	1,436
Special revenue funds demand and savings deposits	3,525,130	3,440,299
Debt service	168,359	163,163
Total Deposits	<u>\$ 46,661,495</u>	<u>\$ 46,935,582</u>

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to the District. Protection of District deposits is provided by the Federal Deposit Insurance Corporation and collateralization as required by Oregon Revised Statutes. At year-end, the District's net carrying amount of deposits was \$46,661,495 and the bank balance was \$46,935,582. Of these deposits, \$649,782 was covered by federal depository insurance, \$46,285,800 was covered by collateral held in the pledging bank's trust department in the District's name, and there were no amounts uninsured or uncollateralized. Oregon Revised Statutes require depository institutions to maintain on deposit, with a collateral pool manager, securities having a value not less than 25% of the outstanding certificates of participation issued by the pool manager.

Investments

As of June 30, 2008, the District held the following investments and maturities:

	Carrying Amount	Weighted Average Maturity in Years	% of Investment Portfolio
Local Government			
Investment Pool	\$ 49,074,669	0.003	100.00%
U.S. Agency Securities	-	0.000	0.00%
	<u>\$ 49,074,669</u>	<u>0.003</u>	<u>100.00%</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2008

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND INVESTMENTS (continued)

With the exception of pass-through funds, the maximum amount of pool investments to be placed in the Local Government Investment Pool is limited by Oregon Statute, which increases semi-annually proportionately to the Portland Consumer Price Index. The limit was \$42,220,131 at June 30, 2008. The limit can be temporarily exceeded for ten business days and does not apply to either pass-through funds or to funds invested on behalf of another governmental unit.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District minimizes custodial credit risk by limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the District will do business. All of the investments, except for the investment in the Local Government Investment Pool which is not evidenced by securities, are held in safekeeping by the financial institution counterparty in the financial institution's general customer account name. As of June 30, 2008 the District had not finalized a policy addressing custodial credit risk.

Credit Risk

State of Oregon statutes restrict the types of investments in which the District may invest. Authorized investments include obligations of the United States Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, time certificates of deposit, certain commercial paper, and the State of Oregon Treasurer's Local Government Investment Pool. While the District was in compliance with the aforementioned State of Oregon statutes a formal policy addressing credit risk had not been finalized as of June 30, 2008.

At June 30, 2008 the District's investments were rated as follows:

<u>Investment Type</u>	<u>Rating by Moody's Investors Service</u>		<u>Total</u>
	<u>Aaa</u>	<u>Not Rated</u>	
Local Government Investment Pool	\$ -	\$ 49,074,669	\$ 49,074,669
U.S. Government Agency Securities	-	-	-
Total	<u>\$ -</u>	<u>\$ 49,074,669</u>	<u>\$ 49,074,669</u>

Interest Rate Risk

The District minimizes interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet the cash requirement for ongoing operations, thereby avoiding the need to sell securities in the open market, and investing operating funds primarily in shorter-term securities, liquid asset funds, money market funds, or similar investment pools and limiting the average maturity in accordance with the District's cash requirements. As of June 30, 2008 the District had not finalized a policy addressing interest rate risk.

Concentration of Credit Risk

The District minimizes concentration of credit risk, which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2008

III. DETAILED NOTES ON ALL FUNDS (Continued)

losses from any one type of security or issuer will be minimized. As of June 30, 2008 the District had not finalized a policy addressing concentration of credit risk. Total District investments with a single institution are limited to 1% of that institution's total assets and specific investment types shall not exceed the percentages of the total investment portfolio as indicated below:

<u>Investment Type</u>	<u>Maximum % of Portfolio</u>	<u>% of Portfolio</u>
U.S. Treasury Bills, Notes, Bonds	100%	0%
Federal Agency Bonds and Discount Notes	75%	0%
State of Oregon Local Government Investment Pool	100%	100%
Repurchase Agreements		
5 day maximum	25%	0%
30 day maximum	25%	0%
Bank Liabilities, including Banker's Acceptances and Certificates of Deposit	25%	0%
Commercial Paper	35%	0%

Foreign Currency Risk

The District is not authorized to purchase investments which have this type of risk.

B. ACCOUNTS AND OTHER RECEIVABLES

Accounts and other receivables consist primarily of claims for reimbursement of costs under various federal and state grant programs and interest on investments.

C. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of due to/due from balances as of June 30, 2008 is as follows:

	<u>Due from</u>				<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects</u>	<u>Federal, State and Local State</u>	<u>All Others</u>	
Due to					
General	\$ -	\$ 1,126,577	\$ 952,485	\$ 604,312	\$ 2,683,374
Debt Service	374,354	-	-	-	374,354
Total	<u>\$ 374,354</u>	<u>\$ 1,126,577</u>	<u>\$ 952,485</u>	<u>\$ 604,312</u>	<u>\$ 3,057,728</u>

Interfund receivables and payables arise during normal processing of receipts and disbursements for all funds through a single checking account and do not represent interfund loans.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2008

III. DETAILED NOTES ON ALL FUNDS (Continued)

C. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

The interfund transfers during the year ended June 30, 2008 are as follows:

	<i>Transfer in</i>				<i>Total</i>
	<i>Governmental Funds</i>				
	<i>General Fund</i>	<i>Capital Projects</i>	<i>All Others</i>	<i>Insurance Reserve</i>	
<i>Transfer out</i>					
General Fund	\$ -	\$ 520,000	\$ 4,179,460	\$ 599,054	\$ 5,298,514
Insurance reserve fund	1,319,351	-	-	-	1,319,351
Total	\$ 1,319,351	\$ 520,000	\$ 4,179,460	\$ 599,054	\$ 6,617,865

Transfers from the General Fund are for Fleet and Equipment Fund purchases of equipment and textbooks, and risk management operations. Transfers from the Insurance Reserve Fund are from employee group insurance reserve for on-going compensation increases for licensed and classified staff.

D. INVENTORIES

Inventory balances at June 30, 2008 are as follows:

General Fund	
Instructional supplies and materials	\$ 83,198
Gasoline and diesel	92,407
<i>Total General Fund</i>	<u>175,605</u>
Other Governmental Funds	
Nutrition Services	
Food items	95,483
Value of commodities on hand from the U.S. Department of Agriculture	212,971
Student Body - Grocery scrip	8,375
<i>Total Other Governmental Funds</i>	<u>316,829</u>
<i>Total Inventories</i>	<u>\$ 492,434</u>

E. CAPITAL ASSETS

At June 30, 1985, all District-owned assets were inventoried by the District and were restated at estimated historical cost (the assets restated were primarily real estate and equipment purchased prior to April 30, 1958). Assets purchased after June 30, 1985 are recorded at cost. The District's capitalization level is \$5,000.

Included in capital assets are assets leased under capital lease agreements. The principal amount outstanding on these lease agreements as of June 30, 2008 is \$2,582,834.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2008

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. CAPITAL ASSETS (Continued)

Capital asset activity for the year ended June 30, 2008 was as follows:

	<i>Balance June 30, 2007</i>	<i>Increases</i>	<i>Decreases</i>	<i>Balance June 30, 2008</i>
Capital assets not being depreciated:				
Land	\$ 1,621,220	\$ -	\$ -	\$ 1,621,220
Construction in progress	3,094,518	4,411,080	(769,677)	6,735,921
<i>Total capital assets not being depreciated</i>	<u>4,715,738</u>	<u>4,411,080</u>	<u>(769,677)</u>	<u>8,357,141</u>
Capital assets being depreciated:				
Athletic field improvements	8,091,082	183,104	-	8,274,186
Buildings and improvements	231,608,317	5,962,286	-	237,570,603
Equipment	6,574,013	235,860	(25,566)	6,784,307
Vehicles	8,760,841	304,560	(153,349)	8,912,052
<i>Total capital assets being depreciated</i>	<u>255,034,253</u>	<u>6,685,810</u>	<u>(178,915)</u>	<u>261,541,148</u>
Accumulated depreciation for:				
Athletic field improvements	(3,935,213)	(539,404)	-	(4,474,617)
Buildings and improvements	(98,253,552)	(7,787,246)	-	(106,040,798)
Equipment	(3,884,026)	(565,572)	13,517	(4,436,081)
Vehicles	(4,715,948)	(717,822)	153,349	(5,280,421)
<i>Total accumulated depreciation</i>	<u>(110,788,739)</u>	<u>(9,610,044)</u>	<u>166,866</u>	<u>(120,231,917)</u>
<i>Total capital assets being depreciated, net</i>	<u>144,245,514</u>	<u>(2,924,234)</u>	<u>(12,049)</u>	<u>141,309,231</u>
<i>Governmental activities capital assets, net</i>	<u>\$ 148,961,252</u>	<u>\$ 1,486,846</u>	<u>\$ (781,726)</u>	<u>\$ 149,666,372</u>

This schedule presents only the capital asset balances related to governmental funds. Capital assets purchased by the internal service fund are included as governmental activities in the statement of net assets in the fund which received the asset by transfer.

The following is a schedule of 2007-08 asset additions by type and source:

	<i>Capital Projects</i>	<i>Federal, State and Local Programs</i>	<i>Capital Equipment</i>	<i>Internal Service</i>	<i>Total</i>
Construction in progress	\$ 4,411,080	\$ -	\$ -	\$ -	\$ 4,411,080
Athletic field improvements	183,104	-	-	-	183,104
Buildings and improvements	5,958,514	3,772	-	-	5,962,286
Equipment	72,812	13,290	132,890	16,868	235,860
Vehicles	-	-	304,560	-	304,560
<i>Total</i>	<u>\$ 10,625,510</u>	<u>\$ 17,062</u>	<u>\$ 437,450</u>	<u>\$ 16,868</u>	<u>\$ 11,096,890</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2008

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions of the governmental activities of the District as follows:

Direct classroom services	
Regular instruction	\$ 4,477,804
Special programs	1,039,620
Total direct classroom services	<u>5,517,424</u>
Classroom support services	
Extra-curricular activities	692,177
Student support	497,343
Libraries, curriculum and staff development	236,522
School administration	785,817
Community services	35,487
Total classroom support services	<u>2,247,346</u>
Building support services	
Facilities operation and maintenance	413,335
Student transportation	659,784
Computing and information services	212,554
Warehouse and purchasing	44,446
Total building support services	<u>1,330,119</u>
Central support services	
Executive administration	22,868
Financial services	73,890
Human resources/employee insurance benefits	67,019
Communications and intergovernmental relations	14,211
Total central support services	<u>177,988</u>
Nutrition services	<u>337,167</u>
Total depreciation expense, governmental activities	<u>\$ 9,610,044</u>

Construction Commitments

The District has active construction projects as of June 30, 2008. As of the end of the fiscal year, the District's commitments with contractors include costs to date of \$5,819,725 and expected costs to complete of \$2,628,098.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2008

III. DETAILED NOTES ON ALL FUNDS (Continued)

F. CAPITAL LEASES

The District has entered into lease agreements as lessee for financing the acquisition of buses for student transportation and computer equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The leased buses total \$3,269,480, with accumulated depreciation of \$1,055,723 and a net book value of \$2,213,757 as of June 30, 2008. The leased computers, totaling \$1,732,282, are individually below the District's capitalization level and therefore are expensed rather than depreciated.

Obligations of the District's governmental activities under capital leases at June 30, 2008, were as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 459,330	\$ 115,879	\$ 575,209
2010	446,848	91,789	538,637
2011	428,954	73,623	502,577
2012	294,946	49,394	344,340
2013	306,823	37,517	344,340
2014	154,029	25,158	179,187
2015	159,920	19,267	179,187
2016	166,039	13,148	179,187
2017	116,258	6,791	123,049
2018	49,687	2,069	51,756
Total lease payments	<u>\$ 2,582,834</u>	<u>\$ 434,635</u>	<u>\$ 3,017,469</u>

G. DEFERRED AND UNEARNED REVENUE

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Deferred Revenue</u>	<u>Unearned Revenue</u>
Delinquent property taxes receivable, general fund	\$ 3,322,451	\$ -
Delinquent property taxes receivable, debt service fund	670,794	-
Unearned proceeds on sale of property, capital projects fund	-	1,507,204
Grant drawdowns prior to meeting all eligibility requirements	-	1,981,083
Other unearned revenue, general fund	-	73,064
Total deferred/unearned revenue for governmental funds	<u>\$ 3,993,245</u>	<u>\$ 3,561,351</u>

The Statement of Net Assets reports unearned revenue of \$4,896,287 reported in the governmental funds, and \$1,334,936 reported in the proprietary fund.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2008

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. LONG-TERM DEBT

The following is a summary of long-term debt transactions of governmental activities during the year ended June 30, 2008:

	Principal Issued	Balance June 30, 2007	Additions	Reductions	Balance June 30, 2008	Amounts Due in One Year
General obligation bonds:						
2005 Series	\$ 46,000,000	\$ 46,000,000	\$ -	\$ (550,000)	\$ 45,450,000	\$ 740,000
2003 Series Refunding	17,630,000	15,425,000	-	(1,730,000)	13,695,000	1,785,000
2002 Series	70,000,000	60,760,000	-	(2,800,000)	57,960,000	2,975,000
2002 Series Refunding	21,035,000	16,280,000	-	-	16,280,000	2,425,000
2000 Series	3,500,000	470,000	-	(150,000)	320,000	155,000
1999 Series	8,700,000	6,540,000	-	(415,000)	6,125,000	435,000
1993 Series A	39,617,837	1,163,929	-	(1,163,929)	-	-
Total G.O. bonds	206,482,837	146,638,929	-	(6,808,929)	139,830,000	8,515,000
2004 Pension bonds	53,435,000	53,435,000	-	(200,000)	53,235,000	340,000
Total bonds	259,917,837	200,073,929	-	(7,008,929)	193,065,000	8,855,000
Issuance premiums:						
2005 Series	-	863,451	-	(70,169)	793,282	-
2003 Series Refunding	-	73,334	-	(14,892)	58,442	-
2002 Series	-	1,966,383	-	(218,244)	1,748,139	-
2002 Series Refunding	-	450,607	-	(109,117)	341,490	-
Total issuance premiums	-	3,353,775	-	(412,422)	2,941,353	-
Total bonds payable	259,917,837	203,427,704	-	(7,421,351)	196,006,353	8,855,000
Early termination benefits	-	2,488,620 ⁽¹⁾	1,010,916	(1,261,014)	2,238,522	923,930
Net OPEB obligation	-	-	4,584,512	(2,597,934)	1,986,578	-
Capital lease obligations	3,950,996	2,484,059	779,635	(680,860)	2,582,834	459,331
Total	\$ 263,868,833	\$ 208,400,383	\$ 6,375,063	\$ (11,961,159)	\$ 202,814,287	\$ 10,238,261

(1) As restated

The general obligation bonds will be paid from general property tax revenues from the Debt Service Fund. The repayment of the pension bonds will be funded by a reduction in the Oregon Public Employees Retirement System rate charged to the District as a result of paying off a portion of the unfunded actuarial liability. The early termination benefits will be paid from general revenues from the District Retirement Fund. The capital lease obligations for computers and computer related equipment will be paid from the General Fund and Capital Equipment Fund. The capital lease obligations for transportation equipment will be paid from the state transportation grant from the Capital Equipment Fund.

General obligation bonds have been issue for capital projects. Pension bonds have been issued to reduce the percentage charged the district for OPERS. Capital leases have been issued to finance equipment.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2008

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. LONG-TERM DEBT (Continued)

General obligation bonds - 2005 Series, future payments due in annual installments of \$740,000 to \$5,400,000 plus interest, paid semi-annually at 4.0% to 5.0% through February 1, 2025.	\$ 45,450,000
General obligation bonds - 2003 Refunding Series, future payments due in annual installments of \$215,000 to \$2,365,000 plus interest, paid semi-annually at 3.0% to 4.5% through January 1, 2019.	13,695,000
General obligation bonds - 2002 Series, future payments due in annual installments of \$2,975,000 to \$5,150,000 plus interest, paid semi-annually at 3.7% to 5.0% through July 1, 2022.	57,960,000
General obligation bonds - 2002 Refunding Series, future payments due in annual installments of \$2,425,000 to \$2,930,000 plus interest, paid semi-annually at 5.0% to 5.25% through July 1, 2013.	16,280,000
General obligation bonds - 2000 Series, future payments due in annual installments of \$155,000 to \$165,000 plus interest, paid semi-annually at 5.05% to 5.15% through July 1, 2009.	320,000
General obligation bonds - 1999 Series, future payments due in annual installments of \$435,000 to \$705,000 plus interest, paid semi-annually 4.4% to 5.0% through July 1, 2018.	6,125,000
Pension obligation bonds - 2004 Series, future payments due in annual installments of \$340,000 to \$6,220,000 plus interest, paid semi-annually at 3.666% to 5.528% through June 30, 2028.	53,235,000
Issuance premiums - 2005 Series bond, amortized semi-annually through February 1, 2025.	793,282
Issuance premiums - 2003 Refunding bond, amortized semi-annually through January 1, 2019.	58,442
Issuance premiums - 2002 Series bond, amortized semi-annually through July 1, 2022.	1,748,139
Issuance premiums - 2002 Refunding bond, amortized semi-annually through July 1, 2013.	341,490
Early termination benefits for participants in the District's early retirement program, less \$182,589 representing imputed interest at 4.5%.	2,238,522
Net other post employment benefit (OPEB) obligation.	1,986,578
Capital lease obligations - total of minimum lease payments for all capital leases, through July 25, 2017.	2,582,834
<i>Total</i>	<u>\$ 202,814,287</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2008

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. LONG-TERM DEBT (Continued)

Total debt service expenditures (excluding early retirement benefits) for the year ended June 30, 2008 consist of the following:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Debt Service Fund			
General obligation serial bonds - 2005	\$ 550,000	\$ 2,076,588	\$ 2,626,588
General obligation refunding bonds - 2003	1,730,000	565,181	2,295,181
General obligation serial bonds - 2002	2,800,000	2,779,152	5,579,152
General obligation refunding bonds - 2002	-	805,975	805,975
General obligation serial bonds - 2000	150,000	20,075	170,075
General obligation serial bonds - 1999	415,000	299,845	714,845
General obligation serial bonds - 1993A	1,163,929	1,276,071	2,440,000
Subtotal	<u>6,808,929</u>	<u>7,822,887</u>	<u>14,631,816</u>
Pension obligation serial bonds - 2004	<u>200,000</u>	<u>2,857,151</u>	<u>3,057,151</u>
Total Debt Service Fund	7,008,929	10,680,038	17,688,967
General Fund			
Capital lease payments	315,140	7,457	322,597
Student Body Fund			
Capital lease payments	7,000	-	7,000
Capital Equipment Fund			
Capital lease payments	<u>358,720</u>	<u>80,472</u>	<u>439,192</u>
Total of All Funds	<u>\$ 7,689,789</u>	<u>\$ 10,767,967</u>	<u>\$ 18,457,756</u>

No interest costs were capitalized during the year.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2008

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. LONG-TERM DEBT (Continued)

Year Ending June 30	Bonds - 2005 Series		Bonds - 2004 Pension		Bonds - 2003 Refunding		Bonds - 2002 Series		Bonds - 2002 Refunding	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 740,000	\$ 2,049,087	\$ 340,000	\$ 2,850,651	\$ 1,785,000	\$ 513,281	\$ 2,975,000	\$ 2,659,934	\$ 2,425,000	\$ 742,319
2010	915,000	2,012,088	485,000	2,838,187	1,850,000	459,731	3,065,000	2,520,090	2,555,000	614,788
2011	1,085,000	1,966,337	645,000	2,818,171	2,095,000	394,981	3,160,000	2,364,465	2,680,000	494,587
2012	1,270,000	1,912,088	825,000	2,789,791	2,180,000	316,419	3,265,000	2,203,840	2,785,000	368,637
2013	1,470,000	1,848,587	1,015,000	2,751,940	2,265,000	234,669	3,375,000	2,037,840	2,930,000	225,762
2014	1,685,000	1,775,088	1,225,000	2,703,494	2,365,000	144,069	3,495,000	1,888,807	2,905,000	76,256
2015	1,920,000	1,690,837	1,450,000	2,644,780	215,000	49,469	3,620,000	1,733,650	-	-
2016	2,165,000	1,594,838	1,695,000	2,573,396	220,000	40,600	3,760,000	1,549,150	-	-
2017	2,435,000	1,508,237	1,960,000	2,488,256	230,000	31,525	3,910,000	1,357,400	-	-
2018	2,725,000	1,410,838	2,250,000	2,387,845	240,000	21,750	4,070,000	1,157,900	-	-
2019	3,030,000	1,295,025	2,565,000	2,270,328	250,000	11,250	4,240,000	964,990	-	-
2020	3,360,000	1,166,250	2,905,000	2,133,793	-	-	4,425,000	774,267	-	-
2021	3,715,000	1,019,250	3,275,000	1,977,707	-	-	4,620,000	570,755	-	-
2022	4,095,000	852,075	3,680,000	1,800,104	-	-	4,830,000	355,715	-	-
2023	4,505,000	667,800	4,110,000	1,598,698	-	-	5,150,000	122,312	-	-
2024	4,935,000	465,075	4,580,000	1,371,497	-	-	-	-	-	-
2025	5,400,000	243,000	5,085,000	1,118,314	-	-	-	-	-	-
2026	-	-	5,630,000	837,216	-	-	-	-	-	-
2027	-	-	6,220,000	525,989	-	-	-	-	-	-
2028	-	-	3,295,000	182,148	-	-	-	-	-	-
Total	\$ 45,450,000	\$ 23,476,500	\$ 53,235,000	\$ 40,662,305	\$ 13,695,000	\$ 2,217,744	\$ 57,960,000	\$ 22,261,115	\$ 16,280,000	\$ 2,522,349

Defeased General Obligation Bonds

In prior years, the District defeased general obligation bonds outstanding by placing the proceeds of new bonds in irrevocable trust to provide for all future debt service payments on the old obligations. Accordingly, the trust account assets and the liabilities for the defeased obligations are not included in the District's basic financial statements. At June 30, 2008, \$2,285,000 of general obligation bonds are considered defeased.

<i>Bonds - 2000 Series</i>		<i>Bonds - 1999 Series</i>		<i>Require- ments</i>	<i>Total</i>	
<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>		<i>Principal</i>	<i>Interest</i>
\$ 155,000	\$ 12,411	\$ 435,000	\$ 281,353	\$ 17,964,036	\$ 8,855,000	\$ 9,109,036
165,000	4,249	455,000	261,772	18,200,905	9,490,000	8,710,905
-	-	475,000	241,075	18,419,616	10,140,000	8,279,616
-	-	500,000	218,887	18,634,662	10,825,000	7,809,662
-	-	520,000	195,167	18,868,965	11,575,000	7,293,965
-	-	550,000	169,885	18,982,599	12,225,000	6,757,599
-	-	575,000	143,166	14,041,902	7,780,000	6,261,902
-	-	605,000	114,688	14,317,672	8,445,000	5,872,672
-	-	635,000	84,308	14,639,726	9,170,000	5,469,726
-	-	670,000	52,000	14,985,333	9,955,000	5,030,333
-	-	705,000	17,625	15,349,218	10,790,000	4,559,218
-	-	-	-	14,764,310	10,690,000	4,074,310
-	-	-	-	15,177,712	11,610,000	3,567,712
-	-	-	-	15,612,894	12,605,000	3,007,894
-	-	-	-	16,153,810	13,765,000	2,388,810
-	-	-	-	11,351,572	9,515,000	1,836,572
-	-	-	-	11,846,314	10,485,000	1,361,314
-	-	-	-	6,467,216	5,630,000	837,216
-	-	-	-	6,745,989	6,220,000	525,989
-	-	-	-	3,477,148	3,295,000	182,148
\$ 320,000	\$ 16,660	\$ 6,125,000	\$ 1,779,926	\$ 286,001,599	\$ 193,065,000	\$ 92,936,599

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2008

IV. OTHER INFORMATION

A. RETIREMENT PLAN

District employees participate in the Oregon Public Employees Retirement System (PERS), a cost sharing multiple-employer defined benefit pension plan. All the District employees are eligible to participate in the system after completing six months of service in a PERS qualifying position. Total payroll was \$94,221,102 and covered payroll was \$86,565,126 for the year ended June 30, 2008. PERS is administered by the Public Employees Retirement Board under the guidelines of Oregon Revised Statutes, Chapter 238. The PERS retirement allowance, payable monthly for life, may be selected from twelve retirement benefit options. Options include survivorship benefits and lump sum refunds. The basic benefit formula is 1.67 percent of a member's final average salary multiplied by the member's number of years of service. Benefits may also be calculated under either a money match or an annuity-plus-pension computation if a greater benefit results. PERS also provides death and disability benefits. A copy of the Oregon Public Employees Retirement System annual financial report may be obtained from PERS, P.O. Box 73, Portland, Oregon 97207-0073.

Covered employees are required by State statute to contribute 6.0 percent of their salary to the plan. Current law permits employers to pay employee contributions to the Retirement Fund. The District is required by statute to contribute actuarially computed amounts as determined by PERS. Rates are subject to change as a result of subsequent actuarial valuations. For the current year, the rate was 16.84% for each covered employee's salary if the employee was PERS eligible prior to August 29, 2003. This contribution rate was revised by the Retirement Board to reflect the issuance of pension bonds to finance a portion of the estimated unfunded actuarial liability. The rate is currently 12.34%. The rate for employees eligible on or after August 29, 2003 was 14.61%. The amount contributed by the District for the years ended June 30, 2008, 2007 and 2006, which included the District's required amount and the employee's was \$19,407,870, \$16,804,701 and \$16,253,505, which equaled the required contributions for the years.

B. RISK MANAGEMENT

The Insurance Reserve Fund, an internal service fund, reflects the expected liability for unemployment claims and long-term disability claims, as well as current accounts payable for medical and dental, workers' compensation and other insurance premiums.

The District fully insures for its unemployment claims. The liability includes estimates for incurred, but not reported (IBNR) claims. IBNR claims are those that are incurred through the end of the fiscal year, but not reported until after that date.

The District's long-term disability plan is a premium only plan and has covered all claims incurred after September 1996. There are no liabilities for claims, only the current accounts payable for the premiums.

The District's workers' compensation and medical insurance are premium only plans. There are no liabilities for claims, only the current accounts payable for the premiums.

The District self-insures for fleet physical damage, and fleet liability is insured after the district pays a \$25,000 deductible per occurrence. General commercial and fleet liability, as well as property damage, are insured after the District pays a \$150,000 deductible per occurrence.

There have been no reductions in insurance coverage from the prior year and no settlements exceeding insurance coverage for the past three years.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2008

IV. OTHER INFORMATION

B. RISK MANAGEMENT (Continued)

	<u>Unemployment</u>
<i>Liability, June 30, 2006</i>	\$ 163,426
Claims incurred	102,017
Claims paid	(63,665)
Reduction of accrual	<u>(45,670)</u>
<i>Liability, June 30, 2007</i>	156,108
Claims incurred	326,944
Claims paid	(72,441)
Reduction of accrual	<u>(236,399)</u>
<i>Liability, June 30, 2008</i>	<u>\$ 174,212</u>

Liabilities recorded in the insurance reserve fund at June 30, 2008 are as follows:

<i>Accrued Liabilities</i>	
Unemployment	\$ 174,212
<i>Insurance Premiums Payable</i>	
Medical/dental	2,090,987
Deferred medical	1,334,936
Other	<u>331,861</u>
<i>Total</i>	<u>\$ 3,931,996</u>

C. CONTINGENT LIABILITIES

The District is a defendant in various pending litigation and administrative proceedings. Management believes any losses arising from these actions will not materially affect the District's financial position.

Federal and state grants are subject to audit by the grantor agencies and any adjustments may become a liability of the appropriate fund. Management believes that adjustments, if any, will not materially affect the District's results of operations or financial position.

D. SUBSEQUENT EVENTS

On September 23, 2008, the District issued \$47,295,000 of General Obligation Refunding Bonds, Series 2008, to refinance a portion the District's outstanding General Obligation Bonds, Series 1999 and General Obligation Bonds, Series 2002. The interest rate on the bonds range from 3.0 to 5.0 percent and the maturity is July 1, 2017.

On November 4, 2008, the District voter's approved a renewal of the District's 5-year local option levy. The renewal levy's expiration date is June 30, 2015. The revenues from the local option levy accounts for approximately 10 percent of the District's operating revenue.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2008

IV. OTHER INFORMATION

On December 12, 2008, Oregon's Governor announced a reduction in funding to schools of 1.2% for the 2007-09 biennium. The District estimates its portion of the reduction to be \$2.1 million.

E. RESTATEMENT

The early retirement obligations included both the present value of incentive payments and estimated insurance payments. With the implementation of GASB 45, the present value of the estimated insurance payments have been replaced with the net OPEB obligation with a resulting decrease of \$7,503,856 in long term liabilities as of the beginning of the current fiscal year and an equal increase in Net Assets.

Net Assets, June 30, 2007	\$ 75,386,240
Reduction in long-term debt	<u>7,503,856</u>
Net Assets, June 30, 2007 (as restated)	<u><u>\$ 82,890,096</u></u>

REQUIRED SUPPLEMENTAL INFORMATION

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LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS
YEAR ENDED JUNE 30, 2008

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Unit Credit (b)	Unfunded (Funded) AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentate of Covered Payroll [(b - a) / c]
7/1/2007	\$ -	\$ 35,828,398	\$ 35,828,398	0%	\$ 83,873,661	43%

The above table presents the most recent actuarial valuation for the District's postretirement medical plans and provides that information that approximates the funding progress of the plan.

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COMBINING STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS - These funds account for revenue and expenditures of specific projects and the District's nutrition services program. Included are the following:

Nutrition Services Fund - Accounts for revenue and expenditures of the District's food programs. Principal revenue sources are cash sales of food and subsidies under the National School Lunch Act.

Student Body Fund - Accounts for fund raising and student fees designated for co-curricular activities and projects.

District Retirement Fund - Accounts for receipt and disbursement of early retirement funds.

Capital Equipment Fund - Accounts for funds reserved for use in replacement and purchase of equipment and minor remodeling.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008, WITH COMPARATIVE DATA

	Special Revenue				Total Nonmajor Governmental Funds	
	Nutrition Services	Student Body	District Retirement	Capital Equipment	2008	2007
ASSETS						
Equity in pooled cash and investments	\$ -	\$ -	\$ 6,730,884	\$ 9,597,908	\$ 16,328,792	\$ 17,173,694
Cash and investments	100	3,525,131	-	-	3,525,231	3,462,486
Receivables						
Accounts and other receivables	588,283	-	-	18	588,301	202,775
Inventories	308,454	8,375	-	-	316,829	427,242
Total Assets	\$ 896,837	\$ 3,533,506	\$ 6,730,884	\$ 9,597,926	\$ 20,759,153	\$ 21,266,197
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 66,876	\$ -	\$ -	\$ 420,175	\$ 487,051	\$ 702,335
Accrued payroll and related charges	3,425	-	-	-	3,425	691
Due to other funds	604,312	-	-	-	604,312	266,001
Total Liabilities	674,613	-	-	420,175	1,094,788	969,027
Fund balances						
Unreserved, designated for:						
Capital expenditures	-	-	-	9,177,751	9,177,751	9,747,766
Co-curricular activities	-	3,533,506	-	-	3,533,506	3,483,895
District retirement	-	-	6,730,884	-	6,730,884	6,775,053
Nutrition services	222,224	-	-	-	222,224	290,456
Total Fund Balances	222,224	3,533,506	6,730,884	9,177,751	19,664,365	20,297,170
Total Liabilities and Fund Balances	\$ 896,837	\$ 3,533,506	\$ 6,730,884	\$ 9,597,926	\$ 20,759,153	\$ 21,266,197

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008, WITH COMPARATIVE DATA

	Special Revenue				Total Nonmajor Governmental Funds	
	Nutrition Services	Student Body	District Retirement	Capital Equipment	2008	2007
REVENUES						
Local sources	\$ 2,151,844	\$ 5,093,005	\$ 3,384,779	\$ 77,430	\$ 10,707,058	\$ 11,932,257
State sources	52,244	-	-	434,949	487,193	531,009
Federal sources	2,677,139	-	-	-	2,677,139	2,605,106
Total Revenues	4,881,227	5,093,005	3,384,779	512,379	13,871,390	15,068,372
EXPENDITURES						
Current						
Instruction	-	5,064,394	-	2,601,117	7,665,511	7,153,682
Supporting services	49,523	-	3,858,948	1,035,420	4,943,891	4,840,086
Community services	5,199,597	-	-	-	5,199,597	4,790,719
Debt service						
Principal	-	7,000	-	358,720	365,720	499,200
Interest	-	-	-	80,472	80,472	73,094
Capital outlay	-	-	-	636,823	636,823	1,302,833
Total Expenditures	5,249,120	5,071,394	3,858,948	4,712,552	18,892,014	18,659,614
REVENUES OVER (UNDER) EXPENDITURES	(367,893)	21,611	(474,169)	(4,200,173)	(5,020,624)	(3,591,242)
OTHER FINANCING SOURCES						
Transfers in	299,661	-	430,000	3,449,799	4,179,460	4,360,064
Transfers out	-	-	-	-	-	(3,000,000)
Capital leases	-	28,000	-	180,359	208,359	1,129,832
Total Other Financing Sources	299,661	28,000	430,000	3,630,158	4,387,819	2,489,896
NET CHANGE IN FUND BALANCES	(68,232)	49,611	(44,169)	(570,015)	(632,805)	(1,101,346)
FUND BALANCES, Beginning of year	290,456	3,483,895	6,775,053	9,747,766	20,297,170	21,398,516
FUND BALANCES, End of year	\$ 222,224	\$ 3,533,506	\$ 6,730,884	\$ 9,177,751	\$ 19,664,365	\$ 20,297,170

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**SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES
AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL**

MAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUND - The Debt Service Fund is used to account for payment of principal and interest on general obligation and pension bonds.

CAPITAL PROJECTS FUND - This fund is used to account for the acquisition or construction of major capital improvements.

NONMAJOR SPECIAL REVENUE FUNDS

Nutrition Services Fund - Accounts for revenue and expenditures of the District's food programs. Principal revenue sources are cash sales of food and subsidies under the National School Lunch Act.

Student Body Fund - Accounts for fund raising and student fees earmarked for co-curricular activities and projects.

District Retirement Fund - Accounts for receipt and disbursement of early retirement funds.

Capital Equipment Fund - Accounts for funds reserved for use in replacement and purchase of equipment and minor remodeling.

PROPRIETARY FUND

INTERNAL SERVICE FUND - Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Insurance Reserve Fund - Accounts for the majority of the District's insurance functions, including employee benefit plans and property and liability insurance. The fund is financed primarily by interfund charges and interest earnings.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2008

	<i>Original and Final Budget</i>	<i>Variance with Final Budget</i>	<i>Budget Basis</i>	<i>Actual Adjustments</i>	<i>GAAP Basis</i>
REVENUES					
Local sources	\$ 17,607,412	\$ (248,511)	\$ 17,358,901	\$ -	\$ 17,358,901
EXPENDITURES					
Current					
Debt service	17,688,969	2	17,688,967	-	17,688,967
<i>Total Expenditures</i>	17,688,969	2	17,688,967	-	17,688,967
REVENUES OVER (UNDER) EXPENDITURES	(81,557)	(248,509)	(330,066)	-	(330,066)
NET CHANGE IN FUND BALANCE	(81,557)	(248,509)	(330,066)	-	(330,066)
FUND BALANCE, Beginning of year	9,651,528	256,284	9,907,812	-	9,907,812
FUND BALANCE, End of year	<u>\$ 9,569,971</u>	<u>\$ 7,775</u>	<u>\$ 9,577,746</u>	<u>\$ -</u>	<u>\$ 9,577,746</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2008

	Original and Final Budget	Variance with Final Budget	Actual	
			Budget Basis	GAAP Basis
REVENUES				
Local sources	\$ 1,492,498	\$ (664,187)	\$ 828,311	\$ 828,311
State sources	800,000	(800,000)	-	-
<i>Total Revenues</i>	2,292,498	(1,464,187)	828,311	828,311
EXPENDITURES				
Current				
Instruction	1,000	1,000	-	-
Supporting services	1,867,681	589,952	1,277,729	(1,277,729)
Community services	1,000	1,000	-	-
Facilities acquisition and construction	18,259,734	10,300,455	7,959,279	(7,959,279)
Capital outlay	-	-	-	9,237,008
<i>Total Expenditures</i>	20,129,415	10,892,407	9,237,008	9,237,008
REVENUES OVER (UNDER) EXPENDITURES	(17,836,917)	9,428,220	(8,408,697)	(8,408,697)
OTHER FINANCING SOURCES				
Transfers in	520,000	-	520,000	520,000
NET CHANGE IN FUND BALANCE	(17,316,917)	9,428,220	(7,888,697)	(7,888,697)
FUND BALANCE, Beginning of year	29,264,596	2,348,250	31,612,846	31,612,846
FUND BALANCE, End of year	<u>\$ 11,947,679</u>	<u>\$ 11,776,470</u>	<u>\$ 23,724,149</u>	<u>\$ 23,724,149</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NUTRITION SERVICES)
YEAR ENDED JUNE 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>	<u>Actual</u>		<u>GAAP Basis</u>
				<u>Budget Basis</u>	<u>Adjustments</u>	
REVENUES						
Local sources	\$ 2,223,532	\$ 2,223,532	\$ (71,688)	\$ 2,151,844	\$ -	\$ 2,151,844
State sources	49,182	49,182	3,062	52,244	-	52,244
Federal sources	2,569,413	2,569,413	175,958	2,745,371	(68,232)	2,677,139
<i>Total Revenues</i>	4,842,127	4,842,127	107,332	4,949,459	(68,232)	4,881,227
EXPENDITURES						
Current						
Supporting services	55,794	55,794	6,271	49,523	-	49,523
Community services	5,109,706	5,199,706	109	5,199,597	-	5,199,597
Operating contingency	-	13,885	13,885	-	-	-
<i>Total Expenditures</i>	5,165,500	5,269,385	20,265	5,249,120	-	5,249,120
REVENUES OVER (UNDER) EXPENDITURES	(323,373)	(427,258)	127,597	(299,661)	(68,232)	(367,893)
OTHER FINANCING SOURCES						
Transfers in	323,373	413,373	113,712	299,661	-	299,661
NET CHANGE IN FUND BALANCE	-	(13,885)	13,885	-	(68,232)	(68,232)
FUND BALANCE, Beginning of year	13,885	13,885	53,561	67,446	223,010	290,456
FUND BALANCE, End of year	\$ 13,885	\$ -	\$ 67,446	\$ 67,446	\$ 154,778	\$ 222,224

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (STUDENT BODY)
YEAR ENDED JUNE 30, 2008

	<u>Original and Final Budget</u>	<u>Variance with Final Budget</u>	<u>Budget Basis</u>	<u>Actual Adjustments</u>	<u>GAAP Basis</u>
REVENUES					
Local sources	\$ 5,663,251	\$ (570,246)	\$ 5,093,005	\$ -	\$ 5,093,005
EXPENDITURES					
Current					
Instruction	6,012,686	969,292	5,043,394	21,000	5,064,394
Debt service					
Principal	-	-	-	7,000	7,000
Operating contingency	500,000	500,000	-	-	-
<i>Total Expenditures</i>	<u>6,512,686</u>	<u>1,469,292</u>	<u>5,043,394</u>	<u>28,000</u>	<u>5,071,394</u>
REVENUES OVER (UNDER) EXPENDITURES	(849,435)	899,046	49,611	(28,000)	21,611
OTHER FINANCING SOURCES					
Capital leases	-	-	-	28,000	28,000
NET CHANGE IN FUND BALANCE	(849,435)	899,046	49,611	-	49,611
FUND BALANCE, Beginning of year	<u>3,500,000</u>	<u>(16,105)</u>	<u>3,483,895</u>	<u>-</u>	<u>3,483,895</u>
FUND BALANCE, End of year	<u>\$ 2,650,565</u>	<u>\$ 882,941</u>	<u>\$ 3,533,506</u>	<u>\$ -</u>	<u>\$ 3,533,506</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (DISTRICT RETIREMENT)
YEAR ENDED JUNE 30, 2008

	<u>Original and Final Budget</u>	<u>Variance with Final Budget</u>	<u>Budget Basis</u>	<u>Actual Adjustments</u>	<u>GAAP Basis</u>
REVENUES					
Local sources	\$ 3,954,638	\$ (569,859)	\$ 3,384,779	\$ -	\$ 3,384,779
EXPENDITURES					
Current					
Supporting services	3,954,638	95,690	3,858,948	-	3,858,948
Operating contingency	3,013,222	3,013,222	-	-	-
Total Expenditures	6,967,860	3,108,912	3,858,948	-	3,858,948
REVENUES OVER (UNDER) EXPENDITURES	(3,013,222)	2,539,053	(474,169)	-	(474,169)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	430,000	430,000	-	430,000
NET CHANGE IN FUND BALANCE	(3,013,222)	2,969,053	(44,169)	-	(44,169)
FUND BALANCE, Beginning of year	6,716,370	58,683	6,775,053	-	6,775,053
FUND BALANCE, End of year	<u>\$ 3,703,148</u>	<u>\$ 3,027,736</u>	<u>\$ 6,730,884</u>	<u>\$ -</u>	<u>\$ 6,730,884</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (CAPITAL EQUIPMENT)
YEAR ENDED JUNE 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>	<u>Actual</u>		<u>GAAP Basis</u>
				<u>Budget Basis</u>	<u>Adjustments</u>	
REVENUES						
Local sources	\$ 65,000	\$ 65,000	\$ 12,430	\$ 77,430	\$ -	\$ 77,430
State sources	441,455	441,455	(6,506)	434,949	-	434,949
<i>Total Revenues</i>	506,455	506,455	5,924	512,379	-	512,379
EXPENDITURES						
Current						
Instruction	2,076,482	3,426,482	742,845	2,683,637	(82,520)	2,601,117
Supporting services	4,719,777	3,719,777	2,200,376	1,519,401	(425,561)	1,093,840
Community services	1,000	1,000	1,000	-	-	-
Debt service						
Principal	255,380	255,380	-	255,380	103,340	358,720
Interest	73,775	73,775	-	73,775	6,697	80,472
Operating contingency	2,688,987	2,688,987	2,688,987	-	-	-
Capital outlay	-	-	-	-	578,403	578,403
<i>Total Expenditures</i>	9,815,401	10,165,401	5,633,208	4,532,193	180,359	4,712,552
REVENUES OVER (UNDER) EXPENDITURES	<u>(9,308,946)</u>	<u>(9,658,946)</u>	<u>5,639,132</u>	<u>(4,019,814)</u>	<u>(180,359)</u>	<u>(4,200,173)</u>
OTHER FINANCING SOURCES						
Transfers in	1,815,643	2,165,643	1,284,156	3,449,799	-	3,449,799
Capital leases	-	-	-	-	180,359	180,359
<i>Total Other Financing Sources</i>	1,815,643	2,165,643	1,284,156	3,449,799	180,359	3,630,158
NET CHANGE IN FUND BALANCE	<u>(7,493,303)</u>	<u>(7,493,303)</u>	<u>6,923,288</u>	<u>(570,015)</u>	<u>-</u>	<u>(570,015)</u>
FUND BALANCE, Beginning of year	<u>7,493,303</u>	<u>7,493,303</u>	<u>2,254,463</u>	<u>9,747,766</u>	<u>-</u>	<u>9,747,766</u>
FUND BALANCE, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,177,751</u>	<u>\$ 9,177,751</u>	<u>\$ -</u>	<u>\$ 9,177,751</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - INTERNAL SERVICE FUND - INSURANCE RESERVE FUND
YEAR ENDED JUNE 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>	<u>Actual</u>		
				<u>Budget Basis</u>	<u>Adjustments</u>	<u>GAAP Basis</u>
REVENUES						
Local sources	\$31,402,074	\$ 31,402,074	\$ (4,242,415)	\$ 27,159,659	\$ -	\$ 27,159,659
State sources	-	-	77,349	77,349	-	77,349
<i>Total Revenues</i>	<u>31,402,074</u>	<u>31,402,074</u>	<u>(4,165,066)</u>	<u>27,237,008</u>	<u>-</u>	<u>27,237,008</u>
EXPENSES						
Current						
Supporting services	31,561,969	30,261,969	3,124,998	27,136,971	(16,868)	27,120,103
Facilities acquisition and construction	142,000	483,000	63,546	419,454	(419,454)	-
Operating contingency	600,000	600,000	600,000	-	-	-
Capital outlay	-	-	-	-	436,322	436,322
<i>Total Expenses</i>	<u>32,303,969</u>	<u>31,344,969</u>	<u>3,788,544</u>	<u>27,556,425</u>	<u>-</u>	<u>27,556,425</u>
REVENUES OVER (UNDER) EXPENSES	(901,895)	57,105	(376,522)	(319,417)	-	(319,417)
OTHER FINANCING SOURCES (USES)						
Transfers in	568,000	618,000	(18,946)	599,054	-	599,054
Transfers out	(150,000)	(1,450,000)	130,649	(1,319,351)	-	(1,319,351)
<i>Total Other Financing Sources (Uses)</i>	<u>418,000</u>	<u>(832,000)</u>	<u>111,703</u>	<u>(720,297)</u>	<u>-</u>	<u>(720,297)</u>
NET CHANGE IN FUND BALANCE	(483,895)	(774,895)	(264,819)	(1,039,714)	-	(1,039,714)
FUND BALANCE, Beginning of year	<u>8,858,866</u>	<u>9,199,866</u>	<u>807,615</u>	<u>10,007,481</u>	<u>-</u>	<u>10,007,481</u>
FUND BALANCE, End of year	<u>\$ 8,374,971</u>	<u>\$ 8,424,971</u>	<u>\$ 542,796</u>	<u>\$ 8,967,767</u>	<u>\$ -</u>	<u>\$ 8,967,767</u>

***CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS***

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE¹
JUNE 30, 2008 AND 2007

	2008	2007
Governmental funds capital assets:		
Land	\$ 1,621,220	\$ 1,621,220
Construction in progress	6,735,921	3,094,518
Athletic field improvements	8,274,186	8,091,082
Buildings and improvements	237,570,603	231,608,317
Equipment	6,784,307	6,574,013
Vehicles	8,912,052	8,760,841
Total governmental funds capital assets	<u>\$ 269,898,289</u>	<u>\$ 259,749,991</u>
Investment in governmental funds capital assets by source:		
General fund	\$ 5,946,330	\$ 6,110,254
Capital projects fund		
Equipment	2,034,793	1,961,981
Construction in progress	6,735,921	3,094,518
Athletic field improvements	8,257,998	8,074,894
Building improvements since 1993	191,664,838	185,706,324
Federal, state and local funds		
Equipment	357,693	351,760
Athletic field improvements	16,188	16,188
Buildings and improvements	3,772	-
Vehicles	86,142	86,142
Capital equipment fund	7,094,800	6,664,984
Internal service fund	134,069	117,201
Nutrition services fund	23,531	23,531
Subtotal	<u>222,356,075</u>	<u>212,207,777</u>
Land, buildings and improvements prior to 1993 ²	<u>47,542,214</u>	<u>47,542,214</u>
Total governmental funds capital assets	<u>\$ 269,898,289</u>	<u>\$ 259,749,991</u>

¹This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Capital assets purchased by the internal service fund as presented above, were subsequently transferred for use in governmental activities. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

²Historical information for the source of these capital assets is not available.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY¹
JUNE 30, 2008

	Land	Athletic Field Improvements	Buildings and Improvements	Equipment	Vehicles	Construction in Progress	Total
Direct classroom services							
Regular instruction	\$ 750,548	\$ -	\$ 134,189,999	\$ 558,009	\$ -	\$ 6,735,921	\$ 142,234,477
Special programs	177,614	-	31,755,887	139,436	-	-	32,072,937
Total direct classroom services	928,162	-	165,945,886	697,445	-	6,735,921	174,307,414
Classroom support services							
Extra-curricular activities	25,741	8,274,186	4,602,302	72,125	-	-	12,974,354
Counselors, nurses and student support	67,838	-	13,941,973	61,757	-	-	14,071,568
Libraries, curriculum and staff development	23,333	-	5,664,863	200,303	-	-	5,888,499
School administration	132,383	-	23,668,984	318,359	-	-	24,119,726
Community services	5,884	-	1,051,954	183,240	-	-	1,241,078
Total classroom support services	255,179	8,274,186	48,930,076	835,784	-	-	58,295,225
Building support services							
Facilities operation and maintenance	205,225	-	4,497,670	2,518,939	1,563,446	-	8,785,280
Student transportation	165,100	-	2,197,644	72,898	7,004,633	-	9,440,275
Computing and information services	3,675	-	1,713,795	2,464,877	53,019	-	4,235,366
Warehouse and purchasing	1,492	-	695,826	7,365	283,204	-	987,887
Total building support services	375,492	-	9,104,935	5,064,079	8,904,302	-	23,448,808
Central support services							
Executive administration	931	-	434,598	21,293	-	-	456,822
Financial services	2,984	-	1,391,653	90,239	-	-	1,484,876
Human resources	2,743	-	1,279,196	42,621	-	-	1,324,560
Communications and intergovernmental relations	560	-	264,999	9,315	7,750	-	282,624
Total central support services	7,218	-	3,370,446	163,468	7,750	-	3,548,882
Nutrition Services	55,169	-	10,219,260	23,531	-	-	10,297,960
Total governmental funds capital assets	\$ 1,621,220	\$ 8,274,186	\$ 237,570,603	\$ 6,784,307	\$ 8,912,052	\$ 6,735,921	\$ 269,898,289

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OTHER FINANCIAL SCHEDULES

These schedules provide supplemental data relating to grant programs, property tax levies, bond and bond interest transactions, and supplemental information required by the State Department of Education.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
COMPUTATION OF DISTRICT PROPERTY TAX LEVY
YEARS ENDED JUNE 30, 2008 AND 2007

A property tax is levied annually on all assessed real and personal property in the District. The property tax is used to balance the General Fund budget, after taking into consideration revenues from other sources, and to provide funds to make the annual payments of principal and interest on the District's bonded indebtedness. After adjusting the amount of this levy for tax offsets, special assessments and the Measure 5 legal reduction in tax rates funded by the State of Oregon, the balance of the tax requirement is entered on the Lane County tax rolls as the District tax. The computation of the District tax for 2008 and 2007 follows:

	2008			2007		
	General Fund		Debt	General Fund		Debt
	Permanent	Local Option	Service Fund	Permanent	Local Option	Service Fund
Tax Rate	\$ 4.75	\$ 1.50	\$ 1.34	\$ 4.75	\$ 1.50	\$ 1.61
Amount tax rate will raise	51,533,546	16,508,594	14,661,225	48,823,216	15,625,340	16,523,431
Rounding gain (loss)	1,116	640	1,666	700	204	1,203
Measure 5 compression loss	(479,365)	(2,367,982)	-	(484,185)	(3,110,092)	-
Taxes imposed for District	<u>\$ 51,055,297</u>	<u>\$ 14,141,252</u>	<u>\$ 14,662,891</u>	<u>\$ 48,339,731</u>	<u>\$ 12,515,452</u>	<u>\$ 16,524,634</u>
District tax rate per \$1,000 of TAV ⁽¹⁾	<u>\$ 4.70</u>	<u>\$ 1.30</u>	<u>\$ 1.34</u>	<u>\$ 4.70</u>	<u>\$ 1.22</u>	<u>\$ 1.61</u>

⁽¹⁾ Taxable Assessed Value (TAV):

2008 \$10,852,594,702

2007 \$10,281,818,660

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF PROPERTY TAX TRANSACTIONS
YEAR ENDED JUNE 30, 2008

	<u>Current Levy and Taxes July 1, 2007</u>	<u>Tax Collections</u>	<u>Discounts and Adjustments</u>	<u>Taxes Receivable June 30, 2008</u>		
				<u>Total</u>	<u>General Fund</u>	<u>Debt Service Fund</u>
2007-2008	\$ 79,859,444	\$ 74,777,925	\$ 2,730,342	\$ 2,351,177	\$ 1,939,620	\$ 411,557
2006-2007	1,974,505	863,354	267,505	843,646	669,634	174,012
2005-2006	705,485	69,659	242,285	393,541	318,653	74,888
2004-2005	338,372	151,498	19,922	166,952	142,853	24,099
2003-2004	158,283	80,168	10,232	67,883	56,815	11,068
2002-2003	75,143	6,115	5,415	63,613	49,593	14,020
2001-2002	56,073	(8,966) ⁽¹⁾	15,156	49,883	43,783	6,100
Prior	558,142	(61,488) ⁽¹⁾	112,773	506,857	467,945	38,912
Totals	<u>\$ 83,725,447</u>	<u>\$ 75,878,265</u>	<u>\$ 3,403,630</u>	<u>\$ 4,443,552</u>	<u>\$ 3,688,896</u>	<u>\$ 754,656</u>

⁽¹⁾ Per Lane County Assessment and Taxation Department, refunds exceeded collections for 2001-2002 and Prior Years

	<u>Total</u>
SUMMARY OF PROPERTY TAX REVENUE	
Tax collection shown above	\$ 75,878,265
Increase in taxes available to meet current demands, net	92,971
Interest on tax collection	49,372
Assessment of additional taxes and penalties, Lane County	124,288
Payments in lieu of tax and other adjustments	<u>39,532</u>
Total Tax Revenue (Budgetary Basis)	<u>\$ 76,184,428</u>
GENERAL FUND	62,193,573
DEBT SERVICE FUND	<u>13,990,855</u>
	<u>\$ 76,184,428</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON

DEBT INFORMATION

YEAR ENDED JUNE 30, 2008

	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Principal Issued</u>	<u>Principal Outstanding As of 6/30/08</u>
SECURED BY THE FULL FAITH & CREDIT OF THE DISTRICT				
1999 School Improvement	7/1/99	7/1/19	\$ 8,700,000	\$ 6,125,000
2000 School Improvement	2/1/00	7/1/09	3,500,000	320,000
2002 Refunding	2/15/02	7/1/13	21,035,000	16,280,000
2002 School Improvement	11/1/02	7/1/22	70,000,000	57,960,000
2003 Refunding	2/1/03	1/1/19	17,630,000	13,695,000
2005 School Improvement	8/25/05	2/1/25	46,000,000	45,450,000
<i>Total General Obligation Bonds</i>			166,865,000	139,830,000
Pension Bonds	2/19/04	6/30/28	53,435,000	53,235,000
<i>Total GO and Pension Bonds</i>			220,300,000	193,065,000
LEASE PURCHASE AGREEMENTS AND LONG-TERM CONTRACTS				
Capital Lease (Koch Financial)	1/2/03	7/15/12	1,350,352	730,710
Capital Lease (Koch Financial)	5/1/04	7/15/08	169,226	35,295
Capital Lease (Bank of America)	7/29/05	7/29/15	406,115	334,761
Capital Lease (Bank of America)	3/17/06	8/1/15	66,142	53,619
Capital Lease (Apple Computer)	7/30/06	7/30/09	287,938	100,710
Capital Lease (Bank of America)	9/8/06	7/28/16	581,013	530,327
Capital Lease (SunTrust)	6/13/07	7/15/17	310,575	310,575
Capital Lease (SunTrust)	7/25/07	7/25/17	104,667	104,667
Capital Lease (Apple Computer)	7/15/07	7/15/10	224,802	99,662
Capital Lease (Apple Computer)	7/15/07	7/15/10	154,181	82,181
Capital Lease (Apple Computer)	7/15/07	7/15/10	148,484	88,484
Capital Lease (Apple Computer)	9/6/07	7/30/10	26,718	26,718
Capital Lease (Apple Computer)	9/6/07	9/6/09	33,809	21,669
Capital Lease (Apple Computer)	12/19/07	12/19/10	86,974	63,456
<i>Total Lease Purchase Agreements and Long-term Contracts</i>			3,950,996	2,582,834
<i>Total Gross Direct and Net Direct Debt</i>			<u>\$ 224,250,996</u>	<u>\$ 195,647,834</u>

Source: School District 4J

SHORT-TERM BORROWING

The District currently has no short-term debt. (Source: School District 4J)

FUTURE DEBT PLANS

A District-appointed citizen advisory committee recommended a long-range facilities plan for continued building repairs, remodels, renovations and replacements. A bond measure approved in May 2002 was the first of four recommended over the following 24 years. The committee recommended that subsequent bond measures occur in 2008, 2014, and 2020. The Board delayed the 2008 measure until economic conditions stabilize.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON

DEBT INFORMATION

YEAR ENDED JUNE 30, 2008

DEBT MANAGEMENT

The District has never defaulted on a debt obligation. The District has not used bond proceeds for operational purposes.

DEBT SUMMARY

Short-term debt	\$ -
Gross property-tax backed debt ⁽¹⁾	<u>139,830,000</u>
Net property-tax backed debt ⁽²⁾	139,830,000
Net overlapping debt	50,529,314
Total net property-tax backed plus overlapping debt	<u>\$ 190,359,314</u>

PER CAPITA RATIOS

		<u>Amount per Capita</u>	<u>Percentage</u>
2007-08 estimated population	149,004		
2007-08 real market value	\$ 20,022,331,491	\$ 134,374	
Gross and net property-tax backed debt	\$ 139,830,000	\$ 938	0.70%
Net overlapping debt	50,529,314	339	0.25%
Total net direct plus overlapping debt	<u>\$ 190,359,314</u>	<u>\$ 1,278</u>	<u>0.95%</u>

⁽¹⁾ Gross property-tax backed debt includes all Unlimited-tax General Obligation and Limited-tax General Obligation bonds.

⁽²⁾ Net property-tax backed debt is gross property-tax backed debt less Self-supporting Unlimited-tax General Obligation and Self-supporting Limited-tax General Obligation debt, of which the District has none.

Sources: Municipal Debt Advisory Commission, Oregon State Treasury; School District 4J

DEBT LIMITATION

ORS 328.245 limits the general obligation debt which an Oregon school district may have outstanding at any time to an amount calculated by multiplying the number of grades, kindergarten through eighth, for which the district operates schools by a factor of .0055 of the real market value, and the number of grades, nine through twelve, for which the district operates schools by a factor of .0075. The District's aggregate percentage debt limitation is therefore 7.95 percent of the real market value of the District. This is calculated as follows:

Kindergarten through eighth grade	9 x .0055	4.95%
Ninth through twelfth grade	4 x .0075	<u>3.00</u>
Total Allowable Percentage		<u><u>7.95%</u></u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
DEBT INFORMATION (Continued)
YEAR ENDED JUNE 30, 2008

DEBT CAPACITY

The limitation on general obligation indebtedness for the District is calculated by multiplying the Real Market Value of taxable property by the allowable percent, as calculated above. The following table shows the general obligation debt capacity of the District.

Real Market Value (2007-08)	\$ 20,022,331,491
General obligation debt capacity (7.95% of Real Market Value)	1,591,775,354
Outstanding obligations subject to limit	139,830,000
Less: Amount available in debt service funds	9,577,746
Remaining debt capacity	<u>\$ 1,461,523,100</u>
Percent of general obligation debt capacity issued	8.78%

LEVY ELECTION HISTORY

<u>Date</u>	<u>Type of Election</u>	<u>Amount Requested</u>	<u>Votes</u>			<u>Percent Passed (Failed)</u>
			<u>Yes</u>	<u>No</u>	<u>Margin</u>	
11/02/92	G.O. Bond	\$ 73,400,000	38,717	27,939	10,778	58.1%
11/08/94	G.O. Bond	6,000,000	28,378	22,632	5,746	55.6
11/03/98	G.O. Bond	12,200,000	32,294	16,824	15,470	65.7
05/16/00	Local Option	27,100,000*	28,449	16,229	12,220	63.7
05/21/02	G.O. Bond	116,000,000	26,248	12,681	13,567	67.4
11/02/04	Local Option	31,250,000**	53,674	20,845	32,829	72.0

* Estimated. Voters authorized a Local Option Levy of \$1.50 per \$1,000 of assessed value, to be levied for five years beginning in 2000-2001.

** Estimated. Voters authorized a Local Option Levy of \$1.50 per \$1,000 of assessed value, to be levied for five years beginning in 2005-2006.

Source: School District No. 4J; Lane County Elections Department

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SUMMARY OF 2007-08 AND 2008-09 ADOPTED GENERAL FUND BUDGETS
YEAR ENDED JUNE 30, 2008

	2007-08 Budget	2008-09 Budget
	<i>(in thousands)</i>	
RESOURCES		
State School Funding		
Property taxes	\$ 47,776	\$ 50,394
Property taxes, prior years	1,284	1,011
State School Fund	74,451	76,970
Other SSF revenues	2,015	1,423
Local option property tax	13,760	14,240
Transfers	118	978
Other sources	6,004	5,264
	<hr/>	<hr/>
<i>Total Revenues</i>	145,408	150,280
Beginning net working capital	18,905	18,402
	<hr/>	<hr/>
<i>Total Budget Resources</i>	<u>\$ 164,313</u>	<u>\$ 168,682</u>
REQUIREMENTS		
Salaries	\$ 74,708	\$ 82,132
Benefits	45,547	48,181
Services	14,922	16,474
Supplies	4,399	4,735
Equipment	99	64
Other	3,871	3,980
Contingency	8,983	3,537
	<hr/>	<hr/>
<i>Total Expenditures</i>	152,529	159,103
Unappropriated balance	11,784	9,579
	<hr/>	<hr/>
<i>Total Requirements</i>	<u>\$ 164,313</u>	<u>\$ 168,682</u>

Source: Lane County School District 4J

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - ALL SCHOOLS
YEAR ENDED JUNE 30, 2008

	Cash Balances 6/30/2007	Cash Receipts	Cash Disbursements	Cash Balances 6/30/2008
HIGH SCHOOLS				
Churchill	\$ 394,450	\$ 753,690	\$ 787,832	\$ 360,308
Community Living Program	6,244	56,709	59,040	3,913
Life Skills Netwk	7,066	5,702	3,583	9,185
North Eugene	165,441	594,158	470,459	289,140
Opportunity Center	24,310	25,363	28,246	21,427
SEHS-PC	60,810	62,189	62,616	60,383
SEHS-Scrip	5,226	29,102	27,784	6,544
Sheldon	489,700	1,134,178	1,137,847	486,031
South Eugene	445,450	953,794	916,873	482,371
<i>Total High Schools</i>	<u>1,598,697</u>	<u>3,614,885</u>	<u>3,494,280</u>	<u>1,719,302</u>
MIDDLE SCHOOLS				
Cal Young	27,310	115,697	107,077	35,930
Jefferson	18,266	33,625	30,732	21,159
Colin Kelly	64,184	112,997	103,143	74,038
Kennedy	32,357	106,227	107,623	30,961
Madison	38,440	87,910	78,211	48,139
Monroe	90,457	92,827	83,387	99,897
Monroe PTP	18,402	26,107	39,008	5,501
Roosevelt	50,005	154,686	173,854	30,837
Roosevelt PG	85,371	38,974	55,034	69,311
Spencer Butte	50,167	116,887	114,877	52,177
<i>Total Middle Schools</i>	<u>474,959</u>	<u>885,937</u>	<u>892,946</u>	<u>467,950</u>
ELEMENTARY SCHOOLS				
Adams	11,498	18,035	17,335	12,198
Awbrey Park	33,500	43,071	34,784	41,787
Bertha Holt	53,329	62,437	23,703	92,063
Bertha Holt PAHS	69,217	69,146	98,702	39,661
Cesar Chavez	18,321	36,856	42,782	12,395
Coburg	6,302	11,451	6,820	10,933
Corridor	31,407	29,982	31,908	29,481
Corridor PTO	46,844	126,321	111,805	61,360
Crest Drive	31,426	100,423	110,836	21,013
Eastside	3,021	11,111	10,566	3,566
Eastside PG	81,496	58,026	108,419	31,103
Edgewood	33,983	32,557	42,825	23,715
Edgewood Learning Center	3,847	-	3,847	-
Edgewood PGA	79,096	54,948	66,789	67,255
Edison	114,347	101,873	158,013	58,207
Edison PGA	21,273	-	21,273	-
Fox Hollow	32,338	21,132	26,464	27,006
Fox Hollow PGA	91,076	60,531	33,155	118,452
Gilham	43,186	48,771	59,257	32,700
Gilham PG	31,494	53,172	52,462	32,204
Gilham PTC	463	-	463	-
Harris	109,350	14,598	21,313	102,635
Hillside PTO	18,638	2,233	2,298	18,573
Howard	8,776	27,782	27,596	8,962
Magnet Arts	2,405	-	2,405	-
McCornack	14,175	25,773	23,032	16,916
McCornack PTO	22,736	52,533	54,292	20,977
Meadowlark	47,643	24,411	39,573	32,481
Meadowlark PTO	28,720	37,734	26,019	40,435
Native Parent Committee	4,374	-	4,374	-
Parker	35,313	57,740	45,942	47,111
Parker Community Organization	84,181	51,939	35,944	100,176
River Road	10,642	27,708	26,217	12,133
Spring Creek	20,964	17,452	17,137	21,279
Twin Oaks	14,960	21,513	16,434	20,039
Willagillespie	109,040	92,689	115,666	86,063
Yujin Gakuen	14,090	20,394	24,316	10,168
<i>Total Elementary Schools</i>	<u>1,383,471</u>	<u>1,414,342</u>	<u>1,544,766</u>	<u>1,253,047</u>
<i>Total All Schools</i>	<u>\$ 3,457,127</u>	<u>\$ 5,915,164</u>	<u>\$ 5,931,992</u>	<u>\$ 3,440,299</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, Eugene, Oregon
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008

District Grant Number	Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through/Grantor's Number	Program or Award Amount	Cash (Deferred Revenue) at July 1, 2007	Current Year's Receipts	Disbursements/Expenditures	Cash (Deferred Revenue) at June 30, 2008
U.S. Department of Education								
<i>Direct Programs</i>								
14807	Indian Education 2006-2007	84.060A	S060A06110	\$ 495,464	\$ 97,923	\$ 180,271	\$ 56,240	\$ (26,108)
14808	Indian Education 2007-2008	84.060A	S060A07110	493,881	-	380,164	443,638	63,473
13207	P.E.P. Grant 2006-2007	84.215F	Q215F041311A	209,638	2,580	113,009	104,511	(5,918)
15606	Foreign Lang Assist Program 2005-2006	84.293B	T293B030233-05	174,635	28,038	37,161	9,123	-
15607	Foreign Lang Assist Program (Pearl) 2006-2007	84.293B	T293B060110	184,170	12,953	82,457	69,504	-
15608	Foreign Lang Assist Program (Pearl) 2007-2008	84.293B	T293B060110	185,460	-	115,338	97,795	(17,543)
22707	Churchill High School SLC 2006-2007	84.215L	S215L060138	493,536	49,372	82,458	40,616	7,531
22708	Churchill High School SLC 2007-2008	84.215L	S215L060138	493,536	-	-	41,599	41,599
28408	Foreign Lang Assist Program 2007-2008	84.293B	T293B070131	164,864	-	160,615	163,794	3,179
28409	Foreign Lang Assist Program 2008-2009	84.293B	T293B070131-08	169,514	-	-	31,667	31,667
28708	Mentoring Program 2007-2008	84.184B	Q184B070528	211,203	-	74,913	108,199	33,286
Total Direct Programs				3,275,901	190,866	1,226,386	1,166,686	131,166
<i>Passed Through Oregon State Department of Education</i>								
<i>Title 1</i>								
12507	Title I Disadvantaged 2006-2007	84.010	7222	654,691	468,641	1,019,957	630,939	79,623
12907	Title I Looking Glass Transition 2006-2007	84.010	7222	654,691	51,699	57,576	7,630	1,753
12508	Title I Disadvantaged 2007-2008	84.010	9915	3,073,946	-	2,537,873	2,537,873	-
12908	Title I Looking Glass Transition 2007-2008	84.010	10051	53,253	-	-	50,042	50,042
13007	Title I Migrant Ed 2006-2007	84.011A	84.011	3,000	1,320	1,320	-	-
12108	Looking Glass/Stip Stm/LTC 2007-2008	84.013	8020	16,234	-	16,234	16,234	-
<i>Career & Technical Education</i>								
13707	Carl Perkins Voc Ed 2006-2007	84.048	7057	179,085	56,034	58,605	5,214	2,643
13708	Carl Perkins Voc Ed 2007-2008	84.048	9577	173,165	-	127,663	174,607	46,944
14007	Carl Perkins Voc Ed 2006-2007	84.243	258	7,400	6,559	6,559	-	-
14008	Carl Perkins Voc Ed 2007-2008	84.243	N/A	7,400	-	-	7,935	7,935
<i>Title II A</i>								
14506	Title II A/Class Size Reduction 2005-2006	84.367	4964	778,079	(24)	-	669	645
14507	Title II A/Class Size Reduction 2006-2007	84.367	7738	804,415	283,563	435,462	76,918	(74,981)
14508	Title II A/Class Size Reduction 2007-2008	84.367	10124	797,219	-	357,180	575,410	218,230
14207	Title II A Competitive - Mentoring 2006-2007	84.367	9538	20,000	-	19,857	19,857	-
28208	Comprehensive Guide & Counsel Cohort 2007-2008	84.367	9708/2707/9864	8,918	-	8,918	9,077	159
28308	Comprehensive Guide & Counsel Cohort 2007-2008	84.048	9696/9728	5,944	-	5,100	5,100	-
28608	Comprehensive Guide & Counsel Cohort 2007-2008	84.367	11299	10,801	-	9,278	9,278	-

LANE COUNTY SCHOOL DISTRICT NO. 4J, Eugene, Oregon
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
YEAR ENDED JUNE 30, 2008

District Grant Number	Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through/Grantor's Number	Program or Award Amount	Cash Accrued or (Deferred Revenue) at July 1, 2007	Current Year's Receipts	Disbursements/Expenditures	Cash Accrued or (Deferred Revenue) at June 30, 2008
U.S. Department of Education (Continued)								
<i>Passed Through Oregon State Department of Education (Continued)</i>								
<i>Title II D</i>								
14607	Title II D Enhancing Ed Through Tech 2007-2008	84.318	7929	\$ 32,925	\$ 59,988	\$ -	\$ -	\$ -
14608	Title II D Enhancing Ed Through Tech 2007-2008	84.318	9652	168,371	122,657	156,054	33,517	
18007	Title II D Entitlement Grant 2006-2007	84.318	7929	32,925	26,400	14,851	-	
18008	Title II D Entitlement Grant 2007-2008	84.318	03-405	29,913	19,791	22,871	3,081	
<i>Title III</i>								
15307	Title III 2006-2007	84.365	8995	56,086	24,578	47,526	22,948	-
15308	Title III 2006-2007	84.365	11541	61,442	-	15,103	47,474	32,371
<i>Title IV</i>								
13607	Title IV Safe & Drug Free Schools 2006-2007	84.186	8550	72,092	15,512	19,934	4,422	-
13608	Title IV Safe & Drug Free Schools 2007-2008	84.186	11069	72,082	-	30,532	68,530	37,998
<i>Title V</i>								
15107	Title V-Public/Private Schools 2006-2007	84.298	8351	22,184	14,170	17,505	90,561	87,226
15108	Title V-Public/Private Schools 2007-2008	84.298	10502	22,550	-	-	21,472	21,472
<i>Title VII</i>								
14907	McKinney Homeless Education 2006-2007	84.196	6959	45,000	13,660	25,643	11,983	-
14908	McKinney Homeless Education 2006-2007	84.196	10993	42,900	-	23,852	34,708	10,856
<i>Special Education & Rehabilitation Services</i>								
11107	IDEA 2006-2007	84.027	8139	2,071,099	221,782	221,782	-	-
11108	IDEA 2007-2008	84.027	11377	3,075,827	-	2,707,636	3,075,827	368,191
11207	Dispute Resolution Grant 2006-2007	84.027	8834	10,000	7,246	8,160	915	-
15707	Positive Behavior Support 2006-2007	84.027	N/A	1,500	(921)	-	-	(921)
15708	Positive Behavior Support 2007-2008	84.027	N/A	1,000	-	-	453	453
24708	SPR&I 2007-08 Grant Award 2007-2008	84.027	10703	8,007	-	1,615	8,007	6,392
27107	IDEA Part B 611 Enhancement Grant 2006-2007	84.027	9301	12,000	-	5,248	5,248	-
27108	IDEA Part B 611 Enhancement Grant 2007-2008	84.027	11739	17,834	-	15,549	17,834	2,285
12108	Looking Glass/Stipng Stm/L TC 2007-2008	84.027	8020	14,200	-	14,200	14,200	-
10007	Rgnl Deaf & Hard of Hearing 2006-2007 (Lane ESD)	84.027	N/A	653,438	92,798	92,798	-	-
10107	Rgnl Vision Impaired 2006-2007 (Lane ESD)	84.027	N/A	647,092	65,915	65,915	-	-
10307	Rgnl Orthopedic Impaired 2006-2007 (Lane ESD)	84.027	N/A	202,832	51,534	51,534	-	-
10407	Rgnl Deaf/Blind 2006-2007 (Lane ESD)	84.027	N/A	27,500	888	888	-	1
10008	Rgnl Deaf & Hard of Hearing 2007-2008 (Lane ESD)	84.027	N/A	630,000	-	185,727	185,727	-

LANE COUNTY SCHOOL DISTRICT NO. 4J, Eugene, Oregon
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
YEAR ENDED JUNE 30, 2008

District Grant Number	Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through/Grantor's Number	Program or Award Amount	Cash Accrued or (Deferred) Revenue at July 1, 2007	Current Year's Receipts	Disbursements/Expenditures	Cash Accrued or (Deferred) Revenue at June 30, 2008
U.S. Department of Education (Continued)								
Passed Through Oregon State Department of Education (Continued)								
Special Education & Rehabilitation Services (Continued)								
10108	Rgnl Vision Impaired 2007-2008 (Lane ESD)	84.027	N/A	\$ 627,874	\$ -	\$ 191,647	\$ 191,647	\$ -
10308	Rgnl Orthopedic Impaired 2007-2008 (Lane ESD)	84.027	N/A	133,337	-	35,608	35,608	-
10408	Rgnl Deaf/Blind 2007-2008 (Lane ESD)	84.027	N/A	1,027	-	1,027	1,027	-
10708	Early Intervention Preschool 2007-2008 (Lane ESD)	84.027	N/A	-	-	-	-	-
10907	Traumatic Brain Injury 2006-2007 (Lane ESD)	84.326	N/A	78,782	5,595	6,100	-	(505)
10908	Traumatic Brain Injury 2007-2008 (Lane ESD)	84.027	N/A	18,750	-	9,336	12,113	2,776
21st Century Community Learning Centers								
23706	After Sch Comm Ed 21st City - Title IV 2005-2006	84.287	6733	440,324	41,787	41,787	-	-
23707	After Sch Comm Ed 21st City - Title IV 2006-2007	84.287	9217	440,324	56,586	351,027	440,324	145,883
23708	After Sch Comm Ed 21st City - Title IV 2007-2008	84.287	12067	440,324	-	-	11,616	11,616
15007	21st City Comm Learning Ctrs 2006-2007	84.287	6940	213,839	39,373	80,235	29,229	(11,634)
15008	21st City Comm Learning Ctrs 2006-2007	84.287	9824	213,839	-	115,501	141,241	25,740
Total U.S. Department of Education Passed Through Oregon Dept. of Education					17,887,460	9,273,833	8,793,673	1,109,791
Passed Through Lane County								
19307	Youth Transition Program (YTP) 2006-2007	84.126A	Contr #113880	179,613	13,008	48,062	-	(35,054)
19308	Youth Transition Program (YTP) 2007-2008	84.126A	Contr #113880	179,790	-	179,790	179,790	-
Total U.S. Department of Education Passed Through Lane County					359,403	227,852	179,790	(35,054)
Passed through University of Oregon								
21600	Cites Grant 1999-2000 (UO)	84.324M	N/A	1,678	(554)	-	554	-
21601	Cites Grant 2000-2001 (UO)	84.324M	N/A	3,600	(3,600)	-	179	(3,421)
23806	District-Wide Application of Curr. 2005-2006 (UO)	84.326M	223151A	90,676	-	-	-	-
23807	District-Wide Application of Curr. 2006-2007 (UO)	84.326M	223151A Amendment	90,676	25,481	92,638	64,550	(2,607)
23808	District-Wide Application of Curr. 2007-2008 (UO)	84.326M	223151A 2	90,676	-	-	28,050	28,050
26907	Individual Pos. Behavior Support (2006-2007) (UO)	84.326M	SA223281-4J	31,000	11,310	30,244	29,619	10,685
Total U.S. Department of Education Passed Through University of Oregon					308,306	122,882	122,952	32,707
Total U.S. Department of Education					21,831,070	10,850,953	10,263,101	1,238,610

LANE COUNTY SCHOOL DISTRICT NO. 4J, Eugene, Oregon
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
YEAR ENDED JUNE 30, 2008

District Grant Number	Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through/Grantor's Number	Program or Award Amount	Cash Accrued or (Deferred) Revenue at July 1, 2007	Current Year's Receipts	Disbursements/Expenditures	Cash Accrued or (Deferred) Revenue at June 30, 2008
U.S. Department of Labor								
<i>Passed Through Lane Workforce Partnership</i>								
13907	Workforce Investment Act 2006-2007 (Lane Wkfc)	17.259	26401	\$ 104,348	\$ 33,309	\$ 33,309	\$ -	\$ -
13908	Workforce Investment Act 2007-2008 (Lane Wkfc)	17.259	26401	104,348	-	76,180	95,768	19,588
	Total U.S. Department of Labor			208,696	33,309	109,489	95,768	19,588
National Science Foundation								
<i>Passed through University of Oregon</i>								
26607	Design as a creative Model for Tech Ed (UO)	47.041	N/A	8,000	(8,000)	-	3,030	(4,970)
17806	Strategic Integ. of Science and Math 2005-2006 (UO)	47.076	206291A	29,100	-	-	-	-
17807	Strategic Integ. of Science and Math 2006-2007 (UO)	47.076	206291A	34,877	27,636	28,282	19,605	18,959
17808	Strategic Integ. of Science and Math 2007-2008 (UO)	47.076	206291A	34,877	-	-	34,349	34,349
	Total National Science Foundation			106,854	19,636	28,282	56,984	48,338
U.S. Department of Justice								
<i>Passed through Lane ESD</i>								
26307	Juvenile Delinquent SEHS 2006-2007 (Lane ESD)	16.738	05-004	13,000	5,554	5,554	-	-
26308	Juvenile Delinquent SEHS 2006-2007 (Lane ESD)	16.738	05-032	13,000	-	6,551	10,585	4,034
	Total U.S. Department of Justice			26,000	5,554	12,105	10,585	4,034
Environmental Protection Agency								
<i>Direct Program</i>								
24806	Clean School Bus USA (EPA)	66.036	N/A	150,000	9,067	55,746	64,194	17,515
U.S. Department of Transportation								
<i>Passed through Oregon Department of Transportation</i>								
28808	Student Traffic Safety Program (ODOT)	20.205	N/A	45,743	-	18,037	29,880	11,843
U.S. Department of Education & Human Resources								
<i>Passed Through Oregon State Board of Education</i>								
29808	NSF eMAST	47.076	Grant DRL-0455866	25,000	-	-	22,014	22,014
Bureau of Land Management								
<i>Direct Program</i>								
27908	McGowan Creek Project (BLM)	15.227	N/A	10,000	-	1,153	1,153	-

LANE COUNTY SCHOOL DISTRICT NO. 4J, Eugene, Oregon
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
YEAR ENDED JUNE 30, 2008

District Grant Number	Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through/Grantor's Number	Program or Award Amount	Cash Accrued or (Deferred Revenue) at July 1, 2007	Current Year's Receipts	Disbursements/Expenditures	Cash Accrued or (Deferred Revenue) at June 30, 2008
U.S. Department of Health & Human Services								
<i>Passed Through Lane County</i>								
18107	STARS 2006-2007 (Lane County HHS)	93.235	Contr #117538	\$ 2,534	\$ 742	\$ 742	\$ -	\$ -
17107	Family Resource Ctr 2006-2007 (Lane County CCF)	93.556	Contr #219343	5,732	3,453	3,453	-	-
17107	Family Resource Ctr 2006-2007 (Lane County CCF)	93.667	Contr #219343	546	975	975	-	-
17108	Family Resource Ctr 2007-2007 (Lane County CCF)	93.556	Contr #219343	27,049	-	13,609	13,609	-
17108	Family Resource Ctr 2007-2008 (Lane County CCF)	93.667	Contr #219343	7,926	-	-	-	-
27007	Latino Youth High Risk Intervention Pilot Project	93.667	N/A	10,000	8,000	-	-	8,000
18207	Opportunity Center Teen Parent (Employment Dept.)	93.575	N/A	9,000	763	-	-	763
18208	Opportunity Center Teen Parent (Employment Dept.)	93.575	07-052	11,000	-	-	5,299	5,299
	Churchill HS Teen Parent (Employment Dept.)	93.575	N/A	23,000	-	3,352	-	(3,352)
	Total U.S. Department of Health & Human Services			96,787	13,933	22,131	18,908	10,710
U.S. Department of Agriculture								
<i>Passed Through Lane County, Oregon</i>								
	Forest Fees	10.666	N/A	2,777,437	-	2,777,437	2,777,437	-
<i>Passed through Oregon State Department of Education</i>								
	National School Breakfast Program	10.553	N/A	464,300	(23,933)	602,416	630,919	4,570
	National School Lunch Program	10.555	N/A	1,685,210	(76,417)	1,949,316	2,028,585	2,852
	National School Child & Adult Care	10.558	N/A	55,616	2,115	78,255	85,869	9,729
	National School Summer Food	10.559	N/A	38,752	2,352	2,352	-	-
	National School Lunch Commodity Supplemental Food	10.565	N/A	8,052	-	4,472	4,472	-
	Total U.S. Department of Agriculture Passed Through Oregon State Dept. of Education			2,251,930	(95,883)	2,636,811	2,749,845	17,151
<i>Total U.S. Department of Agriculture</i>								
				5,029,367	(95,883)	5,414,248	5,527,282	17,151
E-rate Reimbursements								
				-	-	133,855	133,855	-
	Total Federal Assistance			\$ 27,529,517	\$ 1,812,079	\$ 16,645,999	\$ 16,223,724	\$ 1,389,803

(1) Total Cash Accrued or (Deferred Revenue) at July 1, 2007 was previously reported as \$1,816,345. The following corrections have been made: 1) ESS Extended Assessment (Lane ESD) 2006-2007 was reported at \$4,502, a decrease of \$4,502; 2) The National School Lunch Program commodities was reported as \$223,010, a decrease of \$307; 3) The National School Lunch Program summer food and lunch commodity supplement was reported as \$11,219, a decrease of \$71.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008

Purpose of the Schedule

The accompanying schedule of expenditures of federal awards (the "Schedule") is a supplementary schedule to the Lane County School District No. 4J, Eugene, Oregon's financial statements and is presented for purposes of additional analysis. Because the Schedule presents only a selected portion of the activities of Lane County School District No. 4J, it is not intended to and does not present either the financial position, changes in fund balances, or the operating funds' revenues, expenditures and changes in fund balances for Lane County School District No. 4J, Eugene, Oregon.

SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

Federal Financial Assistance

Pursuant to the Single Audit Act of 1984 and OMB Circular A-133, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, non-monetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

Major Programs

The Single Audit Act of 1984 and OMB Circular A-133 establish criteria to be used in defining major federal financial assistance programs. Major programs for the Lane County School District No. 4J, Eugene, Oregon are those programs selected for testing by the auditor using a risk-assessment model, as well as certain minimum expenditure requirements, as outlined in OMB Circular A-133. Programs with similar requirements may be grouped into a cluster for testing purposes.

Reporting Entity

The reporting entity is fully described in notes to the financial statements. Additionally, the Schedule includes all federal programs administered by the Lane County School District No. 4J, Eugene, Oregon for the year ended June 30, 2008.

Revenue and Expenditure Recognition

The receipt and expenditure of federal awards are accounted for under the modified accrual basis of accounting. Revenues are recorded as received in cash or on the accrual basis where measurable and available. Expenditures are recorded when the liability is incurred.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON

COMBINING STATEMENT OF NET ASSETS - COMPONENT UNITS ⁽¹⁾

JUNE 30, 2008

	<u>Network Charter School</u>	<u>Ridgeline Montessori Public Charter School</u>	<u>The Village School</u>	<u>Total</u>
Assets				
Current assets				
Cash and investments	\$ 343,389	\$ 382,389	\$ 603,300	\$ 1,329,078
Accounts and other receivables	69,081	4,600	38,809	112,490
Deposits	-	-	6,000	6,000
Total current assets	<u>412,470</u>	<u>386,989</u>	<u>648,109</u>	<u>1,447,568</u>
Non-current assets				
Capital assets:				
Machinery and equipment, net	26,123	92,515	12,899	131,537
Total non-current assets	<u>26,123</u>	<u>92,515</u>	<u>12,899</u>	<u>131,537</u>
Total assets	<u>438,593</u>	<u>479,504</u>	<u>661,008</u>	<u>1,579,105</u>
Liabilities				
Current liabilities				
Accounts payable	83,706	24,892	-	108,598
Accrued payroll and related charges	-	71,541	3,057	74,598
Unearned revenue	47,762	33,138	27,394	108,294
Total liabilities	<u>131,468</u>	<u>129,571</u>	<u>30,451</u>	<u>291,490</u>
Net Assets				
Invested in capital assets, net of related debt	26,123	92,515	12,899	131,537
Restricted	-	-	-	-
Unrestricted	281,002	257,418	617,658	1,156,078
Total net assets	<u>\$ 307,125</u>	<u>\$ 349,933</u>	<u>\$ 630,557</u>	<u>\$ 1,287,615</u>

⁽¹⁾ The classification of assets, liabilities and net assets has been made by each component unit and is not necessarily consistent with the District's classification nor comparable across component units.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
YEAR ENDED JUNE 30, 2008

Functions	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Total Governmental Activities
GOVERNMENTAL ACTIVITIES					
Direct classroom services					
Network Charter School	\$ 958,850	\$ -	\$ 301,581	\$ -	\$ (657,269)
Ridgeline Montessori Public Charter School	1,256,941	60,033	54,063	-	(1,142,845)
The Village School	694,183	22,536	107,674	-	(563,973)
Total direct classroom services	2,909,974	82,569	463,318	-	(2,364,087)
Classroom support services					
The Village School	370,533	-	-	-	(370,533)
Total classroom support services	370,533	-	-	-	(370,533)
Unallocated depreciation					
Network Charter School	10,642	-	-	-	(10,642)
Ridgeline Montessori Public Charter School	45,739	-	-	-	(45,739)
The Village School	3,279	-	-	-	(3,279)
Total unallocated depreciation	59,660	-	-	-	(59,660)
Total component units	\$ 3,340,167	\$ 82,569	\$ 463,318	\$ -	(2,794,280)
General revenues:					
State aid not restricted to specific purposes					
Network Charter School					669,488
Ridgeline Montessori Public Charter School					1,043,789
The Village School					867,509
					2,580,786
Earnings on investments					
Network Charter School					11,051
Ridgeline Montessori Public Charter School					19,897
The Village School					26,351
					57,299
Other local revenue					
Network Charter School					175
Ridgeline Montessori Public Charter School					127,079
The Village School					110,747
					238,001
Total general revenues					2,876,086
Change in net assets					
Network Charter School					12,803
Ridgeline Montessori Public Charter School					2,181
The Village School					66,822
					81,806
Net assets - beginning					
Network Charter School					294,322
Ridgeline Montessori Public Charter School					347,752
The Village School					563,735
					1,205,809
Net assets - ending					
Network Charter School					307,125
Ridgeline Montessori Public Charter School					349,933
The Village School					630,557
					\$ 1,287,615

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
STATEMENT OF ACTIVITIES - NETWORK CHARTER SCHOOL
YEAR ENDED JUNE 30, 2008

Functions	Expenses	Program Revenues ⁽¹⁾		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Assets
				Total Governmental Activities
GOVERNMENTAL ACTIVITIES				
Direct classroom services	\$ 958,850	\$ -	\$ 301,581	\$ (657,269)
Unallocated depreciation	10,642	-	-	(10,642)
Total	<u>\$ 969,492</u>	<u>\$ -</u>	<u>\$ 301,581</u>	<u>(667,911)</u>
General revenues:				
State aid not restricted to specific purposes				669,488
Earnings on investments				11,051
Other local revenue				175
Total general revenues				<u>680,714</u>
Change in net assets				12,803
Net assets - beginning				294,322
Net assets - ending				<u>\$ 307,125</u>

⁽¹⁾ The classification of revenues between various categories of program revenues and general revenues has been made by each component unit and is not necessarily consistent with the District's classification nor comparable across component units.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
STATEMENT OF ACTIVITIES - RIDGELINE MONTESSORI PUBLIC CHARTER SCHOOL
YEAR ENDED JUNE 30, 2008

Functions	Expenses	Program Revenues ⁽¹⁾		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Assets
				Total Governmental Activities
GOVERNMENTAL ACTIVITIES				
Direct classroom services	\$ 1,256,941	\$ 60,033	\$ 54,063	\$ (1,142,845)
Unallocated depreciation	45,739			(45,739)
Total	<u>\$ 1,302,680</u>	<u>\$ 60,033</u>	<u>\$ 54,063</u>	<u>\$ (1,188,584)</u>

General revenues:	
State aid not restricted to specific purposes	1,043,789
Earnings on investments	19,897
Other local revenue	127,079
Total general revenues	<u>1,190,765</u>
Change in net assets	2,181
Net assets - beginning	347,752
Net assets - ending	<u>\$ 349,933</u>

⁽¹⁾ The classification of revenues between various categories of program revenues and general revenues has been made by each component unit and is not necessarily consistent with the District's classification nor comparable across component units.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
STATEMENT OF ACTIVITIES - THE VILLAGE SCHOOL
YEAR ENDED JUNE 30, 2008

Functions	Expenses	Program Revenues ⁽¹⁾		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Assets
				Total Governmental Activities
GOVERNMENTAL ACTIVITIES				
Direct classroom services	\$ 694,183	\$ 22,536	\$ 107,674	\$ (563,973)
Classroom support services	370,533	-	-	(370,533)
Unallocated depreciation	3,279	-	-	(3,279)
Total	<u>\$ 1,067,995</u>	<u>\$ 22,536</u>	<u>\$ 107,674</u>	<u>(937,785)</u>

General revenues:

State aid not restricted to specific purposes	867,509
Earnings on investments	26,351
Other local revenue	110,747
Total general revenues	<u>1,004,607</u>
Change in net assets	66,822
Net assets - beginning	563,735
Net assets - ending	<u>\$ 630,557</u>

⁽¹⁾ The classification of revenues between various categories of program revenues and general revenues has been made by each component unit and is not necessarily consistent with the District's classification nor comparable across component units.

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BALANCE SHEET WITH COMPARATIVE DATA

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**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES WITH COMPARATIVE DATA**

Each of the major funds is presented with comparative data from the prior year.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
BALANCE SHEET - GENERAL FUND
JUNE 30, 2008, WITH COMPARATIVE DATA

	<u>2008</u>	<u>2007</u>
ASSETS		
Equity in pooled cash and investments	\$ 27,455,535	\$ 28,366,662
Receivables		
Property taxes receivable	3,688,896	3,192,564
Accounts and other receivables	1,772,558	4,364,542
Due from other funds	2,683,374	706,921
Inventories	175,605	158,270
<i>Total Assets</i>	<u>\$ 35,775,968</u>	<u>\$ 36,788,959</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 4,098,548	\$ 3,441,672
Accrued payroll and related charges	10,853,963	9,291,558
Due to other funds	374,354	246,290
Deferred revenue	3,322,451	2,907,494
Unearned revenue	73,064	56,338
<i>Total Liabilities</i>	<u>18,722,380</u>	<u>15,943,352</u>
Fund balances		
Fund balance, unreserved	<u>17,053,588</u>	<u>20,845,607</u>
<i>Total Fund Balances</i>	<u>17,053,588</u>	<u>20,845,607</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 35,775,968</u>	<u>\$ 36,788,959</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
BALANCE SHEET - DEBT SERVICE FUND
JUNE 30, 2008, WITH COMPARATIVE DATA

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and investments	\$ 9,110,048	\$ 9,582,412
Property taxes receivable	754,656	673,439
Accounts and other receivables	9,482	6,844
Due from other funds	\$ 374,354	246,290
<i>Total Assets</i>	<u>\$ 10,248,540</u>	<u>\$ 10,508,985</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Deferred revenue	\$ 670,794	\$ 601,173
<i>Total Liabilities</i>	<u>670,794</u>	<u>601,173</u>
Fund balances		
Fund balance, reserved for debt service	<u>9,577,746</u>	<u>9,907,812</u>
<i>Total Fund Balances</i>	<u>9,577,746</u>	<u>9,907,812</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 10,248,540</u>	<u>\$ 10,508,985</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
BALANCE SHEET - CAPITAL PROJECTS FUND
JUNE 30, 2008, WITH COMPARATIVE DATA

	<u>2008</u>	<u>2007</u>
ASSETS		
Equity in pooled cash and investments	\$ 14,130,681	\$ 14,983,937
Cash and investments	13,422,022	18,732,515
Accounts receivable	46,956	388,984
<i>Total Assets</i>	<u>\$ 27,599,659</u>	<u>\$ 34,105,436</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 1,241,264	\$ 764,396
Accrued payroll and related charges	465	-
Due to other funds	1,126,577	226,538
Unearned revenue	1,507,204	1,501,656
<i>Total Liabilities</i>	<u>3,875,510</u>	<u>2,492,590</u>
Fund balances		
Fund balance, reserved for capital projects	11,192,773	17,830,225
Fund balance, unreserved	12,531,376	13,782,621
<i>Total Fund Balances</i>	<u>23,724,149</u>	<u>31,612,846</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 27,599,659</u>	<u>\$ 34,105,436</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
BALANCE SHEET - FEDERAL, STATE AND LOCAL PROGRAMS FUND
JUNE 30, 2008, WITH COMPARATIVE DATA

	<u>2008</u>	<u>2007</u>
ASSETS		
Accounts and other receivables	\$ 3,506,398	\$ 2,981,591
<i>Total Assets</i>	<u>\$ 3,506,398</u>	<u>\$ 2,981,591</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 230,341	\$ 385,946
Accrued payroll and related charges	31,968	39,555
Due to other funds	952,485	214,382
Unearned revenue	1,981,083	2,060,263
<i>Total Liabilities</i>	3,195,877	2,700,146
Fund balances		
Fund balances, reserved for youth services	310,521	281,445
<i>Total Fund Balances</i>	<u>310,521</u>	<u>281,445</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 3,506,398</u>	<u>\$ 2,981,591</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED JUNE 30, 2008, WITH COMPARATIVE DATA

	<u>2008</u>	<u>2007</u>
REVENUES		
Local sources	\$ 68,826,963	\$ 64,885,372
Intermediate sources	159,545	445,910
State sources	75,498,265	71,272,070
Federal sources	2,911,292	2,785,726
<i>Total Revenues</i>	<u>147,396,065</u>	<u>139,389,078</u>
EXPENDITURES		
Current		
Instruction	89,952,412	77,907,501
Supporting services	57,180,514	49,223,465
Community services	324,674	343,424
Debt service	322,597	23,500
Capital outlay	-	177,541
<i>Total Expenditures</i>	<u>147,780,197</u>	<u>127,675,431</u>
REVENUES OVER (UNDER) EXPENDITURES	(384,132)	11,713,647
OTHER FINANCING SOURCES (USES)		
Transfers in	1,319,351	3,818,000
Transfers out	(5,298,514)	(5,551,078)
Capital leases	571,276	49,694
<i>Total Other Financing Sources (Uses)</i>	<u>(3,407,887)</u>	<u>(1,683,384)</u>
NET CHANGE IN FUND BALANCE	(3,792,019)	10,030,263
FUND BALANCE, Beginning of year	<u>20,845,607</u>	<u>10,815,344</u>
FUND BALANCE, End of year	<u>\$ 17,053,588</u>	<u>\$ 20,845,607</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2008, WITH COMPARATIVE DATA

	<u>2008</u>	<u>2007</u>
REVENUES		
Local sources	\$ 17,358,901	\$ 19,062,284
EXPENDITURES		
Debt service		
Principal	7,008,929	6,525,790
Interest	10,680,038	11,178,502
<i>Total Expenditures</i>	<u>17,688,967</u>	<u>17,704,292</u>
REVENUES OVER (UNDER) EXPENDITURES	(330,066)	1,357,992
OTHER FINANCING SOURCES		
Transfers In	-	130,000
<i>Total Other Financing Sources</i>	<u>-</u>	<u>130,000</u>
NET CHANGE IN FUND BALANCE	(330,066)	1,487,992
FUND BALANCE , Beginning of year	<u>9,907,812</u>	<u>8,419,820</u>
FUND BALANCE , End of year	<u>\$ 9,577,746</u>	<u>\$ 9,907,812</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2008, WITH COMPARATIVE DATA

	<u>2008</u>	<u>2007</u>
REVENUES		
Local sources	\$ 828,311	\$ 2,121,804
State sources	-	1,339,998
<i>Total Revenues</i>	828,311	3,461,802
EXPENDITURES		
Current		
Supporting services	-	17,705
Facilities acquisition and construction	-	2,931
Capital outlay	9,237,008	12,802,426
<i>Total Expenditures</i>	9,237,008	12,823,062
REVENUES UNDER EXPENDITURES	(8,408,697)	(9,361,260)
OTHER FINANCING SOURCES		
Transfers in	520,000	520,000
Sale of capital assets	-	5,271,907
Insurance recoveries	-	47,595
<i>Total Other Financing Sources</i>	520,000	5,839,502
NET CHANGE IN FUND BALANCE	(7,888,697)	(3,521,758)
FUND BALANCE, Beginning of year	31,612,846	35,134,604
FUND BALANCE, End of year	<u>\$ 23,724,149</u>	<u>\$ 31,612,846</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FEDERAL, STATE AND LOCAL PROGRAMS FUND
YEAR ENDED JUNE 30, 2008, WITH COMPARATIVE DATA

	<u>2008</u>	<u>2007</u>
REVENUES		
Local sources	\$ 3,404,983	\$ 9,755,302
State sources	1,793,163	1,419,317
Federal sources	<u>10,551,729</u>	<u>11,482,324</u>
<i>Total Revenues</i>	15,749,875	22,656,943
EXPENDITURES		
Current		
Instruction	9,371,003	13,187,390
Supporting services	5,809,556	10,496,419
Community services	523,180	486,261
Capital outlay	<u>17,060</u>	<u>5,000</u>
<i>Total Expenditures</i>	<u>15,720,799</u>	<u>24,175,070</u>
REVENUES OVER (UNDER) EXPENDITURES	29,076	(1,518,127)
FUND BALANCE , Beginning of year	<u>281,445</u>	<u>1,799,572</u>
FUND BALANCE , End of year	<u>\$ 310,521</u>	<u>\$ 281,445</u>

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BUDGETARY COMPARISON SCHEDULES

Pursuant to the provisions of Oregon Revised Statute 297.465, Oregon Administrative Rule #162-010-0130, *Minimum Standards for Audits of Oregon Municipal Corporations*, requires an individual schedule of revenues, expenditures/expenses, and changes in fund balances/net assets, budget and actual be displayed for each fund where legally adopted budgets are required.

In accordance with GASB Statement #34, the District's General Fund and any major special revenue fund (currently, only the Federal, State and Local Programs Fund) are presented as the third of the Basic Financial Statements. However, the level of detail provided in those statements is insufficient for state reporting purposes. Therefore, greater detail for the General Fund and Federal, State and Local Programs Fund is presented in the following pages as supplemental information in addition to the budgetary comparisons of all other funds with legally adopted budgets.

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LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(BUDGETARY BASIS) - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2008

Code	Function	Actual	Budget	Variance Over (Under)
LOCAL REVENUE				
1111	Taxes - current year's levy	\$ 48,078,198	\$ 47,817,000	\$ 261,198
1112	Taxes - prior years' levies	564,940	989,000	(424,060)
1120	Local option levy	13,459,439	13,760,000	(300,561)
1190	Penalties and interest on taxes	40,166	188,000	(147,834)
1200	Local governmental units	50,830	66,000	(15,170)
1310	Regular day school tuition	303,400	220,012	83,388
1500	Earnings on investments	3,237,565	3,125,000	112,565
1700	Cocurricular activities income	669,238	595,000	74,238
1800	Community service income	154,268	210,000	(55,732)
1910	Rentals	346,502	409,000	(62,498)
1980	Fees charged to grants	427,462	400,000	27,462
1990	Refunds and miscellaneous	1,494,955	1,023,458	471,497
1000	<i>Total Local Revenue</i>	68,826,963	68,802,470	24,493
INTERMEDIATE REVENUE				
2101	County school fund	129,176	245,000	(115,824)
2900	Revenue for/on behalf of the District	30,369	7,000	23,369
2000	<i>Total Intermediate Revenue</i>	159,545	252,000	(92,455)
STATE REVENUE				
3101	State school fund (except 3102 and 3106)	69,166,492	74,538,871	(5,372,379)
3103	Common school fund	1,878,321	1,770,000	108,321
3199	Other unrestricted grants-in-aid	759,485	500,000	259,485
3299	Other restricted grants-in-aid	3,666,590	-	3,666,590
3900	Revenue for/on behalf of the District	27,377	20,000	7,377
3000	<i>Total State Revenue</i>	75,498,265	76,828,871	(1,330,606)
REVENUE FROM FEDERAL SOURCES				
4700	Grants-in-aid from the Federal government through other intermediate agencies	133,855	177,000	(43,145)
4801	Federal forest fees	2,777,437	-	2,777,437
4000	<i>Total Federal Revenue</i>	2,911,292	177,000	2,734,292
	<i>Total Revenue</i>	147,396,065	146,060,341	1,335,724
OTHER SOURCES				
5200	Transfer from other funds	1,319,351	118,000	1,201,351
5400	FUND BALANCES, Beginning	20,845,607	20,845,607	-
6000	TOTAL RESOURCES	<u>\$ 169,561,023</u>	<u>\$ 167,023,948</u>	<u>\$ 2,537,075</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
(BUDGETARY BASIS) - BUDGET AND ACTUAL - GENERAL FUND (Continued)
YEAR ENDED JUNE 30, 2008

<u>Code</u>	<u>Function</u>	<u>100</u> <u>Salaries</u>	<u>200</u> <u>Employee</u> <u>Benefits</u>	<u>300</u> <u>Purchased</u> <u>Services</u>	<u>400</u> <u>Supplies &</u> <u>Materials</u>
INSTRUCTION					
1100	Regular programs				
1111	Elementary (curricular)	\$ 13,244,065	\$ 6,970,351	\$ 91,174	\$ 369,983
1112	Intermediate programs	5,632,736	2,995,788	2,597	273,687
1113	Elementary extacurricular	34,419	12,355	-	735
1121	Middle/JHS (curricular)	9,587,650	4,841,918	36,509	618,382
1122	Cocurricular - Middle/JHS	207,693	68,642	861	11,187
1131	High school (curricular)	14,522,200	7,317,248	143,459	517,525
1132	Cocurricular - High School	1,468,717	419,917	113,515	144,630
1200	Special programs				
1210	Talented and gifted	95,824	41,981	1,011	296
1220	Restrictive programs for students with disabilities	2,890,909	1,758,985	526,377	10,514
1250	Less restrictive programs for students with disabilities	4,216,635	2,353,748	78,347	1,778
1260	Early intervention	54,547	21,135	50,649	1,523
1271	Remediation	76,693	43,432	31	-
1280	Early intervention/other special programs	744,451	376,419	1,939,363	56,002
1288	Charter school flow through	-	-	3,088,743	-
1290	Other special programs	885,747	486,285	16,318	19,555
1400	Summer school programs	87,137	22,755	21,370	13,892
	Total Instruction	53,749,423	27,730,959	6,110,324	2,039,689
SUPPORTING SERVICES					
2100	Students				
2110	Attendance and social work	523,467	320,392	143,889	-
2120	Guidance services	1,669,753	857,528	5,766	16,830
2130	Health services	688,764	373,076	11,491	12,897
2140	Psychological services	629,578	316,399	7,658	17,956
2150	Speech pathology and audiology services	833,480	405,894	2,820	4,986
2160	Educational services	303,906	160,946	5,267	2,762
2190	Service area direction, students	837,201	379,647	72,771	12,990
2200	Instructional staff and educational media	3,212,507	1,262,251	404,283	247,487
2300	General administration				
2310	Board of education	-	-	95,698	1,810
2320	Executive administration	610,885	258,882	312,485	20,225
2400	School administration				
2410	Principals services	7,412,472	3,864,265	506,532	263,564
2490	Other support services - school administration	-	-	55	-
2500	Business				
2520	Fiscal services	864,046	430,570	241,406	20,281
2540	Operation and maintenance	4,986,078	2,893,202	3,558,066	1,521,627
2550	Student transportation	2,660,932	1,736,576	406,482	763,107
2570	Internal services	302,563	176,475	32,276	18,636
2600	Central				
2630	Information services	226,606	117,795	221,052	8,520
2640	Staff services	759,128	412,116	37,179	19,601
2660	Technology services	1,660,658	838,653	1,297,470	116,739
2700	District retirement	-	3,024,104	-	-
	Total Supporting Services	28,182,024	17,828,771	7,362,646	3,070,018
ENTERPRISE AND COMMUNITY SERVICES					
3100	Nutrition services	43,411	11,902	-	547
3320	Community recreation services	68,435	32,720	8,317	-
3500	Custody and care of children services	106,618	52,724	-	-
	Total Enterprise and Community Services	218,464	97,346	8,317	547
FACILITIES ACQUISITION AND CONSTRUCTION					
	Total Facilities Acquisition and Construction	-	-	-	-
DEBT SERVICE					
5100	Debt Service	-	-	-	-
OTHER USES					
5200	Interfund Transfers	-	-	-	-
6110	OPERATING CONTINGENCY	-	-	-	-
7000	ENDING BALANCE	-	-	-	-
8000	Total Expenditures and Ending Balance	\$ 82,149,911	\$ 45,657,076	\$ 13,481,287	\$ 5,110,254

<u>500</u> <u>Capital</u> <u>Outlay</u>	<u>600</u> <u>Other</u> <u>Objects</u>	<u>700</u> <u>Transfers & Flow-</u> <u>through Payments</u>	<u>Actual Fund Total</u>	<u>Appropriations</u>	<u>Variance</u> <u>(Over) Under</u>
\$ -	\$ 6	\$ -	\$ 20,675,579	\$ -	\$ -
-	-	-	8,904,808	-	-
-	-	-	47,509	-	-
-	-	-	15,084,459	-	-
-	15,124	-	288,383	-	-
-	10,577	-	22,515,556	-	-
-	-	-	2,157,356	-	-
-	19	-	139,131	-	-
-	100	-	5,186,885	-	-
-	-	-	6,650,508	-	-
-	-	-	127,854	-	-
-	10	-	120,166	-	-
-	-	-	3,116,235	-	-
-	-	47,423	3,136,166	-	-
-	79	-	1,407,984	-	-
-	-	-	145,154	-	-
-	25,915	47,423	89,703,733	89,703,796	63
-	-	-	987,748	-	-
-	18	-	2,549,895	-	-
-	1,135	-	1,087,363	-	-
-	1,252	-	972,843	-	-
-	-	-	1,247,180	-	-
-	298	-	473,179	-	-
-	50	-	1,302,659	-	-
-	2,501	-	5,129,029	-	-
-	25,466	-	122,974	-	-
-	83,369	-	1,285,846	-	-
-	2,591	-	12,049,424	-	-
-	-	-	55	-	-
-	2,678	-	1,558,981	-	-
58,420	491,025	-	13,508,418	-	-
-	58,233	-	5,625,330	-	-
-	7,180	-	537,130	-	-
-	1,648	-	575,621	-	-
-	951	-	1,228,975	-	-
-	240	-	3,913,760	-	-
-	-	-	3,024,104	-	-
58,420	678,635	-	57,180,514	57,188,342	7,828
-	-	-	55,860	-	-
-	-	-	109,472	-	-
-	-	-	159,342	-	-
-	-	-	324,674	346,538	21,864
-	-	-	-	1,000	1,000
-	-	-	-	1,000	1,000
-	-	5,298,514	5,298,514	5,786,514	488,000
-	-	-	-	1,401,479	1,401,479
-	-	17,053,588	17,053,588	12,595,279	(4,458,309)
\$ 58,420	\$ 704,550	\$ 22,399,525	\$ 169,561,023	\$ 167,023,948	\$ (2,537,075)

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LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(BUDGETARY BASIS) - BUDGET AND ACTUAL - DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2008

Code	Function	Actual	Budget	Variance Over (Under)
	LOCAL REVENUE			
1111	Taxes - current year's levy	\$ 13,807,076	\$ 13,900,412	\$ (93,336)
1112	Taxes - prior years' levies	176,883	248,000	(71,117)
1190	Penalties and interest on taxes	6,896	50,000	(43,104)
1500	Earnings on investments	324,731	263,000	61,731
1900	Charges to other funds	3,043,315	3,146,000	(102,685)
1000	<i>Total Local Revenue</i>	17,358,901	17,607,412	(248,511)
5400	FUND BALANCES, Beginning	9,907,812	9,651,528	256,284
6000	TOTAL RESOURCES	<u>\$ 27,266,713</u>	<u>\$ 27,258,940</u>	<u>\$ 7,773</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
(BUDGETARY BASIS) - BUDGET AND ACTUAL - DEBT SERVICE FUND (Continued)
YEAR ENDED JUNE 30, 2008

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Supplies & Materials
	DEBT SERVICE				
5100	Principal	\$ -	\$ -	\$ -	\$ -
5100	Interest	-	-	-	-
	<i>Total Debt Service</i>	-	-	-	-
7000	ENDING BALANCE	-	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

500 Capital Outlay	600 Other Objects	700 Transfers & Flow- through Payments	Actual Fund Total	Appropriations	Variance (Over) Under
\$ -	\$ 7,008,929	\$ -	\$ 7,008,929	\$ -	\$ -
-	10,680,038	-	10,680,038	-	-
-	17,688,967	-	17,688,967	17,688,969	2
-	-	9,577,746	9,577,746	9,569,971	(7,775)
<u>\$ -</u>	<u>\$ 17,688,967</u>	<u>\$ 9,577,746</u>	<u>\$ 27,266,713</u>	<u>\$ 27,258,940</u>	<u>\$ (7,773)</u>

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LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(BUDGETARY BASIS) - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2008

Code	Function	Actual	Budget	Variance Over (Under)
LOCAL REVENUE				
1200	Local governmental units other than District	\$ 32,477	\$ 30,000	\$ 2,477
1500	Earnings on investments	699,054	1,238,498	(539,444)
1990	Refunds and miscellaneous	96,780	224,000	(127,220)
1000	<i>Total Local Revenue</i>	828,311	1,492,498	(664,187)
STATE REVENUE				
3299	Other restricted grants-in-aid	-	800,000	(800,000)
	<i>Total Revenue</i>	828,311	2,292,498	(1,464,187)
OTHER SOURCES				
5200	Interfund transfers	520,000	520,000	-
5400	FUND BALANCES, Beginning	31,612,846	29,264,596	2,348,250
6000	TOTAL RESOURCES	\$ 32,961,157	\$ 32,077,094	\$ 884,063

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
(BUDGETARY BASIS) - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND (Continued)
YEAR ENDED JUNE 30, 2008

<u>Code</u>	<u>Function</u>	<u>100</u> <u>Salaries</u>	<u>200</u> <u>Employee</u> <u>Benefits</u>	<u>300</u> <u>Purchased</u> <u>Services</u>	<u>400</u> <u>Supplies &</u> <u>Materials</u>
	INSTRUCTION				
1100	Regular programs				
1111	Elementary (curricular)	\$ -	\$ -	\$ -	\$ -
	<i>Total Instruction</i>	-	-	-	-
	SUPPORTING SERVICES				
2200	Instructional staff and educational media	-	-	-	114
2500	Business				
2520	Fiscal services	-	-	8,577	-
2540	Operation and maintenance	398,538	199,012	281,902	185,730
2600	Central				
2660	Technology services	-	-	857	54,156
2700	District retirement	-	8,628	-	-
	<i>Total Supporting Services</i>	398,538	207,640	291,336	240,000
	ENTERPRISE AND COMMUNITY SERVICES				
3390	Other community services	-	-	-	-
	<i>Total Enterprise and Community Services</i>	-	-	-	-
	FACILITIES ACQUISITION AND CONSTRUCTION				
4110	Service area direction	384,180	195,738	123	1,734
4120	Site acquisition and development services	862	467	442,803	72,291
4150	Building acquisition, construction and improvement services	73,437	42,594	2,213,625	443,493
	<i>Total Facilities Acquisition and Construction</i>	458,479	238,799	2,656,551	517,518
7000	ENDING BALANCE	-	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	\$ 857,017	\$ 446,439	\$ 2,947,887	\$ 757,518

<u>500</u> <u>Capital</u> <u>Outlay</u>	<u>600</u> <u>Other</u> <u>Objects</u>	<u>700</u> <u>Transfers & Flow-</u> <u>through Payments</u>	<u>Actual Fund Total</u>	<u>Appropriations</u>	<u>Variance</u> <u>(Over) Under</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	1,000	1,000
-	-	-	114	-	-
-	-	-	8,577	-	-
140,215	-	-	1,205,397	-	-
-	-	-	55,013	-	-
-	-	-	8,628	-	-
140,215	-	-	1,277,729	1,867,681	589,952
-	-	-	-	-	-
-	-	-	-	1,000	1,000
-	553	-	582,328	-	-
1,144,050	-	-	1,660,473	-	-
2,943,329	-	-	5,716,478	-	-
4,087,379	553	-	7,959,279	18,259,734	10,300,455
-	-	23,724,149	23,724,149	11,947,679	(11,776,470)
<u>\$ 4,227,594</u>	<u>\$ 553</u>	<u>\$ 23,724,149</u>	<u>\$ 32,961,157</u>	<u>\$ 32,077,094</u>	<u>\$ (884,063)</u>

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LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - (BUDGETARY BASIS) -
BUDGET AND ACTUAL - FEDERAL, STATE AND LOCAL PROGRAMS FUND
YEAR ENDED JUNE 30, 2008**

Code	Function	Actual	Budget	Variance Over (Under)
LOCAL REVENUE				
1200	Revenue from local government	\$ 88,667	\$ 100,000	\$ (11,333)
1310	Regular day school tuition	110,432	128,150	(17,718)
1500	Earnings on investments	20,816	-	20,816
1910	Rentals	36,398	45,000	(8,602)
1920	Private contributions	803,144	1,341,719	(538,575)
1990	Refunds and miscellaneous	2,345,526	2,334,142	11,384
1000	<i>Total Local Revenue</i>	3,404,983	3,949,011	(544,028)
STATE REVENUE				
3204	Drivers education	41,838	53,590	(11,752)
3990	Other revenue from State sources	1,751,325	2,558,727	(807,402)
3000	<i>Total State Revenue</i>	1,793,163	2,612,317	(819,154)
REVENUE FROM FEDERAL SOURCES				
4300	Restricted grants-in-aid; direct	646,286	869,523	(223,237)
4500	Restricted grants-in-aid; through State	9,289,825	9,868,298	(578,473)
4700	Grants-in-aid from the Federal government through other intermediate agencies	453	-	453
4990	Other revenue from Federal sources	615,165	794,608	(179,443)
4000	<i>Total Federal Revenue</i>	10,551,729	11,532,429	(980,700)
	<i>Total Revenue</i>	15,749,875	18,093,757	(2,343,882)
5400	FUND BALANCES, Beginning	281,445	281,443	2
6000	TOTAL RESOURCES	<u>\$ 16,031,320</u>	<u>\$ 18,375,200</u>	<u>\$ (2,343,880)</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - (BUDGETARY BASIS)
BUDGET AND ACTUAL - FEDERAL, STATE AND LOCAL PROGRAMS FUND (Continued)
YEAR ENDED JUNE 30, 2008

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Supplies & Materials
INSTRUCTION					
1100	Regular programs				
1111	Elementary (curricular)	\$ 154,577	\$ 91,433	\$ 43,417	\$ 61,003
1112	Intermediate programs	72,172	38,593	6,038	43,164
1121	Middle/JHS (curricular)	47,436	26,039	45,797	89,017
1122	Cocurricular - Middle/JHS	-	-	112	2,948
1131	High school (curricular)	133,784	68,852	167,202	46,227
1132	Cocurricular - High School	-	-	63,677	4,969
1200	Special programs				
1210	Talented and gifted	9,781	2,148	-	10,573
1220	Restrictive programs for students with disabilities	1,407,762	762,242	91,170	38,530
1250	Less restrictive programs for students with disabilities	1,451,412	842,534	15,437	21,644
1260	Early intervention	65,382	32,738	590	1,688
1270	Educationally disadvantaged	1,722,236	1,017,839	96,181	71,957
1280	Early intervention/other special programs	54,267	22,894	196,533	7,933
1288	Charter school flow through	-	-	5,938	-
1290	Other special programs	42,395	11,741	7,385	9,115
1400	Summer school programs	105,897	33,623	537	2,547
	<i>Total Instruction</i>	<u>5,267,101</u>	<u>2,950,676</u>	<u>740,014</u>	<u>411,315</u>
SUPPORTING SERVICES					
2100	Students				
2110	Attendance and social work	188,121	107,613	22,954	30,436
2120	Guidance services	40,306	24,328	1,063	247
2130	Health services	120,169	65,340	112,104	8,545
2140	Psychological services	172,894	88,569	-	-
2150	Speech pathology and audiology services	-	-	-	120
2160	Educational services	168,999	92,068	-	-
2190	Service area direction, students	92,842	49,188	12,105	-
2200	Instructional staff and educational media	1,835,872	787,395	458,279	202,762
2400	School administration				
2410	Principals services	1,116	372	603	3,856
2490	Other support services - school administration	888	60	133,298	10,011
2500	Business				
2520	Fiscal services	28,755	16,975	-	-
2540	Operation and maintenance	2,302	636	-	-
2550	Student transportation	32,542	1,855	7,990	59,604
2600	Central				
2660	Technology services	20,104	16,879	21,570	244
2700	District retirement	-	336,167	-	-
	<i>Total Supporting Services</i>	<u>2,704,910</u>	<u>1,587,445</u>	<u>769,966</u>	<u>315,825</u>
ENTERPRISE AND COMMUNITY SERVICES					
3320	Community recreation services	25,552	15,104	14,189	3,896
3389	Other community services	205,305	116,950	91,061	43,546
3510	Custoday and care of children services	5,507	3,913	-	-
	<i>Total Enterprise and Community Services</i>	<u>236,364</u>	<u>135,967</u>	<u>105,250</u>	<u>47,442</u>
6110	OPERATING CONTINGENCY	-	-	-	-
7000	Ending balance	-	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 8,208,375</u>	<u>\$ 4,674,088</u>	<u>\$ 1,615,230</u>	<u>\$ 774,582</u>

<u>500</u> <u>Capital</u> <u>Outlay</u>	<u>600</u> <u>Other</u> <u>Objects</u>	<u>700</u> <u>Transfers and Flow-</u> <u>through Payments</u>	<u>Actual Fund Total</u>	<u>Appropriations</u>	<u>Variance</u> <u>(Over) Under</u>
\$ -	\$ -	\$ -	\$ 350,430	\$ -	\$ -
-	-	-	159,967	-	-
-	-	-	208,289	-	-
-	-	-	3,060	-	-
-	-	-	416,065	-	-
-	-	-	68,646	-	-
-	-	-	22,502	-	-
-	865	-	2,300,569	-	-
-	-	-	2,331,027	-	-
-	-	-	100,398	-	-
-	-	-	2,908,213	-	-
-	-	1,032	282,659	-	-
-	-	-	5,938	-	-
-	-	-	70,636	-	-
-	-	-	142,604	-	-
-	865	1,032	9,371,003	11,085,269	1,714,266
-	-	-	349,124	-	-
-	-	-	65,944	-	-
-	1,030	-	307,188	-	-
-	-	-	261,463	-	-
-	-	-	120	-	-
-	-	-	261,067	-	-
-	-	-	154,135	-	-
-	1,823	-	3,286,131	-	-
-	86	-	6,033	-	-
-	1,500	-	145,757	-	-
-	426,971	-	472,701	-	-
-	-	-	2,938	-	-
-	-	-	101,991	-	-
-	-	-	58,797	-	-
-	-	-	336,167	-	-
-	431,410	-	5,809,556	6,439,928	630,372
-	45	-	58,786	-	-
14,545	627	-	472,034	-	-
-	-	-	9,420	-	-
14,545	672	-	540,240	572,600	32,360
-	-	-	-	277,403	277,403
-	-	310,521	310,521	-	(310,521)
<u>\$ 14,545</u>	<u>\$ 432,947</u>	<u>\$ 311,553</u>	<u>\$ 16,031,320</u>	<u>\$ 18,375,200</u>	<u>\$ 2,343,880</u>

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LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
(BUDGETARY BASIS) - BUDGET AND ACTUAL - NUTRITION SERVICES FUND
YEAR ENDED JUNE 30, 2008

<u>Code</u>	<u>Function</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance (Over) Under</u>
LOCAL REVENUE				
1600	Food service sales	\$ 2,151,844	\$ 2,223,532	\$ (71,688)
STATE REVENUE				
3102	State school fund - school lunch match	51,454	49,182	2,272
3900	Revenue for/on behalf of the District	790	-	790
3000	<i>Total State Revenue</i>	52,244	49,182	3,062
REVENUE FROM FEDERAL SOURCES				
4500	Restricted grants-in-aid-through State - school nutrition	2,405,930	2,327,268	78,662
4900	Revenue for/on behalf of the District	339,441	242,145	97,296
4000	<i>Total Federal Revenue</i>	2,745,371	2,569,413	175,958
	<i>Total Revenue</i>	4,949,459	4,842,127	107,332
OTHER SOURCES				
5200	Interfund transfers	299,661	413,373	(113,712)
5400	FUND BALANCES, Beginning	67,446	13,885	53,561
6000	TOTAL RESOURCES	<u>\$ 5,316,566</u>	<u>\$ 5,269,385</u>	<u>\$ 47,181</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
(BUDGETARY BASIS) - BUDGET AND ACTUAL - NUTRITION SERVICES FUND
YEAR ENDED JUNE 30, 2008

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Supplies & Materials
SUPPORTING SERVICES					
2500	Business				
2520	Fiscal services	\$ 25,383	\$ 13,856	\$ 3,789	\$ -
2700	District retirement	-	6,495	-	-
	<i>Total Supporting Services</i>	25,383	20,351	3,789	-
ENTERPRISE AND COMMUNITY SERVICES					
3000	Nutrition services				
3120	Food preparation and dispensing services	1,397,827	982,451	490,646	2,318,907
	<i>Total Enterprise and Community Services</i>	1,397,827	982,451	490,646	2,318,907
6000	OPERATING CONTINGENCY	-	-	-	-
7000	Ending balance	-	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$1,423,210</u>	<u>\$ 1,002,802</u>	<u>\$ 494,435</u>	<u>\$ 2,318,907</u>

500 Capital Outlay	600 Other Objects	700 Transfers & Flow- through Payments	Actual Fund Total	Appropriations	Variance (Over) Under
\$ -	\$ -	\$ -	\$ 43,028	\$ -	\$ -
-	-	-	6,495	-	-
-	-	-	49,523	55,794	6,271
-	9,766	-	5,199,597	-	-
-	9,766	-	5,199,597	5,199,706	109
-	-	-	-	13,885	13,885
-	-	67,446	67,446	-	(67,446)
\$ -	\$ 9,766	\$ 67,446	\$ 5,316,566	\$ 5,269,385	\$ (47,181)

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LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(BUDGETARY BASIS) - BUDGET AND ACTUAL - STUDENT BODY FUND
YEAR ENDED JUNE 30, 2008

<u>Code</u>	<u>Function</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
	LOCAL REVENUE			
1500	Earnings on investments	\$ -	\$ 50,000	\$ (50,000)
1700	Cocurricular activities income	5,093,005	5,613,251	(520,246)
1000	<i>Total Local Revenue</i>	5,093,005	5,663,251	(570,246)
5400	FUND BALANCES, Beginning	3,483,895	3,500,000	(16,105)
6000	TOTAL RESOURCES	<u>\$ 8,576,900</u>	<u>\$ 9,163,251</u>	<u>\$ (586,351)</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(BUDGETARY BASIS) - BUDGET AND ACTUAL - STUDENT BODY FUND (Continued)
YEAR ENDED JUNE 30, 2008

<u>Code</u>	<u>Function</u>	<u>100</u> <u>Salaries</u>	<u>200</u> <u>Employee</u> <u>Benefits</u>	<u>300</u> <u>Purchased</u> <u>Services</u>	<u>400</u> <u>Supplies &</u> <u>Materials</u>
	INSTRUCTION				
1100	Regular programs				
1113	Elementary extracurricular	\$ -	\$ -	\$ 243,065	\$ 1,014,835
1122	Cocurricular - Middle/JHS	-	-	173,650	460,137
1132	Cocurricular - High School	-	-	775,591	1,321,222
	<i>Total Instruction</i>	-	-	1,192,306	2,796,194
6110	OPERATING CONTINGENCY	-	-	-	-
7000	ENDING BALANCE	-	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,192,306</u>	<u>\$ 2,796,194</u>

<u>500 Capital Outlay</u>	<u>600 Other Objects</u>	<u>700 Transfers & Flow- through Payments</u>	<u>Actual Fund Total</u>	<u>Appropriations</u>	<u>Variance (Over) Under</u>
\$ 29,390	\$ 57,873	\$ -	\$ 1,345,163	\$	\$
74,081	59,698	-	767,566		
-	833,852	-	2,930,665		
103,471	951,423	-	5,043,394	6,012,686	969,292
-	-	-	-	500,000	500,000
-	-	3,533,506	3,533,506	2,650,565	(882,941)
<u>\$ 103,471</u>	<u>\$ 951,423</u>	<u>\$ 3,533,506</u>	<u>\$ 8,576,900</u>	<u>\$ 9,163,251</u>	<u>\$ 586,351</u>

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LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(BUDGETARY BASIS) - BUDGET AND ACTUAL - DISTRICT RETIREMENT FUND
YEAR ENDED JUNE 30, 2008

<u>Code</u>	<u>Function</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
	LOCAL REVENUE			
1990	Refunds and miscellaneous	\$ 3,384,779	\$ 3,954,638	\$ (569,859)
	OTHER SOURCES			
5200	Interfund transfers	430,000	-	430,000
5400	FUND BALANCES, Beginning	<u>6,775,053</u>	<u>6,716,370</u>	<u>58,683</u>
6000	TOTAL RESOURCES	<u>\$ 10,589,832</u>	<u>\$ 10,671,008</u>	<u>\$ (81,176)</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(BUDGETARY BASIS) - BUDGET AND ACTUAL - DISTRICT RETIREMENT FUND
YEAR ENDED JUNE 30, 2008

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Supplies & Materials
	SUPPORTING SERVICES				
2700	District retirement	\$ 1,204,087	\$ 2,654,861	\$ -	\$ -
	<i>Total Supporting Services</i>	1,204,087	2,654,861	-	-
6000	OPERATING CONTINGENCY	-	-	-	-
7000	ENDING BALANCE	-	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 1,204,087</u>	<u>\$ 2,654,861</u>	<u>\$ -</u>	<u>\$ -</u>

500 Capital Outlay	600 Other Objects	700 Transfers & Flow- through Payments	Actual Fund Total	Appropriations	Variance (Over) Under
\$ -	\$ -	\$ -	\$ 3,858,948	\$ -	\$ -
-	-	-	3,858,948	3,954,638	95,690
-	-	-	-	3,013,222	3,013,222
-	-	6,730,884	6,730,884	3,703,148	(3,027,736)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,730,884</u>	<u>\$ 10,589,832</u>	<u>\$ 10,671,008</u>	<u>\$ 81,176</u>

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LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(BUDGETARY BASIS) - BUDGET AND ACTUAL - CAPITAL EQUIPMENT FUND
YEAR ENDED JUNE 30, 2008

<u>Code</u>	<u>Function</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
LOCAL REVENUE				
1500	Earnings on investments	\$ 57,434	\$ 50,000	\$ 7,434
1990	Refunds and miscellaneous	19,996	15,000	4,996
1000	<i>Total Local Revenue</i>	77,430	65,000	12,430
STATE REVENUE				
3221/3222	SSF Transportation	434,949	441,455	(6,506)
OTHER SOURCES				
5200	Interfund transfers	3,449,799	2,165,643	1,284,156
5400	FUND BALANCES, Beginning	<u>9,747,766</u>	<u>7,493,303</u>	<u>2,254,463</u>
6000	TOTAL RESOURCES	<u>\$ 13,709,944</u>	<u>\$ 10,165,401</u>	<u>\$ 3,544,543</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(BUDGETARY BASIS) - BUDGET AND ACTUAL - CAPITAL EQUIPMENT FUND (Continued)
YEAR ENDED JUNE 30, 2008

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Supplies & Materials
INSTRUCTION					
1100	Regular programs				
1111	Elementary (curricular)	\$ -	\$ -	\$ -	\$ 841,052
1112	Intermediate programs	-	-	-	555,992
1121	Middle/JHS (curricular)	-	-	-	486,648
1131	High school (curricular)	-	-	-	635,796
1132	Cocurricular - High School	-	-	-	10,471
1200	Special programs				
1220	Restrictive programs for students with disabilities	-	-	-	13,816
1280	Early intervention/other special programs	-	-	-	20,751
1290	Other special programs	-	-	-	106,282
	<i>Total Instruction</i>	-	-	-	2,670,808
SUPPORTING SERVICES					
2190	Service area direction, students	-	-	-	149,343
2200	Instructional staff and educational media	-	-	-	286,070
2300	General administration				
2320	Office of the superintendent	-	-	-	5,988
2400	School administration				
2410	Principals services	-	-	-	289,220
2500	Business				
2540	Operation and maintenance	-	-	-	43,123
2550	Student transportation	-	-	100	-
2570	Internal services	-	-	-	-
2600	Central				
2630	Information services	-	-	-	13,477
2640	Staff services	-	-	-	-
2660	Technology services	-	-	-	272,861
	<i>Total Supporting Services</i>	-	-	100	1,060,082
ENTERPRISE AND COMMUNITY SERVICES					
	<i>Total Enterprise and Community Services</i>	-	-	-	-
DEBT SERVICE					
5100	Principal	-	-	-	-
5100	Interest	-	-	-	-
	<i>Total Debt Service</i>	-	-	-	-
6000	OPERATING CONTINGENCY	-	-	-	-
7000	ENDING BALANCE	-	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 3,730,890</u>

<u>500</u> <u>Capital</u> <u>Outlay</u>	<u>600</u> <u>Other</u> <u>Objects</u>	<u>700</u> <u>Transfers & Flow-</u> <u>through Payments</u>	<u>Actual Fund Total</u>	<u>Appropriations</u>	<u>Variance</u> <u>(Over) Under</u>
\$ 3,817	\$ -	\$ -	\$ 844,869	\$	\$
3,817	-	-	559,809		
-	-	-	486,648		
5,195	-	-	640,991		
-	-	-	10,471		
-	-	-	13,816		
-	-	-	20,751		
-	-	-	106,282		
12,829	-	-	2,683,637	3,426,482	742,845
-	-	-	149,343		
9,501	-	-	295,571		
-	-	-	5,988		
9,401	-	-	298,621		
279,965	-	-	323,088		
124,867	-	-	124,967		
8,257	-	-	8,257		
-	-	-	13,477		
-	-	-	-		
27,228	-	-	300,089		
459,219	-	-	1,519,401	3,719,777	2,200,376
-	-	-	-	1,000	1,000
-	255,380	-	255,380		
-	73,775	-	73,775		
-	329,155	-	329,155	329,155	-
-	-	-	-	2,688,987	2,688,987
-	-	9,177,751	9,177,751	-	(9,177,751)
<u>\$ 472,048</u>	<u>\$ 329,155</u>	<u>\$ 9,177,751</u>	<u>\$ 13,709,944</u>	<u>\$ 10,165,401</u>	<u>\$ (3,544,543)</u>

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LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET ASSETS
(BUDGETARY BASIS) - BUDGET AND ACTUAL - INSURANCE RESERVE FUND
YEAR ENDED JUNE 30, 2008

<u>Code</u>	<u>Function</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
LOCAL REVENUE				
1500	Earnings on investments	\$ 313,132	\$ 435,842	\$ (122,710)
1990	Refunds and miscellaneous	26,846,527	30,966,232	(4,119,705)
1000	<i>Total Local Revenue</i>	27,159,659	31,402,074	(4,242,415)
STATE REVENUE				
3990	Other revenue from State sources	77,349	-	77,349
	<i>Total Revenue</i>	27,237,008	31,402,074	(4,165,066)
OTHER SOURCES				
5200	Interfund transfers	599,054	618,000	(18,946)
5400	FUND BALANCES, Beginning	10,007,481	9,199,866	807,615
6000	TOTAL RESOURCES	<u>\$ 37,843,543</u>	<u>\$ 41,219,940</u>	<u>\$ (3,376,397)</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET ASSETS
 (BUDGETARY BASIS) - BUDGET AND ACTUAL - INSURANCE RESERVE FUND (Continued)
 YEAR ENDED JUNE 30, 2008

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Supplies & Materials
SUPPORTING SERVICES					
2300	General administration				
2310	Board of directors	\$ -	\$ -	\$ 6,825	\$ -
2500	Business				
2520	Fiscal services	17	25,686,791	393,395	112,543
2540	Operation and maintenance	6,172	4,062	35,405	-
2550	Student transportation	-	-	-	-
2600	Central				
2640	Staff services	372,316	188,981	48,214	33,903
2660	Technology services	-	-	50	-
2690	Claims	-	-	10,908	13,072
2700	District retirement	-	9,383	-	-
	<i>Total Supporting Services</i>	<u>378,505</u>	<u>25,889,217</u>	<u>494,797</u>	<u>159,518</u>
OTHER USES					
5200	Interfund transfers	-	-	-	-
FACILITIES ACQUISITION AND CONSTRUCTION					
4150	Building acquisition, construction and improvement services	-	-	13,390	3,158
		-	-	13,390	3,158
6000	CONTINGENCY	-	-	-	-
7000	ENDING BALANCE	-	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 378,505</u>	<u>\$ 25,889,217</u>	<u>\$ 508,187</u>	<u>\$ 162,676</u>

<u>500</u> <u>Capital</u> <u>Outlay</u>	<u>600</u> <u>Other</u> <u>Objects</u>	<u>700</u> <u>Transfers & Flow-</u> <u>through Payments</u>	<u>Actual Fund Total</u>	<u>Appropriations</u>	<u>Variance</u> <u>(Over) Under</u>
\$ -	\$ -	\$ -	\$ 6,825	\$ -	\$ -
-	-	-	26,192,746	-	-
-	-	-	45,639	-	-
-	64,044	-	64,044	-	-
-	992	-	644,406	-	-
-	-	-	50	-	-
11,442	138,456	-	173,878	-	-
-	-	-	9,383	-	-
11,442	203,492	-	27,136,971	30,261,969	3,124,998
-	-	1,319,351	1,319,351	1,450,000	130,649
402,906	-	-	419,454	483,000	-
402,906	-	-	419,454	483,000	63,546
-	-	-	-	600,000	600,000
-	-	8,967,767	8,967,767	8,424,971	(542,796)
<u>\$ 414,348</u>	<u>\$ 203,492</u>	<u>\$ 10,287,118</u>	<u>\$ 37,843,543</u>	<u>\$ 41,219,940</u>	<u>\$ 3,376,397</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF SUPPLEMENTAL INFORMATION FOR STATE SCHOOL
FUND APPORTIONMENT TO OTHER LEAs
YEAR ENDED JUNE 30, 2008

A. ENERGY BILLS FOR HEATING – ALL FUNDS

Expenditures for Electricity and Heating Fuel:

	<u>Objects 325 and 326</u>
Function 2540	\$ 2,449,470
Function 2550	44,678

B. REPLACEMENT OF EQUIPMENT - GENERAL FUND

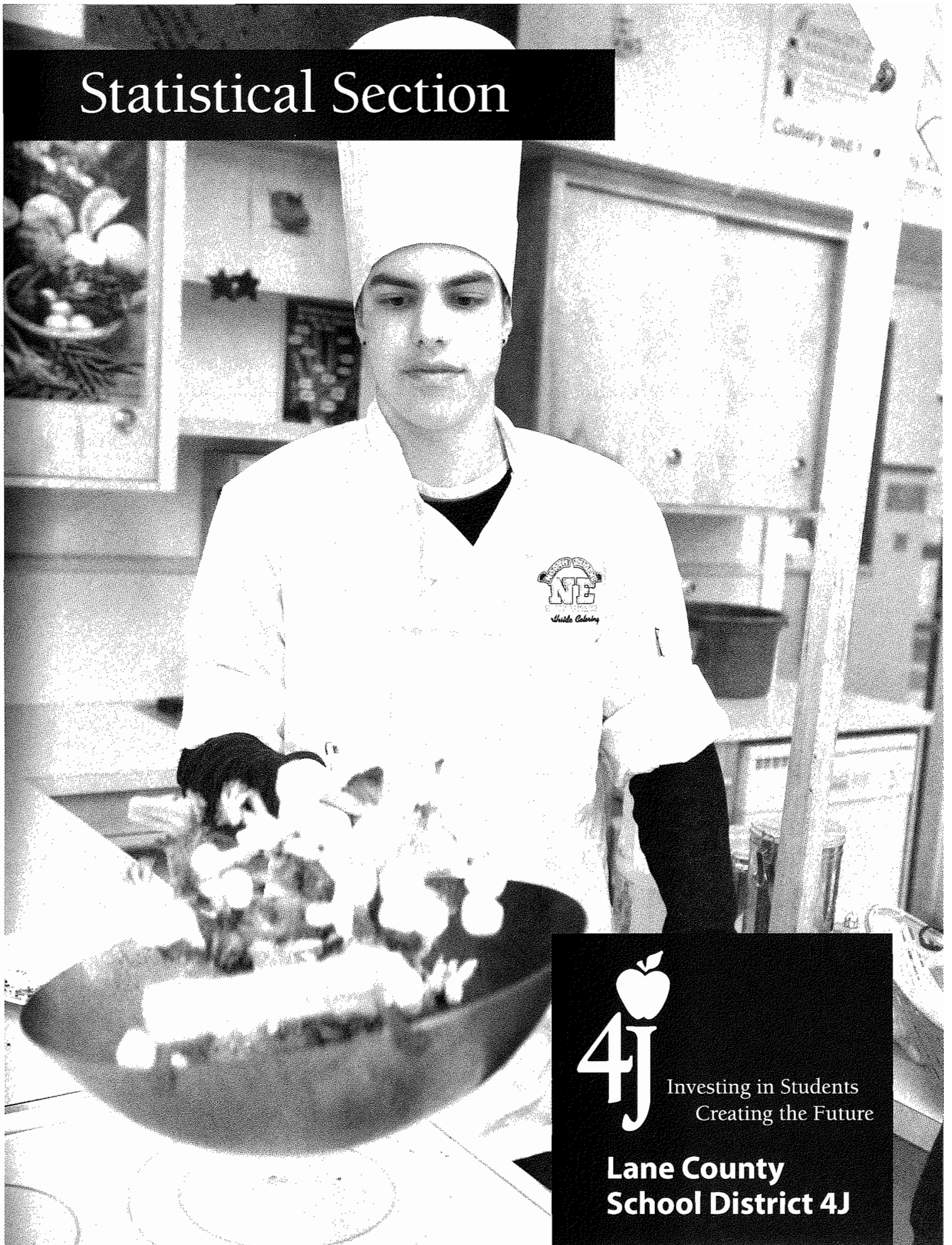
All General Fund Expenditures in Object 542, except for the following exclusions:

Exclude these functions:

1113, 1122, 1132	Co-curricular activities	2550	Pupil Transportation	
1140	Pre-kindergarten	3100	Food Service	
1300	Continuing education	3300	Community Services	
1400	Summer school	4150	Construction	

	<u>Amount</u>
\$	4,287

Statistical Section



Investing in Students
Creating the Future

**Lane County
School District 4J**

STATISTICAL SECTION

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

Contents	Page
Financial Trends	104
<p>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</p>	
Revenue Capacity	111
<p>These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.</p>	
Debt Capacity	117
<p>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.</p>	
Demographic and Economic Information	122
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.</p>	
Operating Information	128
<p>These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.</p>	

Sources: Unless otherwise noted, the information in the schedules is derived from the comprehensive annual financial reports for the relevant year.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
CONDENSED STATEMENT OF NET ASSETS - LAST TEN FISCAL YEARS ⁽¹⁾
(accrual basis of accounting)

	Fiscal Year						
	2008	2007	2006	2005	2004	2003	2002
ASSETS							
Cash and investments	\$ 95,736,164	\$ 104,463,528	\$ 108,043,786	\$ 84,820,548	\$ 111,541,154	\$ 126,535,793	\$ 58,304,585
Receivables and inventories	11,995,589	13,483,019	2,029,802	2,129,262	2,229,050	2,396,689	2,372,040
Pension assets	48,633,721	51,065,407	51,065,407	51,065,407	51,065,407	-	-
Capital assets (net)	149,666,372	148,961,252	143,239,398	125,787,550	100,222,418	72,530,652	74,543,587
Total Assets	306,031,846	317,973,206	304,378,393	263,802,767	265,058,029	201,463,134	135,220,212
LIABILITIES							
Debt due within one year	38,688,227	35,122,093	35,930,410	39,192,814	39,486,811	35,534,342	23,846,656
Debt due in more than one year	192,576,026	199,961,017	213,064,818	174,645,214	183,039,752	136,910,291	73,069,487
Total Liabilities	231,264,253	235,083,110	248,995,228	213,838,028	222,526,563	172,444,633	96,916,143
NET ASSETS							
Invested in capital assets, net of related debt	15,987,837	14,772,028	11,441,729	11,118,522	9,785,954	9,541,803	14,529,024
Restricted	2,933,884	4,033,374	2,353,395	1,689,281	3,872,681	6,112,072	3,168,480
Unrestricted	55,845,872	64,084,694	41,588,041	37,156,936	28,872,831	13,364,626	20,606,565
Total Net Assets	\$ 74,767,593	\$ 82,890,096	\$ 55,383,165	\$ 49,964,739	\$ 42,531,466	\$ 29,018,501	\$ 38,304,069

⁽¹⁾ This is a new table in accordance the new reporting model, and as such, ten years of data is not available. Over time, ten fiscal years will be presented.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON

CHANGES IN NET ASSETS - LAST TEN FISCAL YEARS ⁽¹⁾

(accrual basis of accounting)

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Governmental Activities										
Expenses										
Direct classroom services	\$ 102,821,704	\$ 93,067,887	\$ 90,369,299	\$ 80,955,925	\$ 79,250,460	\$ 79,791,432	\$ 79,436,014	\$ 79,436,014	\$ 79,436,014	\$ 79,436,014
Classroom support	40,533,869	39,324,976	37,389,343	32,342,640	30,907,121	31,969,309	30,658,218	30,658,218	30,658,218	30,658,218
Building support services	25,394,584	23,093,650	21,355,531	19,412,622	18,085,609	21,794,823	19,135,452	19,135,452	19,135,452	19,135,452
Central support services	16,896,055	11,162,296	10,469,404	8,767,139	13,709,298	16,452,744	7,198,346	7,198,346	7,198,346	7,198,346
Nutrition services	5,424,214	4,945,942	4,684,654	4,545,052	4,445,155	4,427,250	4,201,682	4,201,682	4,201,682	4,201,682
Interest on long-term liabilities	9,025,104	9,179,263	9,309,771	7,697,004	6,115,395	4,614,932	5,068,755	5,068,755	5,068,755	5,068,755
Total expenses	200,095,530	180,774,014	173,578,002	153,720,382	152,513,038	159,050,490	145,698,467	145,698,467	145,698,467	145,698,467
Program revenues										
Charges for services										
Direct classroom services	720,467	1,006,531	1,238,072	1,084,038	652,257	761,854	799,458	799,458	799,458	799,458
Classroom support	531,340	809,070	870,167	662,762	845,946	937,710	897,581	897,581	897,581	897,581
Building support services	1,154,312	1,542,812	1,240,764	760,202	1,070,459	873,089	735,688	735,688	735,688	735,688
Central support services	3,678,507	3,658,494	3,640,068	3,219,590	6,863,056	6,916,853	141,653	141,653	141,653	141,653
Nutrition services	1,970,201	1,861,178	1,875,180	1,892,476	1,840,406	1,792,234	1,947,198	1,947,198	1,947,198	1,947,198
Operating grants and contributions										
Direct classroom services	14,327,127	11,926,625	10,895,347	10,995,298	11,434,271	8,809,321	11,286,318	11,286,318	11,286,318	11,286,318
Classroom support	10,747,607	15,142,838	15,315,990	13,691,325	12,562,596	9,931,376	8,795,754	8,795,754	8,795,754	8,795,754
Building support services	4,530,411	4,739,184	4,145,315	3,531,705	3,743,808	2,971,586	2,972,266	2,972,266	2,972,266	2,972,266
Central support services	93,171	38,375	83,074	184,548	132,811	11,271	70,672	70,672	70,672	70,672
Nutrition services	2,729,384	2,634,819	2,239,429	2,300,888	2,322,563	2,138,748	1,778,928	1,778,928	1,778,928	1,778,928
Capital grants and contributions										
Building support services	434,949	502,258	2,022,694	1,819,079	496,256	531,249	383,299	383,299	383,299	383,299
Total program revenues	40,917,476	43,862,184	43,566,100	40,141,911	41,964,429	35,675,291	29,808,815	29,808,815	29,808,815	29,808,815
Total governmental activities net expense	(159,178,054)	(136,911,830)	(130,011,902)	(113,578,471)	(110,548,609)	(123,375,199)	(115,889,652)	(115,889,652)	(115,889,652)	(115,889,652)
General revenues										
Property taxes	76,571,114	75,243,972	69,204,217	60,626,025	56,740,907	56,838,117	49,091,805	49,091,805	49,091,805	49,091,805
Federal aid not restricted to specific purposes	2,777,437	2,633,094	2,588,498	2,540,427	2,543,120	2,473,752	2,516,953	2,516,953	2,516,953	2,516,953
State aid not restricted to specific purposes	66,810,401	68,077,308	59,374,071	52,681,908	62,926,660	52,222,259	60,451,626	60,451,626	60,451,626	60,451,626
Earnings on investments	4,649,939	5,165,714	4,115,453	1,794,235	1,517,038	1,392,135	1,076,202	1,076,202	1,076,202	1,076,202
Other federal and local sources	246,660	5,794,817	148,089	3,369,149	1,268,466	1,163,368	594,062	594,062	594,062	594,062
Total general revenues	151,055,551	156,914,905	135,430,328	121,011,744	124,996,191	114,089,631	113,730,648	113,730,648	113,730,648	113,730,648
Change in net assets	\$ (8,122,503)	\$ 20,003,075	\$ 5,418,426	\$ 7,433,273	\$ 14,447,582	\$ (9,285,568)	\$ (2,159,004)	\$ (2,159,004)	\$ (2,159,004)	\$ (2,159,004)

⁽¹⁾ This is a new table in accordance the new reporting model, and as such, ten years of data is not available. Over time, ten fiscal years will be presented.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 FUND BALANCES, GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
FUND BALANCES										
General Fund										
Unreserved	\$ 17,053,588	\$ 20,845,607	\$ 10,815,344	\$ 6,165,685	\$ 10,067,999	\$ 373,978	\$ 8,030,202	\$ 4,883,514	\$ 4,493,407	\$ 6,363,629
Total general fund	<u>\$ 17,053,588</u>	<u>\$ 20,845,607</u>	<u>\$ 10,815,344</u>	<u>\$ 6,165,685</u>	<u>\$ 10,067,999</u>	<u>\$ 373,978</u>	<u>\$ 8,030,202</u>	<u>\$ 4,883,514</u>	<u>\$ 4,493,407</u>	<u>\$ 6,363,629</u>
All Other Governmental Funds										
Reserved	\$ 21,081,040	\$ 28,019,482	\$ 37,226,200	\$ 12,097,145	\$ 45,895,838	\$ 79,846,930	\$ 7,105,350	\$ 4,901,625	\$ 4,806,067	\$ 4,062,529
Unreserved, reported in:										
Capital projects funds	12,531,376	13,782,621	8,127,796	7,108,271	3,313,841	2,880,521	2,367,403	7,559,875	11,013,780	13,842,604
Special revenue funds	19,664,365	20,297,170	21,398,516	23,552,024	16,800,894	11,915,685	11,006,914	11,972,478	11,068,801	10,853,214
Total all other governmental funds	<u>\$ 53,276,781</u>	<u>\$ 62,099,273</u>	<u>\$ 66,752,512</u>	<u>\$ 42,757,440</u>	<u>\$ 66,010,573</u>	<u>\$ 94,643,136</u>	<u>\$ 20,479,667</u>	<u>\$ 24,433,978</u>	<u>\$ 26,888,648</u>	<u>\$ 28,758,347</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
REVENUES										
Local sources	\$101,126,216	\$107,757,019	\$101,240,156	\$98,649,140	\$82,679,828	\$74,750,684	\$ 64,452,195	\$ 68,141,096	\$ 58,420,758	\$ 53,047,617
Intermediate sources	159,545	445,910	610,468	1,056,643	755,269	714,998	614,387	446,926	387,928	484,060
State sources	77,778,621	74,562,394	64,936,210	58,487,376	67,929,728	56,543,831	68,288,464	70,434,064	69,811,242	68,247,004
Federal sources	16,140,160	16,873,156	15,882,855	14,515,572	14,477,800	14,798,904	13,541,047	10,240,356	8,456,031	8,025,510
Total Revenues	195,204,542	199,638,479	182,669,689	162,708,731	165,842,625	146,908,417	146,896,093	149,262,442	137,075,959	129,804,191
EXPENDITURES										
Current										
Instruction	106,988,926	98,248,573	94,408,695	85,235,899	82,251,079	83,301,511	82,296,952	81,208,749	76,664,407	75,040,108
Supporting services	67,933,961	64,577,675	60,775,241	53,970,390	102,574,390	52,856,211	50,523,946	48,473,930	46,016,745	45,164,337
Community services	6,047,451	5,620,404	5,263,602	5,108,995	4,815,505	4,865,236	4,706,549	4,380,166	4,292,385	4,10,085
Facilities acquisition and construction	-	2,931	-	-	-	2,308,664	-	397,778	1,765,543	-
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	7,689,789	7,048,490	7,016,990	6,670,381	5,881,784	3,952,550	4,134,278	5,200,757	5,521,779	5,032,313
Interest	10,767,967	11,251,596	8,853,157	8,488,767	7,126,550	3,087,132	3,369,559	3,559,146	2,579,545	2,567,136
Refunding bonds issuance costs	-	-	-	-	-	157,088	60,598	-	-	-
Capital outlay	9,890,891	14,287,800	26,797,974	33,283,020	36,434,432	4,412,047	3,309,661	8,156,481	9,009,713	8,009,858
Total Expenditures	209,318,985	201,037,469	203,115,659	192,757,452	239,083,740	154,940,439	148,401,543	151,377,007	145,850,117	136,223,837
REVENUES OVER (UNDER) EXPENDITURES	(14,114,443)	(1,398,990)	(20,445,970)	(30,048,721)	(73,241,115)	(8,032,022)	(1,505,450)	(2,114,565)	(8,774,158)	(6,419,646)
OTHER FINANCING SOURCES (USES)										
Transfers in	6,018,811	8,828,064	6,795,051	8,705,438	6,665,968	2,807,934	1,763,187	1,437,541	176,000	1,698,854
Transfers out	(5,298,514)	(8,551,078)	(7,113,099)	(8,884,487)	(6,978,519)	(2,870,698)	(1,731,187)	(1,437,541)	(276,000)	(2,235,528)
Construction bonds issued	-	-	46,000,000	-	-	70,000,000	-	-	3,500,000	8,700,000
Bond premium (discount)	-	-	964,027	-	-	3,063,658	1,072,310	-	(18,176)	(46,106)
Pension bonds issued	-	-	-	-	53,435,000	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	17,630,000	21,035,000	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	(17,591,048)	(22,045,412)	-	-	-
Capital leases	779,635	1,179,526	1,241,633	-	169,266	1,350,352	573,429	-	1,602,411	-
Sale of capital assets	-	5,271,907	30,000	3,072,323	1,010,858	149,068	30,500	50,000	50,000	50,000
Insurance recoveries	-	47,595	1,173,089	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	1,499,932	6,776,014	49,090,701	2,893,274	54,302,573	74,539,266	697,827	50,000	5,034,235	8,167,220
NET CHANGE IN FUND BALANCES	(12,614,511)	5,377,024	28,644,731	(27,155,447)	(18,938,542)	66,507,244	(807,623)	(2,064,565)	(3,739,923)	1,747,574
FUND BALANCES, Beginning of year	82,944,880	77,567,856	48,923,125	76,078,572	95,017,114	28,509,870	29,317,492	31,382,057	35,121,978	33,374,402
FUND BALANCES, End of year	\$ 70,330,369	\$ 82,944,880	\$ 77,567,856	\$ 48,923,125	\$ 76,078,572	\$ 95,017,114	\$ 28,509,869	\$ 29,317,492	\$ 31,382,055	\$ 35,121,976
Debt service as a percentage of noncapital expenditures	9.3%	9.8%	8.7%	9.2%	6.3%	4.7%	5.7%	6.0%	5.7%	5.6%

(1) Does not agree to subsequent year beginning fund balances due to rounding.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
GOVERNMENT-WIDE EXPENSES BY FUNCTION
LAST TEN FISCAL YEARS

Year Ended June 30 ⁽¹⁾	Direct Classroom Services				Classroom Support Services			
	Total	Regular Programs	Special Programs	Extra- Curricular Activities	Student Support	Libraries, Curriculum and Staff Development	School Adminis- tration	Community Services
2008	\$ 200,095,530	\$ 73,910,359	\$ 28,911,345	\$ 7,706,799	\$ 10,459,082	\$ 8,606,827	\$ 12,942,806	\$ 818,355
2007	180,774,014	66,231,895	26,835,992	7,858,094	9,393,923	9,016,567	12,256,432	799,960
2006	173,578,002	64,111,697	26,257,602	7,510,618	9,004,371	8,308,400	11,785,679	780,275
2005	153,720,382	59,142,738	21,813,187	6,583,125	7,521,980	6,769,001	10,711,580	756,954
2004	152,513,038	57,319,883	21,930,577	6,189,384	7,329,759	6,137,655	10,621,624	628,699
2003	159,050,490	58,444,971	21,346,461	6,331,391	8,048,135	6,126,101	10,654,284	809,398
2002	151,398,575	59,484,892	20,673,506	6,334,180	7,370,945	5,890,298	10,416,389	831,488

⁽¹⁾This is a new table in accordance with the new reporting model, and as such, ten years of data is not available. Over time, ten fiscal years will be presented.

⁽²⁾Beginning in the year ended June 30, 2008, District Retirement includes OPEB obligation.

Source: *Statement of Activities*

<i>Building Support Services</i>				<i>Central Support Services</i>						
<i>Facilities Operation and Maint- enance</i>	<i>Student Transpor- tation</i>	<i>Computing and Information Services</i>	<i>Warehouse and Purchasing</i>	<i>Executive Adminis- tration</i>	<i>Financial Services</i>	<i>Human Resources/ Employee Insurance Benefits</i>	<i>District Retirement ⁽²⁾</i>	<i>Communi- cations and Intergov- ernmental Relations</i>	<i>Nutrition Services</i>	<i>Interest on Long-term Liabilities</i>
\$ 13,654,032	\$ 6,696,347	\$ 4,468,300	\$ 575,905	\$ 1,424,786	\$ 1,642,545	\$ 5,217,921	\$ 8,026,836	\$ 583,967	\$ 5,424,214	\$ 9,025,104
13,959,093	4,992,424	3,627,345	514,788	1,132,648	1,380,810	3,910,593	4,235,312	502,933	4,945,942	9,179,263
12,753,287	4,678,687	3,374,263	549,294	1,007,292	1,515,251	5,224,242	2,226,056	496,563	4,684,654	9,309,771
11,217,355	4,694,127	3,052,425	448,715	651,854	1,109,802	3,473,740	3,059,276	472,467	4,545,052	7,697,004
11,942,756	3,137,342	2,595,370	410,141	508,297	1,635,008	7,627,879	3,506,204	431,910	4,445,155	6,115,395
14,523,828	4,463,197	2,449,686	358,112	699,508	1,868,581	7,911,426	5,514,088	459,141	4,427,250	4,614,932
11,978,780	4,005,028	2,939,030	365,448	828,807	1,131,490	6,885,100	2,573,897	381,279	4,239,263	5,068,755

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
GENERAL FUND REVENUES BY SOURCES (BUDGETARY BASIS)
LAST TEN FISCAL YEARS

Year Ended June 30	Local Sources			
	Total	Property Taxes	Investment Income	Other
2008	\$ 148,715,416	\$ 62,193,573	\$ 3,237,565	\$ 3,395,825
2007	143,207,078	59,296,323	2,865,578	2,723,471
2006	125,817,389	56,150,066	2,027,924	2,718,023
2005	111,894,521	51,354,473	1,064,131	2,620,929
2004	120,780,570	47,940,442	503,103	3,009,139
2003	112,812,986	44,595,388	516,431	3,429,912
2002	116,396,151	43,086,192	736,385	2,976,526
2001	111,712,190	40,467,176	1,179,696	2,638,254
2000	104,760,134	33,081,817	1,137,550	2,818,475
1999	98,535,172	31,345,487	1,148,210	2,683,471

*Source: Statement of Revenues, Expenditures, and Changes in Fund Balance by Year
Includes revenues and other financing sources*

State Sources						
School Support Fund	Common School Fund	Transportation Grant	Other	Intermediate Sources	Federal Sources	Other Sources
\$ 64,931,659	\$ 1,878,321	\$ 4,234,833	\$ 4,453,452	\$ 159,545	\$ 2,911,292	\$ 1,319,351
65,069,832	1,666,349	3,837,737	698,152	445,910	2,785,726	3,818,000
53,565,468	1,597,696	3,142,267	346,533	586,129	2,683,283	3,000,000
49,111,926	1,416,527	2,662,701	352,504	622,723	2,688,607	-
62,410,456	478,426	2,364,881	773,233	674,360	2,626,530	-
57,469,499	1,149,696	2,259,277	120,587	632,277	2,639,919	-
59,889,315	62,311	2,457,738	3,504,877	612,470	2,570,337	-
61,096,825	1,466,497	2,240,701	190,227	445,793	1,937,021	50,000
61,224,854	1,488,269	2,078,508	177,984	382,422	2,320,255	50,000
58,226,687	394,159	1,970,575	112,544	484,060	2,119,979	50,000

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
GENERAL FUND EXPENDITURES AND TRANSFERS TO OTHER FUNDS
(BUDGETARY BASIS)
LAST TEN FISCAL YEARS

Year Ended June 30	Total	Instruction	Support Services			
			Student Services	Instructional Staff	General Adminis- tration	School Adminis- tration
2008	\$ 152,507,435	\$ 89,703,733	\$ 8,620,867	\$ 5,129,029	\$ 1,408,820	\$ 12,049,479
2007	133,176,815	77,881,307	4,842,674	4,578,396	1,122,012	11,632,855
2006	125,376,456	74,996,549	5,156,522	3,668,397	945,078	11,083,448
2005	117,947,267	67,787,367	4,348,495	3,027,913	620,991	9,868,557
2004	111,124,327	65,170,109	4,190,707	2,939,050	472,049	9,570,247
2003	114,067,614	69,309,092	5,949,242	3,390,227	672,510	9,687,665
2002	113,249,461	69,436,074	5,731,731	3,606,845	783,380	9,640,307
2001	111,322,083	69,676,113	5,453,564	3,763,588	647,487	9,530,394
2000	106,630,356	67,001,129	5,421,947	3,800,597	856,949	9,091,628
1999	102,099,422	66,091,064	4,250,684	3,494,497	756,122	8,521,353

Source: *Statement of Revenues, Expenditures, and Changes in Fund Balance by Year*
Includes expenditures and other financing uses

Support Services

Business Services	Central Services	District Retirement	Community Services	Facilities Acquisition and Construction	Interfund Transfers
\$ 21,229,859	\$ 5,718,356	\$ 3,024,104	\$ 324,674	\$ -	\$ 5,298,514
18,625,781	4,817,545	3,781,743	343,424	-	5,551,078
17,077,964	4,275,104	3,740,327	319,968	-	4,113,099
15,935,581	3,639,175	3,538,190	296,511	-	8,884,487
15,129,180	3,277,432	3,146,547	250,487	-	6,978,519
16,171,361	3,417,172	3,124,100	375,547	-	1,970,698
16,260,778	3,606,269	2,773,480	429,410	-	981,187
13,755,761	3,515,887	2,923,053	468,148	150,547	1,437,541
13,272,735	3,480,177	2,817,265	470,074	141,855	276,000
12,740,285	3,599,804	-	410,085	-	2,235,528

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Year Ended June 30	Taxable Assessed Value ⁽¹⁾	Percent Change	Total Levy ⁽²⁾	Percent Change	Tax Rate per \$1,000 ⁽³⁾	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years and Adjustments		Total Collections to Date	
						Amount	Percent Collected Year of Levy ⁽³⁾	Amount	Adjustments	Amount	Percent Collected 06/30/2008 ⁽³⁾
2008 ⁽⁴⁾	\$ 10,852,594,702	5.55 %	\$ 79,859,440	3.20 %	\$ 7.3584	\$ 74,777,925	93.64 %	\$ -	-	\$ 77,618,014	93.64 %
2007 ⁽⁴⁾	10,281,818,660	4.28	77,379,818	8.56	7.5257	73,242,886	94.65	3,322,111	3,322,111	76,564,997	98.95
2006 ⁽⁴⁾	9,859,887,317	3.97	71,281,365	13.93	7.2295	67,364,563	94.51	3,533,102	3,533,102	70,897,665	99.46
2005 ⁽⁴⁾	9,483,125,975	4.49	62,568,429	8.03	6.5871	58,765,673	93.92	3,650,732	3,650,732	62,416,405	99.76
2004 ⁽⁴⁾	9,075,796,054	3.97	57,918,849	(1.30)	6.3818	54,417,169	93.95	3,434,068	3,434,068	57,851,237	99.88
2003 ⁽⁴⁾	8,729,173,782	3.08	58,679,866	15.68	6.7224	54,558,438	92.98	4,058,062	4,058,062	58,616,500	99.89
2002 ⁽⁴⁾	8,468,375,012	10.69	50,725,954	0.94	5.9901	46,577,634	91.82	4,098,603	4,098,603	50,676,237	99.90
2001 ⁽⁴⁾	7,650,861,479	6.28	50,255,047	17.93	6.5680	46,599,690	92.73	3,614,555	3,614,555	50,214,245	99.92
2000	7,198,706,601	6.26	42,613,830	7.86	5.9196	39,735,641	93.25	2,844,133	2,844,133	42,579,774	99.92
1999	6,774,413,914	4.64	39,508,713	(1.38)	5.8319	36,874,196	93.33	2,608,757	2,608,757	39,482,953	99.93

⁽¹⁾These figures represent assessed values for Lane and Linn Counties after removal of certain offsets, including the value of urban renewal areas.

⁽²⁾The levy is total taxes to be collected after the effects of compression and the addition of offsets and penalties and other taxes. The levy has been adjusted by certain offsets before calculation of the tax rate.

⁽³⁾Tax rates and percent collected are for Lane County only. Tax rates reflect post-Measure 5 compression amounts.

⁽⁴⁾Includes Local Option Levy.

Note:
The net taxes levied are combined for Lane and Linn counties. Responsibility for the collection of all property taxes rests within the County's Department of Assessment and Taxation. Current taxes are assessed as of July, become due as of November 15 and become delinquent as of May 15. Assessed taxes become a lien upon real property in the fourth year of delinquency. Proceeds of tax sales are applied to delinquent taxes, interest and other costs attributable to the property sold.

The net levy is the actual imposed tax after adjustments and constitutional property tax limitations due to the passing of Measure 5 in 1990 and Measure 50 in 1997. Additional information can be found on Assessed Values of Taxable Property within School District on page 114.

Source: Lane County Department of Assessment and Taxation
Linn County Tax Collection Department

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
DIRECT DISTRICT TAX RATES
LAST TEN FISCAL YEARS

District Direct Rates

<i>Fiscal Year</i>	<i>General Tax Permanent Rate ⁽¹⁾</i>	<i>Local Option ⁽¹⁾</i>	<i>General Obligation Debt Service Bonds</i>	<i>Total Direct Tax Rate</i>
2008	\$ 4.7485	\$ 1.5000	\$ 1.3404	\$ 7.5889
2007	4.7485	1.5000	1.6072	7.8557
2006	4.7485	1.5000	1.3975	7.6460
2005	4.7485	1.5000	1.0334	7.2819
2004	4.7485	1.5000	1.0365	7.2850
2003	4.7485	1.5000	1.4770	7.7255
2002	4.7485	1.5000	0.7325	6.9810
2001	4.7485	1.5000	1.1189	7.3674
2000	4.7485	-	1.2189	5.9674
1999	4.7485	-	1.1229	5.8714

Source: Oregon Property Tax Statistics for the appropriate fiscal year.

⁽¹⁾ Tax rates do not reflect post Measure 5 compression loss.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF PROPERTY TAX TRANSACTIONS
LAST TEN FISCAL YEARS

	<u>2007-2008⁽²⁾</u>	<u>2006-2007⁽²⁾</u>	<u>2005-2006⁽²⁾</u>	<u>2004-2005⁽²⁾</u>	<u>2003-2004⁽²⁾</u>
GENERAL FUND					
Levy extended by Assessor	<u>\$65,196,549</u>	<u>\$60,855,183</u>	<u>\$57,369,015</u>	<u>\$52,650,371</u>	<u>\$48,437,891</u>
Tax rate per \$1,000 assessed value	<u>\$ 6.25</u>	<u>\$ 6.25</u>	<u>\$ 6.25</u>	<u>\$ 6.25</u>	<u>\$ 6.25</u>
Reduction of taxes receivable ⁽¹⁾					
Current year	\$63,256,929	\$59,279,706	\$55,897,134	\$52,016,649	\$46,843,389
1st year prior	828,632	899,896	999,151	960,780	1,015,071
2nd year prior	241,694	243,724	338,955	389,730	402,457
3rd year prior	147,589	161,223	235,825	201,048	239,485
4th year prior	69,845	89,160	100,120	112,178	102,693
5th and prior years	<u>64,278</u>	<u>23,009</u>	<u>35,452</u>	<u>21,885</u>	<u>53,981</u>
Total Prior	<u>1,352,038</u>	<u>1,417,012</u>	<u>1,709,503</u>	<u>1,685,621</u>	<u>1,813,687</u>
Total General Fund	<u>\$64,608,967</u>	<u>\$60,696,718</u>	<u>\$57,606,637</u>	<u>\$53,702,270</u>	<u>\$48,657,076</u>
DEBT SERVICE FUND					
Levy extended by Assessor	<u>\$14,662,891</u>	<u>\$16,524,635</u>	<u>\$13,912,350</u>	<u>\$9,918,059</u>	<u>\$9,480,958</u>
Tax rate per \$1,000 assessed value	<u>\$ 1.34</u>	<u>\$ 1.61</u>	<u>\$ 1.40</u>	<u>\$ 1.05</u>	<u>\$ 1.04</u>
Reduction of taxes receivable ⁽¹⁾					
Current year	\$14,251,334	\$16,125,607	\$13,577,001	\$9,799,749	\$9,196,475
1st year prior	225,016	201,849	166,311	166,173	262,610
2nd year prior	58,612	45,362	62,445	104,723	56,072
3rd year prior	27,804	31,126	65,048	28,011	49,191
4th year prior	13,671	23,544	13,948	23,041	26,627
5th and prior years	<u>5,520</u>	<u>3,840</u>	<u>6,958</u>	<u>4,212</u>	<u>13,622</u>
Total prior	<u>\$ 330,623</u>	<u>\$ 305,721</u>	<u>\$ 314,710</u>	<u>\$ 326,160</u>	<u>\$ 408,122</u>
Total Debt Service Fund	<u>\$14,581,957</u>	<u>\$16,431,328</u>	<u>\$13,891,711</u>	<u>\$10,125,909</u>	<u>\$9,604,597</u>

(1) Amounts include interest on deficiencies, discounts allowed for early payment, and adjustments and cancellations made by the County Assessor

(2) Includes Local Option Levy beginning in 2001.

Sources: Lane County Department of Assessment and Taxation and Linn County Department of Assessment and Taxation.

<u>2002-2003⁽²⁾</u>	<u>2001-2002⁽²⁾</u>	<u>2000-2001⁽²⁾</u>	<u>1999-2000</u>	<u>1998-1999</u>
<u>\$ 45,697,027</u>	<u>\$ 44,522,869</u>	<u>\$ 41,694,498</u>	<u>\$ 33,839,333</u>	<u>\$ 31,901,188</u>
<u>\$ 6.25</u>	<u>\$ 6.25</u>	<u>\$ 6.25</u>	<u>\$ 4.75</u>	<u>\$ 4.75</u>
\$ 43,908,558	\$ 42,603,648	\$ 39,804,901	\$ 32,380,864	\$ 30,592,936
1,152,962	1,067,838	981,743	743,304	688,892
408,567	332,262	331,743	284,242	286,690
196,029	153,873	187,912	175,757	142,364
102,483	72,516	108,453	73,415	109,177
34,577	19,740	8,934	72,267	445,178
<u>1,894,618</u>	<u>1,646,229</u>	<u>1,618,785</u>	<u>1,348,985</u>	<u>1,672,301</u>
<u>\$ 45,803,176</u>	<u>\$ 44,249,877</u>	<u>\$ 41,423,686</u>	<u>\$ 33,729,849</u>	<u>\$ 32,265,237</u>
<u>\$ 12,982,839</u>	<u>\$ 6,203,085</u>	<u>\$ 8,560,549</u>	<u>\$ 8,774,497</u>	<u>\$ 7,606,989</u>
<u>\$ 1.48</u>	<u>\$ 0.73</u>	<u>\$ 1.12</u>	<u>\$ 1.22</u>	<u>\$ 1.12</u>
\$ 12,510,454	\$ 5,936,286	\$ 8,173,367	\$ 8,396,334	\$ 7,223,433
160,041	218,393	202,141	178,371	211,723
83,919	86,152	64,631	87,354	91,879
50,828	36,681	44,075	56,327	45,625
24,432	22,363	27,904	25,530	11,782
3,630	3,152	1,860	1,241	3,980
<u>\$ 322,850</u>	<u>\$ 366,741</u>	<u>\$ 340,611</u>	<u>\$ 348,823</u>	<u>\$ 364,989</u>
<u>\$ 12,833,304</u>	<u>\$ 6,303,027</u>	<u>\$ 8,513,978</u>	<u>\$ 8,745,157</u>	<u>\$ 7,588,422</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
ASSESSED VALUES OF TAXABLE PROPERTY WITHIN SCHOOL DISTRICT BOUNDARIES
LAST TEN FISCAL YEARS (in thousands of dollars)

Fiscal Year Ending June 30	Assessed Value (not including exempt property) ⁽¹⁾				Add: Non- Profit Housing	Less: Urban Renewal Excess	Total Net Assessed Value ⁽¹⁾	Total Direct Tax Rate ⁽¹⁾	Amount Tax Rate will Raise ⁽¹⁾	Less: Reductions and Adjustments ⁽¹⁾	Total Taxes Imposed Net Levy ⁽¹⁾
	Real Property	Personal Property	Manufactured Structure	Public Utility							
2008	\$ 10,416,221	\$ 384,883	\$ 56,134	\$ 200,093	\$ 8,289	\$ 213,025	\$ 10,852,595	7.3585	\$ 82,707	\$ 2,847	\$ 79,859
2007	9,870,703	352,297	55,198	183,133	8,235	187,747	10,281,819	7.5259	80,974	3,594	77,380
2006	9,447,834	339,879	55,121	190,255	7,995	181,196	9,859,888	7.2294	75,716	4,434	71,281
2005	9,048,355	325,527	51,911	242,807	7,763	193,237	9,483,126	6.5979	69,174	6,606	62,568
2004	8,669,201	310,919	49,395	215,682	-	169,401	9,075,796	6.3817	66,192	8,273	57,919
2003	8,284,951	315,680	51,533	236,327	7,317	166,634	8,729,174	6.7223	67,528	8,849	58,680
2002	7,992,009	317,471	54,419	244,254	7,104	153,815	8,461,442	5.9901	59,069	8,385	50,685
2001	7,233,616	291,798	51,005	211,243	-	143,477	7,644,185	6.5680	56,318	6,111	50,207
2000	n/a ⁽²⁾	n/a ⁽²⁾	n/a ⁽²⁾	n/a ⁽²⁾	-	131,763	7,192,279	5.9196	42,919	344	42,575
1999	6,439,125	260,183	44,748	140,472	6,501	122,811	6,768,219	5.8319	39,739	267	39,472

Notes:

Beginning July 1, 1997, property taxes were based on an assessed value. Assessed value is defined as the lower of "maximum assessed value" or "real market value". For the 1997-1998 tax year, "maximum assessed value" was set at the 1995-1996 real market value less 10 percent. Assessed value for later years is limited to 3 percent annual increases.

The net levy is the actual imposed tax after adjustments and constitutional property tax limitations due to the passing of Measure 5 in 1990 and Measure 50 in 1997.

⁽¹⁾ FY 1997-2002 Assessed Value by Property Type are Lane County only.

⁽²⁾ Information not available for 1999-2000, per Lane County Department of Assessment and Taxation.

Source:

FY 1999-2002: Lane County Department of Assessment and Taxation.

FY 2003-2008: Oregon Property Tax Statistics Supplement for the appropriate fiscal year.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
COMPARISON OF GENERAL FUND BUDGET TO TAX LEVY
LAST TEN FISCAL YEARS

Year Ended June 30	General Fund Budget	General Fund Levy	Percentage of Levy to Budget
2008	\$ 164,312,578	\$ 65,196,549	39.68 %
2007	146,812,500	60,855,183	41.45
2006	132,117,000	57,369,015	43.42
2005	126,088,700	52,650,371	41.76
2004	115,473,200	48,437,891	41.95
2003	121,651,990	45,697,027	37.56
2002	123,136,005	44,522,869	36.16
2001	117,950,304	41,694,498	35.35
2000	113,955,504	33,839,333	29.70
1999	108,890,907	31,901,188	29.30

Source: Lane County Department of Assessment and Taxation, Linn County Tax Assessor's Office, and Statement of Revenues, Expenditures and Changes in Fund Balance by Year.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
PROPERTY TAX RATES⁽¹⁾ - ALL OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS (Dollars per \$1,000)

	<i>% within</i>					
	<i>School District</i>	<i>2007-2008</i>	<i>2006-2007</i>	<i>2005-2006</i>	<i>2004-2005</i>	
Bailey-Spencer RFPD	100.00 %	\$ 2.39	\$ 2.39	\$ 2.39	\$ 2.39	
City of Coburg	100.00	5.49	5.38	5.54	5.48	
City of Eugene	841.91	7.89	8.79	8.90	9.28	
City of Springfield	9.30	5.73	6.12	6.10	6.15	
Coburg RFPD	93.06	1.39	1.65	1.73	1.78	
Creswell RFPD	N/A	N/A	N/A	N/A	N/A	
Eugene Urban Renewal Downtown	81.91	0.26	0.26	0.26	-	
Emerald PUD	10.47	-	-	-	-	
Eugene RFPD #1	99.63	2.54	2.54	2.54	1.72	
Glenwood Water	99.98	3.89	4.14	4.14	4.14	
Glenwood Urban Development	10.65	0.41	0.33	0.18	-	
Goshen RFPD	13.49	1.72	1.72	1.72	1.72	
Harrisburg RFPD 6	3.35	-	-	-	-	
Junction City Water Control	2.61	0.31	0.31	0.29	0.32	
Lane Rural Fire/Rescue	3.33	2.12	2.12	2.12	2.12	
Lane County	46.69	1.40	1.41	1.41	1.41	
Lane County Fire District 1	22.18	1.98	1.98	1.98	1.98	
Lane County Metro Waste Water	64.36	-	-	-	-	
Lane ESD	46.86	0.22	0.22	0.22	0.22	
Lane Community College	46.78	0.83	0.85	0.88	0.89	
LeBleu Road	100.00	-	-	-	-	
Linn County	0.12	7.59	7.84	7.65	7.28	
Mohawk Valley RFPD	1.91	2.41	2.48	2.55	2.51	
Rainbow Water & Fire District	2.25	3.73	3.15	3.18	3.21	
River Road Park & Recreation	97.98	3.48	3.48	3.50	3.06	
River Road Water Subdistrict #1	2.17	0.28	0.28	0.28	0.28	
River Road Water	97.92	1.97	1.97	1.97	1.97	
Santa Clara RFPD	98.39	1.04	1.04	1.04	1.04	
Santa Clara Water District	85.42	-	-	-	-	
South Lane County Fire & Rescue	0.01	1.03	1.03	1.03	1.03	
Willakenzie RFPD	53.53	3.07	3.07	3.07	3.07	
Willamalane Park & Rec	10.86	2.15	2.18	2.33	2.33	
Zumwalt Fire	81.60	2.34	2.34	2.34	2.34	

⁽¹⁾ Gross tax rate before Measure 5 limitations applied

Source: Lane County Department of Assessment and Taxation
Linn County Tax Assessor's Office

	<u>2003-2004</u>	<u>2002-2003</u>	<u>2001-2002</u>	<u>2000-2001</u>	<u>1999-2000</u>	<u>1998-1999</u>
\$	2.39	\$ 2.39	\$ 2.39	\$ 2.39	\$ 2.37	\$ 2.39
	5.44	3.75	3.75	3.75	3.75	4.00
	9.22	8.41	8.18	8.19	7.87	7.55
	6.17	5.15	5.17	5.18	5.51	5.55
	1.78	1.33	1.33	1.40	1.41	1.44
	N/A	1.02	1.02	1.02	1.01	1.02
	-	-	-	-	-	-
	-	-	-	-	-	-
	2.54	2.54	2.54	2.54	2.53	2.54
	3.19	1.90	4.14	2.87	4.14	4.14
	-	-	-	-	-	-
	1.72	1.72	1.72	1.72	1.72	1.72
	-	-	-	-	-	-
	0.34	0.32	0.35	0.36	0.34	0.35
	2.12	2.12	2.12	2.12	2.10	2.12
	1.43	1.44	1.44	1.44	1.45	1.45
	1.98	1.98	1.98	1.98	1.95	1.98
	-	-	0.05	0.05	0.18	0.20
	0.22	0.22	0.22	0.22	0.22	0.22
	0.86	0.88	0.86	0.87	0.89	0.90
	-	-	-	-	-	-
	7.29	7.73	6.98	7.37	5.97	5.87
	2.56	2.68	2.89	2.83	2.86	1.91
	3.25	3.10	3.12	3.16	3.19	2.06
	3.45	3.52	3.53	3.53	3.63	3.62
	0.28	0.28	0.28	0.28	0.28	0.28
	1.97	1.97	1.97	1.97	1.97	1.97
	1.04	1.04	1.04	1.04	1.04	1.04
	-	-	-	-	-	-
	1.03	N/A	N/A	N/A	N/A	N/A
	3.07	1.88	2.84	1.72	1.72	3.07
	2.35	2.42	2.38	2.44	2.48	2.25
	2.34	2.34	2.34	2.12	1.79	2.34

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2008

Overlapping Issuer	Net Property-tax Backed Debt ⁽¹⁾	Percentage Within School District ⁽²⁾	Overlapping Debt
River Road Park & Recreation District	\$ 985,000	97.84 %	\$ 963,690
Coburg RFPD	566,667	93.19	528,094
City of Eugene	36,725,000	82.82	30,417,004
Lane ESD	8,135,000	47.52	3,865,370
Lane County	17,290,000	47.34	8,184,343
Lane Community College	5,545,000	46.80	2,594,993
Willamalane Park and Recreation District	565,000	12.95	73,178
City of Springfield	33,840,000	11.48	3,883,783
Harrisburg Rural Fire Protection District	230,000	3.28	7,543
Junction City Water Control District	301,285	2.60	7,821
Mohawk Valley RFPD	118,000	2.29	2,702
Linn County	565,000	0.14	794
Total			50,529,315
Direct District net property-tax backed debt			139,829,999
Total direct and overlapping debt			\$ 190,359,314

(1) Net Property-tax Backed Debt is all General Obligation (GO) Bonds and Full Faith & Credit bonds, less Self-supporting Unlimited-tax GO and less Self-supporting Full Faith & Credit debt.

(2) The percentage of overlapping debt applicable is obtained by determining the portion of another overlapping issuer's taxable value that is within the District's boundaries and dividing it by each issuer's total taxable value.

Source: Municipal Debt Advisory Commission, State of Oregon

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS, (DOLLARS IN THOUSANDS)

Legal Debt Margin Calculation for Fiscal Year 2008

Real Market Value	\$ 20,022,331
Debt Limit (7.95%) ⁽¹⁾	1,591,775
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonded Debt	139,830
Less: Amount Available in Debt Service Funds	9,578
Amount of Debt Applicable to Debt Limit	130,252
Legal Debt Margin	\$ 1,461,523

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Debt limit	\$ 1,591,775	\$ 1,402,753	\$ 1,149,304	\$ 1,020,733	\$ 922,233	\$ 875,483	\$ 888,143	\$ 880,210	\$ 837,070	\$ 686,592
Total net debt applicable to limit	130,252	136,731	153,165	113,294	119,685	124,372	57,235	61,162	66,154	68,039
Legal debt margin	\$ 1,461,523	\$ 1,266,022	\$ 996,139	\$ 907,439	\$ 802,549	\$ 751,111	\$ 830,909	\$ 819,048	\$ 770,916	\$ 618,553

Total net debt applicable to the limit as a percentage of debt limit	8.18%	9.75%	13.33%	11.10%	12.98%	14.21%	6.44%	6.95%	7.90%	9.91%
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⁽¹⁾ ORS 328.325 establishes a parameter of bonded indebtedness for school districts. Aggregates are governed by real market values of all taxable properties within the district. For each grade from kindergarten through eighth for which the District operates schools, fifty-five one-hundredths of one percent (.0055) of the real market value. For each grade from ninth through twelfth for which the District operates schools, seventy-five one-hundredths of one percent (.0075) of the real market value.

Allowable Percentage of Real Market Value:	
Kindergarten through eighth grade, 9 x .0055	4.95%
Ninth through twelfth grade, 4 x .0075	3.00%
Allowable Percentage	7.95%

Source: Long-term debt footnote and Assessed True Cash Value Property Schedule

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
RATIO OF ANNUAL DEBT SERVICE REQUIREMENTS FOR GENERAL BONDED
DEBT TO TOTAL GENERAL FUND EXPENDITURES AND TRANSFERS
LAST TEN FISCAL YEARS

Year Ended June 30	Principal	Interest	Total Bonded Debt Service	Total General Fund Expenditures and Transfers	Ratio
2008	\$ 6,808,929	\$ 7,822,887	\$ 14,631,816	\$ 153,078,711	0.0956
2007	6,525,790	8,321,351	14,847,141	133,226,509	0.1114
2006	6,129,431	5,933,043	12,062,474	125,376,456	0.0962
2005	6,390,477	5,560,998	11,951,475	117,947,267	0.1013
2004	4,687,306	6,003,738	10,691,044	111,124,327	0.0962
2003	3,687,992	3,017,341	6,705,333	114,067,614	0.0588
2002	3,872,172	3,293,490	7,165,662	113,249,461	0.0633
2001	4,992,005	3,475,019	8,467,024	111,322,083	0.0761
2000	5,385,000	2,579,545	7,964,545	106,630,356	0.0747
1999	5,000,000	2,564,551	7,564,551	102,099,422	0.0741

Source: Combined Statement of Revenues, Expenditures and Changes in Fund Balance

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUATION AND
NET GENERAL BONDED DEBT PER CAPITA AND PER STUDENT
LAST TEN FISCAL YEARS

Year Ended June 30	District Population (Estimated)	Average Daily Membership (Resident) K-12	Assessed Valuation	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita	Net Bonded Debt Per Student
2008	149,004	16,192 ⁽¹⁾	\$ 10,852,594,702	\$ 139,829,999	0.0129	\$ 938	\$ 8,636
2007	146,356	16,476 ⁽¹⁾	10,281,818,660	146,638,929	0.0143	1,002	8,900
2006	146,128	16,746 ⁽¹⁾	9,859,887,317	153,164,719	0.0155	1,048	9,146
2005	144,608	16,984 ⁽¹⁾⁽²⁾	9,483,125,975	113,294,150	0.0119	783	6,671
2004	143,878	17,105 ⁽¹⁾	9,075,796,054	119,684,627	0.0132	832	6,997
2003	142,349	17,379 ⁽¹⁾	8,729,173,782	124,371,933	0.0142	874	7,156
2002	140,519	17,310 ⁽¹⁾	8,468,375,012	57,234,925	0.0068	407	3,306
2001	137,863	17,339 ⁽¹⁾	7,650,861,479	61,162,096	0.0080	444	3,515
2000	136,460	17,547 ⁽¹⁾	7,198,706,601	66,154,101	0.0092	485	3,770
1999	134,113	18,030	6,774,413,914	68,039,101	0.0100	507	3,774

⁽¹⁾Excludes district sponsored public charter schools and alternative education providers.
808 ADM were excluded from the 2008 count.

⁽²⁾Revised to reflect release of final numbers.

Sources: State of Oregon Department of Education
Lane County Department of Assessment and Taxation
Lane County School District 4J

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾	Per Student ⁽²⁾
	General Obligation Bonds	Pension Bonds	Capital Leases				
2008	\$ 139,830,000	\$ 53,235,000	\$ 2,582,834	\$ 195,647,834	n/a ⁽³⁾	\$ 1,313	\$ 12,083
2007	146,638,929	53,435,000	2,484,059	202,557,988	n/a ⁽³⁾	1,384	12,294
2006	153,164,719	53,435,000	1,827,233	208,426,952	1.988%	1,426	12,446
2005	113,294,150	53,435,000	1,473,159	168,202,309	1.690%	1,163	9,904
2004	119,684,627	53,435,000	1,753,062	174,872,689	1.863%	1,215	10,223
2003	124,371,931	-	2,793,123	127,165,054	1.441%	893	7,317
2002	57,234,924	-	1,707,329	58,942,253	0.681%	419	3,405
2001	61,162,096	-	1,396,006	62,558,102	0.745%	454	3,608
2000	66,154,101	-	1,604,758	67,758,859	0.824%	496	3,862
1999	68,039,101	-	28,868	68,067,969	0.871%	510	3,775

Source:

⁽¹⁾ See page 122 and 123 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

⁽²⁾ See page 128 for average daily membership data.

⁽³⁾ Calendar year 2008 and 2007 personal income not available at time of printing.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 DEMOGRAPHIC STATISTICS
 LAST TEN FISCAL YEARS

Year Ended June 30	City of Eugene				Lane County		State of Oregon	
	Estimated Population	Percent Change	Area (Square Miles)	Average Density Persons/Square Mile	Estimated Population	Percent Change	Estimated Population	Percent Change
2008	149,004	1.81 %	40.5	3,679	345,880	1.81 %	3,791,075	2.73 %
2007	146,356	0.13	40.5	3,614	339,740	1.09	3,690,505	1.63
2006	146,160	1.05	40.5	3,609	336,085	0.82	3,631,440	1.36
2005	144,640	0.51	41.5	3,485	333,350	1.20	3,582,600	1.16
2004	143,910	1.07	41.5	3,468	329,400	0.38	3,541,500	1.05
2003	142,380	1.30	41.5	3,431	328,150	0.69	3,504,700	0.95
2002	140,550	1.93	41.5	3,387	325,900	0.91	3,471,700	1.47
2001	137,893	1.03	41.5	3,323	322,959	2.30	3,421,399	3.17
2000	136,490	2.27	41.5	3,289	315,700	0.86	3,316,154	1.49
1999	133,460	3.22	41.5	3,216	313,000	1.46	3,267,550	0.75

Source: Lane Council of Governments
 State of Oregon Department of Administrative Services
 Portland State University Center for Population Research and Census

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Year Ended December 31	County Population	County Personal Income (thousands of dollars)	County Per Capita Personal Income	County Unemployment Rate
2007	343,140	-	-	5.3%
2006	339,740	10,483,145	30,825	5.5
2005	336,085	9,951,218	29,609	6.2
2004	329,400	9,384,503	28,490	7.3
2003	328,150	8,822,401	26,885	7.4
2002	325,900	8,653,611	26,553	6.7
2001	322,959	8,402,302	26,017	6.3
2000	315,700	8,227,894	26,062	5.5
1999	313,000	7,811,734	24,958	5.1
1998	308,500	7,527,481	24,400	5.4

¹ 2007 County Personal Income not available at time of printing

Sources:

Population information: Portland State University Center for Population Research and Census

Personal income: US Department of Commerce, Bureau of Economic Analysis.

State of Oregon Employment Division, Department of Human Resources

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
MAJOR TAXPAYERS - CURRENT YEAR AND NINE YEARS AGO
JUNE 30, 2008

Name	2008			1999		
	2007-08 Assessed Valuation	Rank	Percentage of District Total Assessed Value	1998-99 Assessed Valuation	Rank	Percentage of District Total Assessed Value
Hynix Semiconductor Mfg	\$ 554,577,732	1	5.11 %			
PeaceHealth	165,062,729	2	1.52	\$ 22,388,600	4	0.33 %
Valley River Center	93,130,212	3	0.86	71,991,619	2	1.06
Qwest Corp	84,196,900	4	0.78			
Symantec Corporation	78,344,464	5	0.72			
Northwest Natural Gas Co	43,035,100	6	0.40			
Molecular Probes Inc	37,454,990	7	0.35			
Monaco Coach Corp	34,609,250	8	0.32			
Chase Village LLC	30,560,789	9	0.28			
Guard Publishing Co	28,383,823	10	0.26	32,903,225	3	0.49
U.S. West Communications				89,626,984	1	1.32
Simpson Housing Ltd Partnership				23,690,072	4	0.35
McKay Investment Company				16,890,044	5	0.25
Charles N. Shepard				15,938,817	7	0.24
Boulders on the River, Inc.				14,082,313	8	0.21
George Wingard				13,697,422	9	0.20
Patriot American/Valley River Inn				12,734,347	10	0.19
Total Major Taxpayers	1,149,355,989		10.60	313,943,443		4.63
Other	9,694,549,896		89.40	6,460,470,471		95.37
Total All Taxpayers	\$10,843,905,885		100.00 %	\$ 6,774,413,914		100.00 %

Source: Lane County Department of Assessment and Taxation

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
MAJOR EMPLOYERS - LANE COUNTY - CURRENT YEAR AND NINE YEARS AGO
JUNE 30, 2008

<u>Company</u>	<u>2008</u>			<u>1999</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
PeaceHealth Corporation	4,300 ¹	1	2.87 %	3,200	1	2.32 %
University of Oregon	3,676	2	2.46	3,076 ²	2	2.23
Lane Community College	2,531 ²	3	1.69	2,000 ²	4	1.45
Lane County School District 4J	2,119 ³	4	1.42	1,986	5	1.44
U.S. Government	1,800	5	1.20	2,060	3	1.49
Lane County	1,786	6	1.19	1,403	7	1.02
City of Eugene	1,452	7	0.97	1,787	6	1.30
Springfield School District	1,162	8	0.78	NA	-	NA
State of Oregon	1,100	9	0.74	893	8	0.65
McKenzie-Willamette Medical Ctr	750	10	0.50	NA	-	NA
Spectra Physics	NA	-	NA	800	9	0.58
Symantec Corporation	NA	-	NA	525	10	0.38
<i>Total Major Employers</i>	20,676		13.82	17,730		12.86
<i>Other</i>	128,924		86.18	120,170		87.14
<i>Total All Employers</i>	149,600		100.00 %	137,900		100.00 %

Source: Eugene/Springfield Metropolitan Partnership, as cited by www.eugenechamber.com
Oregon Employment Department

¹ Includes PeaceHealth Medical Group, Sacred Heart Medical, Cottage Grove Hospital

² Includes part-time employees and student instructors.

³ Includes part-time and contract employees

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
AVERAGE ANNUAL UNEMPLOYMENT AS A PERCENT OF LABOR FORCE
LAST TEN YEARS

<u>Year Ending December 31</u>	<u>Eugene MSA</u>	<u>State of Oregon</u>	<u>United States</u>
2007	5.3 %	5.2 %	4.6 %
2006	5.5	5.4	4.6
2005	6.1	6.1	5.1
2004	7.3 ⁽¹⁾	7.3	5.5
2003	8.0	8.1	6.0
2002	7.1	7.6	5.8
2001	6.8	6.4	4.7
2000	5.4	5.1	4.0
1999	5.3	5.5	4.2
1998	5.7	5.7	4.5

Source: State of Oregon Employment Division, Department of Human Resources

⁽¹⁾ Revised

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON

**PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS FOR THE CITY OF EUGENE
LAST TEN FISCAL YEARS**

Year Ended June 30	Assessed Property Value* (in \$000)	Commercial Permits⁽¹⁾	Construction Value⁽¹⁾ (in \$000)	Residential Permits⁽¹⁾	Construction Value⁽¹⁾ (in \$000)	Bank Deposits⁽²⁾ (in \$000)
2008	\$ 10,843,906	751	\$ 74,606	1,005	\$ 68,984	⁽³⁾
2007	10,273,387	690	57,431	1,202	110,173	2,875,140
2006	9,851,811	785	89,408	1,537	186,210	2,486,628
2005	9,475,300	801	80,764	1,417	196,722	1,904,709
2004	9,068,240	726	77,290	1,283	141,664	1,896,363
2003	8,721,850	713	76,732	1,237	146,081	1,609,621
2002	8,461,442	845	196,219	1,266	140,060	1,592,654
2001	7,644,185	835	112,040	1,238	128,503	1,393,748
2000	7,192,279	945	88,496	1,451	128,938	1,306,814
1999	6,774,414	1,061	125,222	1,513	136,758	1,392,764

Source: ⁽¹⁾ City of Eugene, Department of Public Works

⁽²⁾ State of Oregon, Department of Consumer & Business Services

⁽³⁾ Bank deposit information not available for 2008 at time of printing

* Lane County School District No. 4J only

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
AVERAGE DAILY MEMBERSHIP AND PER PUPIL EXPENDITURES
LAST TEN FISCAL YEARS

Year Ended June 30	Average Daily Membership (K-12)	Government-wide		Total General Fund Expenditures	General Fund Per Pupil (ADM)	General Fund Instruction Expenditures Per Pupil (ADM)	General Fund		General Fund Other Expenditures Per Pupil (ADM)
		Total Government- wide Expenses ⁽³⁾	Expenses Per Pupil (ADM) ⁽³⁾				Instruction Expenditures	Other Expenditures	
2008	17,001 ⁽¹⁾	\$ 200,095,530	\$ 11,770	\$ 147,208,921	\$ 8,659	\$ 5,276	\$ 57,505,188	\$ 3,382	
2007	17,284 ⁽¹⁾	180,774,014 ⁽⁴⁾	10,459	127,625,737	7,384	4,506	49,744,430	2,878	
2006	17,549 ⁽¹⁾	173,578,002	9,891	121,263,357	6,910	4,274	46,266,808	2,636	
2005	17,570 ⁽¹⁾⁽²⁾	153,720,382	8,749	117,947,267	6,713	3,858	50,159,900	2,855	
2004	17,709 ⁽¹⁾	152,513,038	8,604	111,124,327	6,269	3,677	45,954,218	2,593	
2003	17,979 ⁽¹⁾	159,050,490	8,846	114,067,614	6,344	3,855	44,759,125	2,490	
2002	17,908 ⁽¹⁾	151,398,575	8,454	113,249,461	6,324	3,877	43,813,387	2,447	
2001	17,783 ⁽¹⁾	n/a	n/a	111,322,083	6,260	3,918	41,645,967	2,342	
2000	17,824 ⁽¹⁾	n/a	n/a	106,630,356	5,982	3,759	39,629,227	2,223	
1999	18,030	n/a	n/a	102,099,422	5,663	3,666	36,008,358	1,997	

⁽¹⁾ Includes district sponsored public charter schools and alternative education providers.

⁽²⁾ Revised to reflect release of final numbers.

⁽³⁾ Reporting of Government-wide expenses began in fiscal year 2002. Over time, ten fiscal years will be presented.

⁽⁴⁾ Restated in fiscal year 2008.

Sources: State of Oregon Department of Education
Statement of Activities
Statement of Revenues, Expenditures, and Changes in Fund Balance by Year

LANE COUNTY SCHOOL DISTRICT NO. 4J
FULL TIME EQUIVALENT EMPLOYEES BY ACTIVITY/FUNCTION
LAST TEN FISCAL YEARS ⁽¹⁾

Activity/Function	Fiscal Year						
	2008	2007	2006	2005	2004	2003	2002
Direct classroom services							
Regular instruction	792.6	776.1	775.6	778.6	767.2	770.9	811.6
Special programs	347.0	345.3	338.6	317.9	307.4	288.5	291.1
Total direct classroom services	1,139.6	1,121.4	1114.2	1096.5	1074.6	1059.4	1102.7
Classroom support services							
Extra-curricular activities	7.5	6.0	6.4	5.4	4.3	3.7	4.0
Student support	122.2	122.9	120.7	107.6	107.4	103.5	105.1
Libraries, curriculum and staff development	68.5	65.5	60.1	57.3	51.1	50.5	49.7
School administration	139.8	150.3	152.1	143.8	145.0	145.4	150.6
Community services	11.5	12.3	10.7	9.6	9.1	10.7	12.5
Total classroom support services	349.5	357.0	350.0	323.7	316.9	313.8	321.9
Building support services							
Facilities operation and maintenance	152.8	145.2	158.5	150.5	153.1	153.8	162.2
Student transportation	71.1	63.3	59.6	62.6	58.4	57.8	59.6
Computing and information services	30.4	20.7	21.2	21.2	18.7	19.3	22.0
Warehouse and purchasing	7.3	6.3	6.5	5.5	6.5	6.5	7.0
Total building support services	261.6	235.5	245.8	239.8	236.7	237.4	250.8
Central support services							
Executive administration	7.2	6.1	4.7	2.5	2.5	4.0	5.8
Financial services	13.9	14.8	14.8	14.4	14.0	14.0	15.5
Human resources/employee insurance benefits	18.9	25.0	19.6	19.3	18.0	20.3	22.2
Communications and intergovernmental relations	3.0	3.0	3.2	3.2	3.1	3	2
Total central support services	43.0	48.9	42.3	39.4	37.6	41.3	45.5
Nutrition services	71.6	72.1	73.7	75.1	74.8	69.9	65.4
Total employees	1,865.3	1,834.9	1,826.0	1,774.5	1,740.6	1,721.8	1,786.3
Licensed Staff	969.4	951.5	959.3	931.1	919.2	915.8	952.1
Classified Staff	784.3	772.3	754.7	735.5	715.8	699.9	730.6
Professional Staff	25.2	23.2	22.5	21.0	17.2	17.1	15.7
Total Classified and Professional	809.5	795.5	777.2	756.5	733.0	717.0	746.3
Administrative Staff	75.4	76.9	78.1	76.4	77.6	78.6	77.5
Supervisory Staff	11.0	11.0	11.4	10.5	10.8	10.4	10.4
Total Administrators and Supervisors	86.4	87.9	89.5	86.9	88.4	89.0	87.9
Total employees	1,865.3	1,834.9	1,826.0	1,774.5	1,740.6	1,721.8	1,786.3

⁽¹⁾ This is a new table in accordance with the new reporting model, and as such, ten years of data is not available. Over time, ten fiscal years of data will be presented.

Note: FTE as of June

Source:
Human Resources Information System

LANE COUNTY SCHOOL DISTRICT NO. 4J
CERTIFIED, CLASSIFIED, AND ADMINISTRATIVE FULL-TIME
EQUIVALENT EMPLOYEES - GENERAL FUND
LAST TEN FISCAL YEARS

<u>Year Ended June 30</u>	<u>Certified</u>	<u>Classified</u>	<u>Administrative</u>	<u>Total</u>	<u>Average Daily Membership (Resident) K-12</u>	<u>Certified Staffing Ratio</u>
2008 ⁽¹⁾	885.2	592.0	70.6	1,547.8	16,192 ⁽³⁾	18.3
2007	818.3	554.2	68.0	1,440.5	16,476 ⁽³⁾	20.1
2006	822.4	572.2	68.0	1,462.6	16,746 ⁽³⁾	20.4
2005	831.4	555.7	66.0	1,453.1	16,943 ⁽³⁾	20.4
2004	805.4	537.7	66.1	1,409.2	17,105 ⁽³⁾	21.2
2003	822	569	69	1,460	17,379 ⁽³⁾	21.1
2002	877	594 ⁽²⁾	72	1,543	17,310 ⁽³⁾	19.7
2001	908	553	75	1,536	17,339 ⁽³⁾	19.1
2000	905	562	77	1,544	17,547 ⁽³⁾	19.4
1999	912	553	77	1,542	18,030	19.8

⁽¹⁾ Increase reflects on-load of staff previously funded with City of Eugene Levy funds 2004-2007.

⁽²⁾ In 01-02, 35.4 FTE Facilities staffing and 2 FTE CIS maintenance staff were funded from the General Fund when state capital funding was no longer available.

⁽³⁾ Excludes district sponsored public charter schools and alternative education providers.

EUGENE SCHOOL DISTRICT NO. 4J
BARGAINING UNITS & CONTRACT STATUS
JUNE 30, 2008

<u>Collective Bargaining Unit</u>	<u>No. of Employees</u>	<u>Termination Date of Current Contract</u>	<u>Status of Negotiations</u>
Oregon Education Association/ Eugene Education Association	1,039	6/30/2010	Settled
Oregon School Employees Association	951	9/30/2011	Settled

Source: Oregon Education Association/Eugene Education Association
Oregon School Employees Association

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 LICENSED PROFESSIONAL SALARY PLAN
 YEAR ENDING JUNE 30, 2008

LEVEL	BACHELORS	BACHELORS + 23	BACHELORS + 45	BACHELORS + 60 MASTERS	BACHELORS + 83 B+68 W/ MASTERS MASTERS + 23	BACHELORS +105 B+90 W/ MASTERS MASTERS + 45	DOCTORATE MASTERS + 90
1	\$33,499	\$34,738	\$36,023	\$37,356	\$38,738	\$40,171	\$41,657
2	34,738	36,023	37,356	38,738	40,171	41,657	43,198
3	36,023	37,356	38,738	40,171	41,657	43,198	44,796
4	37,356	38,738	40,171	41,657	43,198	44,796	46,453
5	38,738	40,171	41,657	43,198	44,796	46,453	48,172
6	40,171	41,657	43,198	44,796	46,453	48,172	49,954
7	41,657	43,198	44,796	46,453	48,172	49,954	51,802
8	43,198	44,796	46,453	48,172	49,954	51,802	53,719
9	44,796	46,453	48,172	49,954	51,802	53,719	55,707
10	46,453	48,172	49,954	51,802	53,719	55,707	57,768
11	48,172	49,954	51,802	53,719	55,707	57,768	59,905
12	49,954	51,802	53,719	55,707	57,768	59,905	62,121
13	51,802	53,719	55,707	57,768	59,905	62,121	64,419
Longevity A	53,719	55,707	57,768	59,905	62,121	64,419	66,803
Longevity B	NA	NA	NA	NA	NA	66,352	68,807

* Highest entry level.

LICENSED STAFFING PER LEVEL AND EDUCATION IN FULL-TIME EQUIVALENT EMPLOYEES—JUNE 2008

LEVEL	BACHELORS	BACHELORS + 23	BACHELORS + 45	BACHELORS + 60 MASTERS	BACHELORS + 83 B+68 W/ MASTERS MASTERS + 23	BACHELORS +105 B+90 W/ MASTERS MASTERS + 45	DOCTORATE MASTERS + 90	TOTAL
1	2.0	0.0	1.9	20.8	13.5	10.8	0.0	49.0
2	5.7	0.0	0.0	15.5	12.0	11.1	2.8	47.1
3	4.4	1.0	0.0	18.2	23.1	10.4	3.0	60.1
4	4.0	1.0	0.0	18.0	14.5	11.8	1.9	51.2
5	6.5	1.0	1.0	18.6	17.6	8.4	1.0	54.0
6	3.0	1.0	0.0	7.3	9.0	10.6	1.0	31.9
7	2.0	0.0	3.0	9.2	12.5	11.1	2.0	39.8
8	5.4	1.0	2.0	9.3	12.9	24.6	5.8	61.0
9	3.9	2.0	0.0	14.4	10.6	20.7	3.0	54.6
10	1.7	4.5	0.5	10.9	13.6	16.9	10.0	58.1
11	1.0	0.0	0.0	5.6	10.1	14.7	6.0	37.4
12	0.6	2.9	0.7	6.0	5.7	14.2	6.1	36.2
13	11.5	7.7	12.0	36.5	29.6	11.8	3.0	112.1
Longevity A	10.2	7.5	9.0	44.5	29.3	57.7	16.5	174.6
Longevity B	0.0	0.0	0.0	0.0	0.0	73.1	29.3	102.3
Total	61.9	29.6	30.0	234.6	214.1	307.8	91.3	969.4

Average Education: Bachelor's +90 with Master's
 Average Salary: \$49,787

Source: Eugene Education Association Collective Bargaining Agreement.
 Human Resource Information System.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NUTRITION AND TRANSPORTATION SERVICES INFORMATION
TEN FISCAL YEARS

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Breakfast Program:										
Paid Breakfasts Served	99,441	80,683	67,338	60,583	44,976	41,744	36,978	38,258	41,201	40,117
Free Breakfasts Served	300,421	268,803	242,860	239,964	231,067	243,368	220,621	222,780	218,603	223,461
Reduced Breakfasts Served	46,696	34,128	33,403	31,374	21,731	23,091	21,685	23,894	26,026	18,416
Lunch Program:										
Paid Lunches Served	497,358	504,989	479,532	459,032	439,433	387,441	409,847	434,837	464,259	494,143
Free Lunches Served	569,180	554,097	538,406	541,274	521,887	516,759	478,898	431,911	424,176	436,634
Reduced Lunches Served	117,973	104,879	109,223	103,591	91,847	79,049	81,142	83,359	92,132	70,973
Supper/Snack Program:[*]										
Paid Suppers/Snacks Served	28,840	26,419	18,436	21,449	27,048	31,569	3,548	2,607	13,275	529
Free Suppers/Snacks Served										
Reduced Suppers/Snacks Served										
A la Carte Sales	\$ 574,353	\$ 605,771	\$ 712,648	\$ 787,917	\$ 786,211	\$ 953,179	\$ 1,023,929	\$ 968,831	\$ 993,260	\$ 1,013,546
Percentage of Students Eligible to Receive Free or Reduced-Price Meals ⁽¹⁾	35.60%	32.50%	30.70%	33.10%	28.20%	26.00%	25.00%	n/a	n/a	n/a
* The Supper/Snack program began serving snacks in 2000-01 and began serving suppers in 2002-03.										
Pupil transportation statistics:										
Number of Buses	88	87	83	83	81	81	81	77	75	76
Number of Vans	10	10	10	10	10	10	10	10	9	17
Total Miles Traveled ^a	1,447,550	1,267,489	1,317,538	1,265,765	1,142,656	1,112,387	1,152,658	1,160,205	1,044,368	944,034
Number of students transported daily	5,056	4,855	4,407	4,567	4,437	4,490	4,365	4,297	4,194	3,748

⁽¹⁾ Information for fiscal years prior to 2001 is not readily available

Notes: ^a While District enrollment has decreased over the last ten fiscal years, total miles traveled increased due to school consolidations.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHOOL BUILDING AND STUDENT ENROLLMENT INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Enrollment Summary: ⁽¹⁾										
Elementary Schools	6,665.0	6,763.5	6,837.0	6,786.0	6,863.5	7,024.5	7,141.0	7,294.5	7,472.5	7,601.0
K - 8 Schools	281.0	NA	NA	NA	NA	NA	NA	NA	NA	NA
Middle Schools	3,652.0	3,915.0	4,024.0	4,193.0	4,386.0	4,465.0	4,441.0	4,409.0	4,441.0	4,435.0
High Schools	5,839.0	6,056.0	6,068.0	6,227.0	6,186.0	6,068.0	5,988.0	5,949.0	5,973.0	5,902.0
Total Enrollment	16,437.0	16,734.5	16,929.0	17,206.0	17,435.5	17,557.5	17,570.0	17,652.5	17,886.5	17,938.0

(1) Excludes district sponsored public charter schools and alternative education providers.

Elementary Schools (K=0.5) Number of school programs: 18 Neighborhood, 7 Alternative

Adams (1949)										
Gross Floor Area (sq ft): 47,660										
Elementary Enrollment - Adams	172.5	180.0	167.0	162.0	151.0	170.5	183.0	195.0	217.0	154.0
Elementary Enrollment - Hillside	83.0	115.0	111.5	122.0	131.5	125.0	113.5	111.0	123.5	121.0
Awbrey Park (1967)										
Gross Floor Area (sq ft): 58,375										
Elementary Enrollment	422.5	436.5	437.0	413.0	441.5	476.5	330.5	316.5	317.5	311.0
Bailey Hill (1949)										
Gross Floor Area (sq ft): 36,442										
Elementary Enrollment	-	-	-	-	-	-	-	234.0	206.0	212.0
Bertha Holt (2004)										
Gross Floor Area (sq ft): 67,389										
Elementary Enrollment	489.0	531.0	551.0	555.5	-	-	-	-	-	-
Cesar Chavez (2004)										
Gross Floor Area (sq ft): 66,940										
Elementary Enrollment - Cesar Chavez	328.0	332.0	324.5	323.0	-	-	-	-	-	-
Elementary Enrollment - Family School	123.0	121.0	123.0	110.0	-	-	-	-	-	-
Charlemagne at Fox Hollow (1967)										
Gross Floor Area (sq ft): 29,621										
Elementary Enrollment	267.5	270.0	276.0	280.0	269.0	263.5	266.0	276.0	270.0	277.0
Coburg (1950)										
Gross Floor Area (sq ft): 27,537										
Elementary Enrollment	139.5	143.0	137.0	119.0	127.0	128.5	118.0	122.5	129.0	140.5
Crest Drive (1963)										
Gross Floor Area (sq ft): 27,441										
Elementary Enrollment	237.0	201.0	215.5	180.0	202.0	239.5	225.5	231.0	233.5	246.0
Edgewood (1962)										
Gross Floor Area (sq ft): 36,719										
Elementary Enrollment - Edgewood	293.5	267.5	224.5	229.0	227.0	224.0	225.0	238.0	242.5	258.0
Elementary Enrollment - Evergreen	-	-	76.0	98.0	95.0	100.0	95.0	97.0	105.0	108.0
Edison (1926)										
Gross Floor Area (sq ft): 42,195										
Elementary Enrollment	302.5	286.0	265.5	281.5	290.0	256.5	262.5	258.5	276.5	276.5
Gilham (1966)										
Gross Floor Area (sq ft): 74,500										
Elementary Enrollment	479.0	476.5	498.5	511.5	454.0	468.5	480.5	442.5	443.0	431.5
Harris (1949)										
Gross Floor Area (sq ft): 41,327										
Elementary Enrollment	156.5	164.0	188.5	173.0	191.0	219.5	248.0	245.5	256.0	265.0
Howard (1949)										
Gross Floor Area (sq ft): 47,794										
Elementary Enrollment	256.5	268.0	293.5	306.0	292.0	334.0	334.5	381.0	392.5	395.0
Magnet Arts (K - 8 School: Arts & Technology Academy At Jefferson)										
Elementary Enrollment	NA	88.0	102.0	117.5	118.0	120.5	122.5	128.5	136.0	128.0
McCornack (1968)										
Gross Floor Area (sq ft): 56,532										
Elementary Enrollment	375.0	386.0	383.0	398.5	411.0	439.0	447.0	380.5	410.0	403.5
Meadowlark (1960)										
Gross Floor Area (sq ft): 45,911										
Elementary Enrollment - Meadowlark	216.5	207.0	176.5	188.0	171.5	177.5	168.0	191.0	207.5	197.5
Elementary Enrollment - Buena Vista	251.0	251.0	250.0	254.0	252.0	255.0	251.0	252.0	253.0	243.0

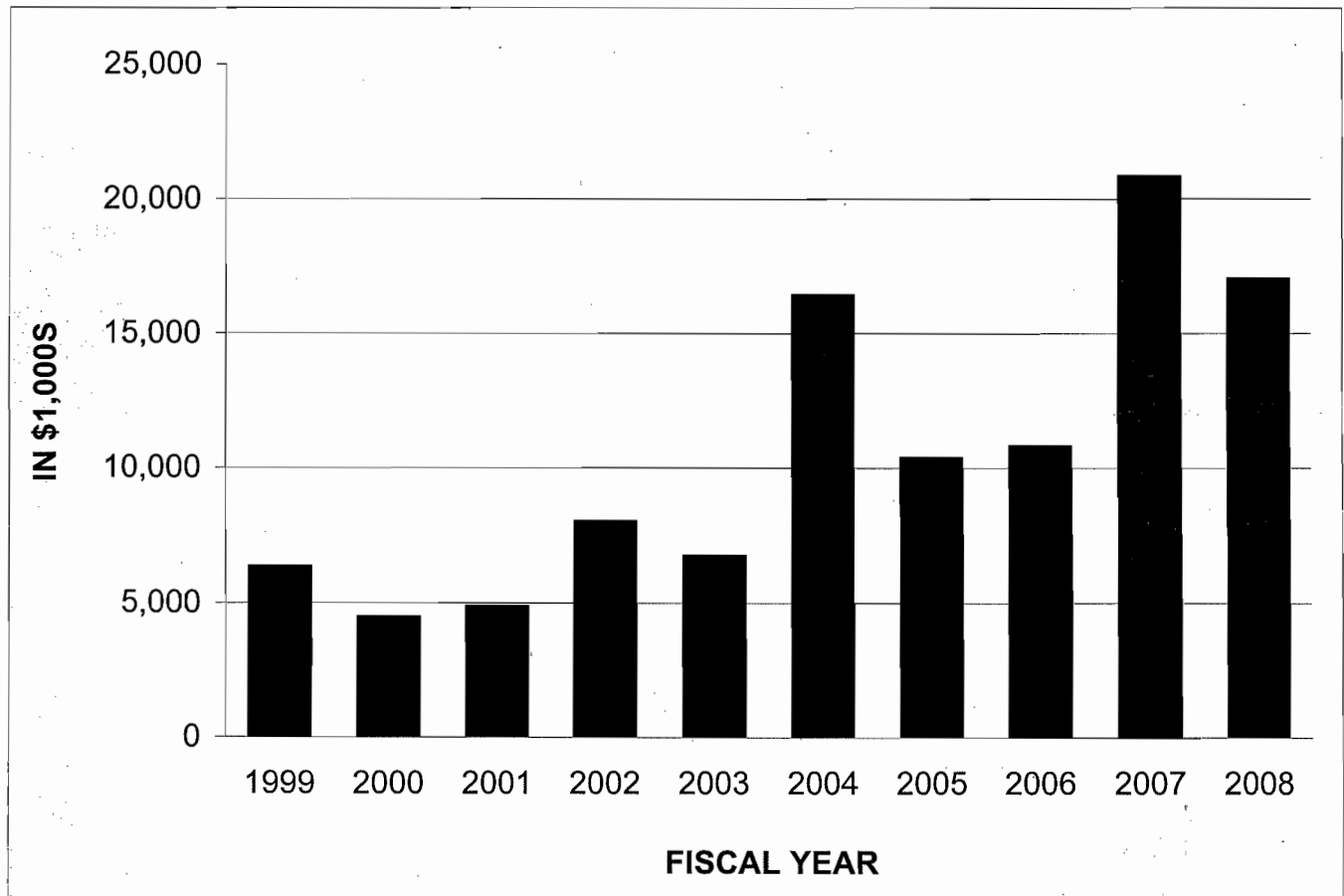
LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHOOL BUILDING AND STUDENT ENROLLMENT INFORMATION (Continued)
LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Elementary Schools (Continued)										
Parker (1959)										
Gross Floor Area (sq ft): 42,625										
Elementary Enrollment - Parker	229	217.0	220.0	195.5	196.5	169.0	170.5	154.0	183.5	169.5
Elementary Enrollment - Eastside	146	147.0	145.0	143.0	144.0	144.0	144.0	148.0	144.0	146.0
Patterson (1957)										
Gross Floor Area (sq ft): 36,199										
Elementary Enrollment - Patterson	-	-	-	-	119.0	109.5	121.5	120.5	119.0	126.0
Elementary Enrollment - Family School	-	-	-	-	106.0	106.0	111.0	116.0	121.0	120.0
River Road (1953)										
Gross Floor Area (sq ft): 51,301										
Elementary Enrollment	279	295.5	280.5	295.0	277.5	268.5	276.5	163.5	173.0	217.5
Santa Clara (1931)										
Gross Floor Area (sq ft): 44,530										
Elementary Enrollment	-	-	-	-	-	-	339.0	366.0	336.5	335.5
Silver Lea (1961)										
Gross Floor Area (sq ft): 48,645										
Corridor Enrollment	243.5	249.0	247.5	242.5	245.0	243.0	243.0	242.5	238.0	232.5
Yujin Gakuen	270	273.5	283.0	275.0	266.5	257.5	266.5	246.0	239.5	239.0
Spring Creek (1964)										
Gross Floor Area (sq ft): 41,387										
Elementary Enrollment	349	361.0	384.5	345.5	389.0	388.5	200.5	208.5	217.5	252.0
Twin Oaks (1958)										
Gross Floor Area (sq ft): 35,198										
Elementary Enrollment	221	225.0	236.0	219.5	234.0	241.0	269.0	164.0	175.5	178.5
Washington (1950)										
Gross Floor Area (sq ft): 45,561										
Elementary Enrollment	-	-	-	-	297.0	283.0	310.5	284.5	288.5	307.0
Westmoreland (1948)										
Gross Floor Area (sq ft): 47,221										
Elementary Enrollment	-	-	-	-	212.5	221.0	219.5	223.0	231.0	198.0
Whiteaker (1926)										
Gross Floor Area (sq ft): 31,257										
Elementary Enrollment	-	-	-	-	-	-	-	148.5	144.0	155.5
Willagillespie (1925)										
Gross Floor Area (sq ft): 57,500										
Elementary Enrollment	335	272.0	240.0	248.5	285.0	291.0	315.5	329.5	362.0	387.5
Willakenzie (1923)										
Gross Floor Area (sq ft): 37,491										
Elementary Enrollment	-	-	-	-	297.0	304.5	283.5	279.5	281.0	288.0
Willard (1954)										
Gross Floor Area (sq ft): 45,834										
Elementary Enrollment	-	-	-	-	-	-	-	-	-	82.5
K - 8 Schools Number of school programs: 1 Neighborhood										
Arts and Technology Academy at Jefferson (1957)										
Gross Floor Area (sq ft): 100,237										
K - 8 Enrollment	281.0	NA	NA	NA	NA	NA	NA	NA	NA	NA
Middle Schools Number of school programs: 8 Neighborhood, 4 Alternative										
Cal Young Middle School (2006)										
Gross Floor Area (sq ft): 90,341										
Middle School Enrollment	610.0	566.0	580.0	569.0	620.0	573.0	582.0	583.0	574.0	594.0
Jefferson Middle School (K - 8 School: Arts & Technology Academy At Jefferson)										
Middle School Enrollment	NA	219.0	262.0	351.0	405.0	451.0	456.0	463.0	464.0	431.0
Kelly Middle School (1945)										
Gross Floor Area (sq ft): 112,356										
Middle School Enrollment	484.0	511.0	524.0	546.0	550.0	583.0	536.0	536.0	522.0	504.0

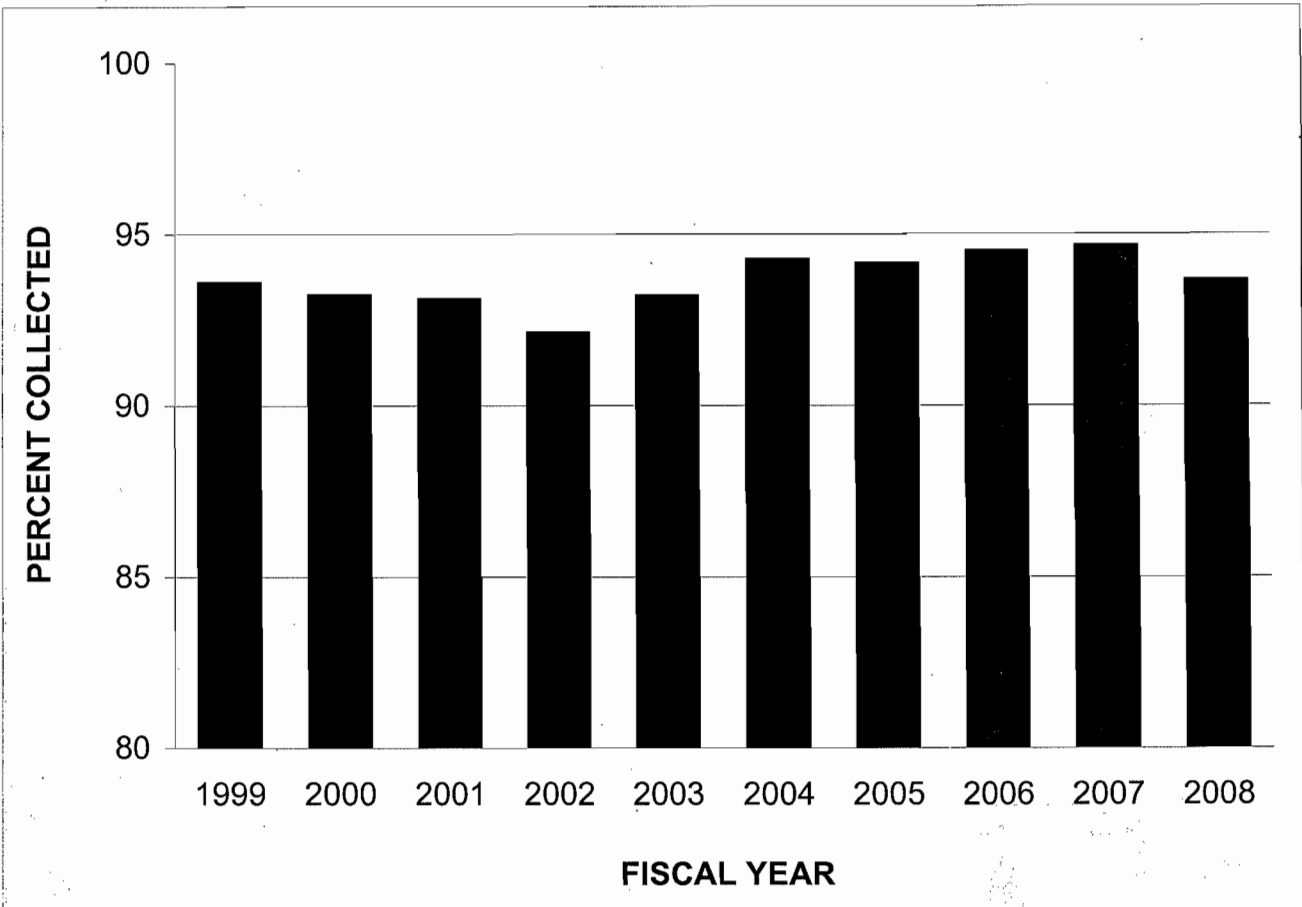
LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHOOL BUILDING AND STUDENT ENROLLMENT INFORMATION (Continued)
LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Middle Schools (Continued)										
Kennedy Middle School (1965)										
Gross Floor Area (sq ft): 89,057										
Middle School Enrollment	498.0	496.0	489.0	547.0	570.0	570.0	545.0	554.0	578.0	554.0
Madison Middle School (2005)										
Gross Floor Area (sq ft): 86,953										
Middle School Enrollment	440.0	415.0	423.0	420.0	486.0	481.0	525.0	494.0	477.0	474.0
Monroe Middle School (1965)										
Gross Floor Area (sq ft): 87,401										
Middle School Enrollment	541.0	587.0	630.0	644.0	617.0	615.0	626.0	624.0	635.0	662.0
Roosevelt Middle School (1950)										
Gross Floor Area (sq ft): 105,770										
Middle School Enrollment	659.0	672.0	673.0	694.0	724.0	759.0	739.0	721.0	748.0	755.0
Spencer Butte Middle School (1960)										
Gross Floor Area (sq ft): 82,414										
Middle School Enrollment	420.0	449.0	443.0	430.0	414.0	433.0	432.0	434.0	443.0	461.0
High Schools Number of school programs: 4 Neighborhood, 8 Alternative										
Churchill High School (1966)										
Gross Floor Area (sq ft): 249,982										
High School Enrollment	1,195.0	1,287.0	1,323.0	1,367.0	1,407.0	1,426.0	1,387.0	1,336.0	1,264.0	1,230.0
Alternative High School Enrollment	89.0	97.0	75.0	90.0	87.0	104.0	146.0	128.0	138.0	-
North Eugene High School (1957)										
Gross Floor Area (sq ft): 214,767										
High School Enrollment	1,068.0	1,159.0	1,251.0	1,276.0	1,246.0	1,163.0	1,087.0	1,103.0	1,135.0	1,122.0
Alternative High School Enrollment	39.0	34.0	38.0	42.0	52.0	32.0	21.0	-	-	-
Sheldon High School (1963)										
Gross Floor Area (sq ft): 234,872										
High School Enrollment	1,662.0	1,642.0	1,563.0	1,542.0	1,553.0	1,505.0	1,487.0	1,499.0	1,517.0	1,544.0
South Eugene High School (1953)										
Gross Floor Area (sq ft): 310,831										
High School Enrollment	1,646.0	1,700.0	1,695.0	1,747.0	1,699.0	1,678.0	1,717.0	1,733.0	1,772.0	1,856.0
Dunn - Opportunity Center (1929)										
Gross Floor Area (sq ft): 38,699										
High School Enrollment	140.0	137.0	129.0	163.0	155.0	160.0	143.0	150.0	147.0	150.0
Administrative and Other Facilities										
Education Center (1957)										
Gross Floor Area (sq ft): 74,102										
Facilities (1940)										
Gross Floor Area (sq ft): 42,700										
Transportation (1963)										
Gross Floor Area (sq ft): 30,315										
Gross Floor Area (sq ft) Summary:										
		Age of building (in years)								
		<u>Oldest</u>	<u>Median</u>	<u>Newest</u>						
Elementary Schools	946,597	83	48	4						
K - 8 Schools	100,237	51	51	51						
Middle Schools	654,292	63	43	2						
High Schools	1,010,452	55	51	42						
Other Facilities	185,786	71	60	45						
Total Gross Floor Area (sq ft)	2,897,364	83	48	2						

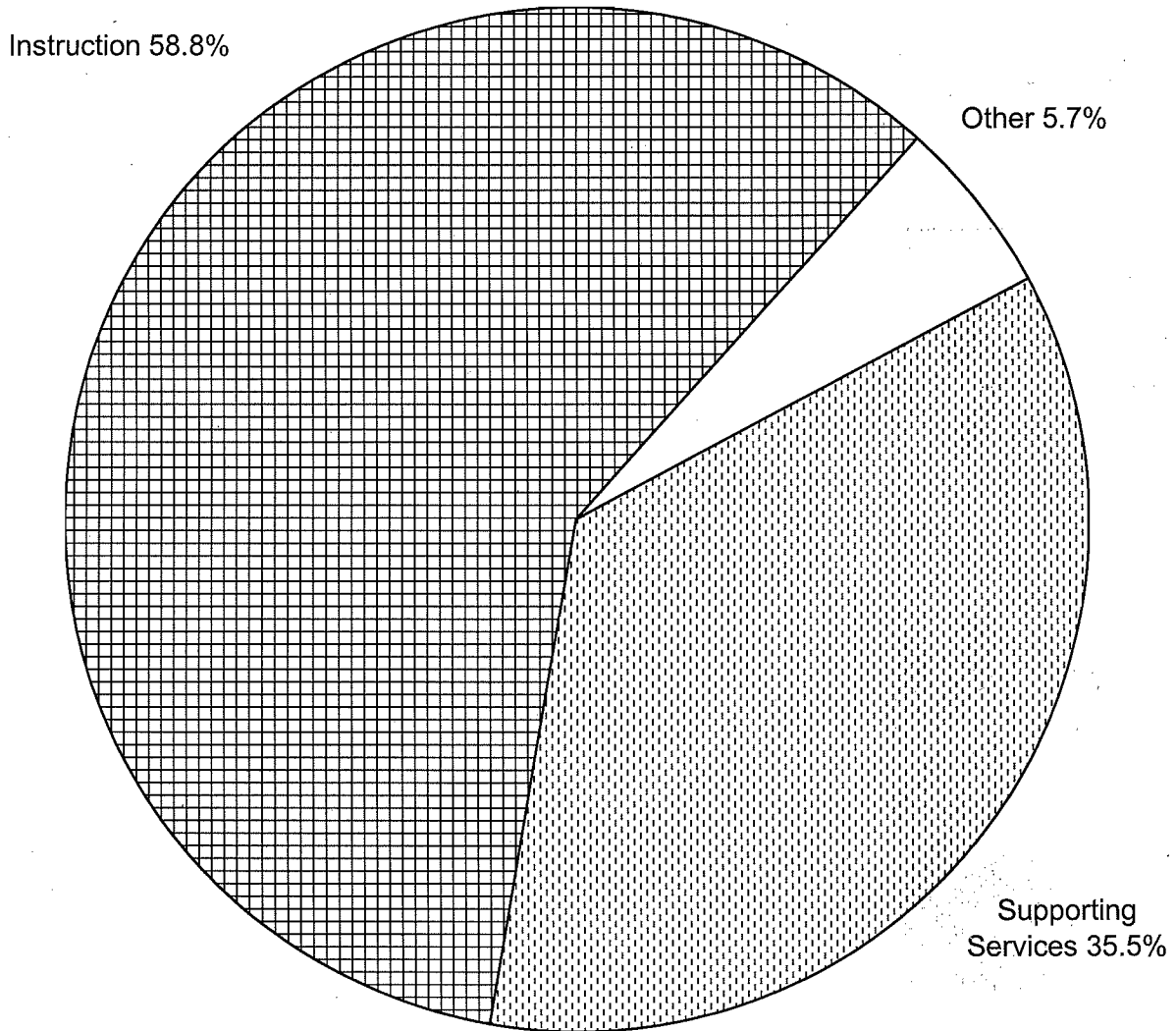
LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
UNRESERVED GENERAL FUND BALANCE - BUDGET BASIS
LAST TEN FISCAL YEARS



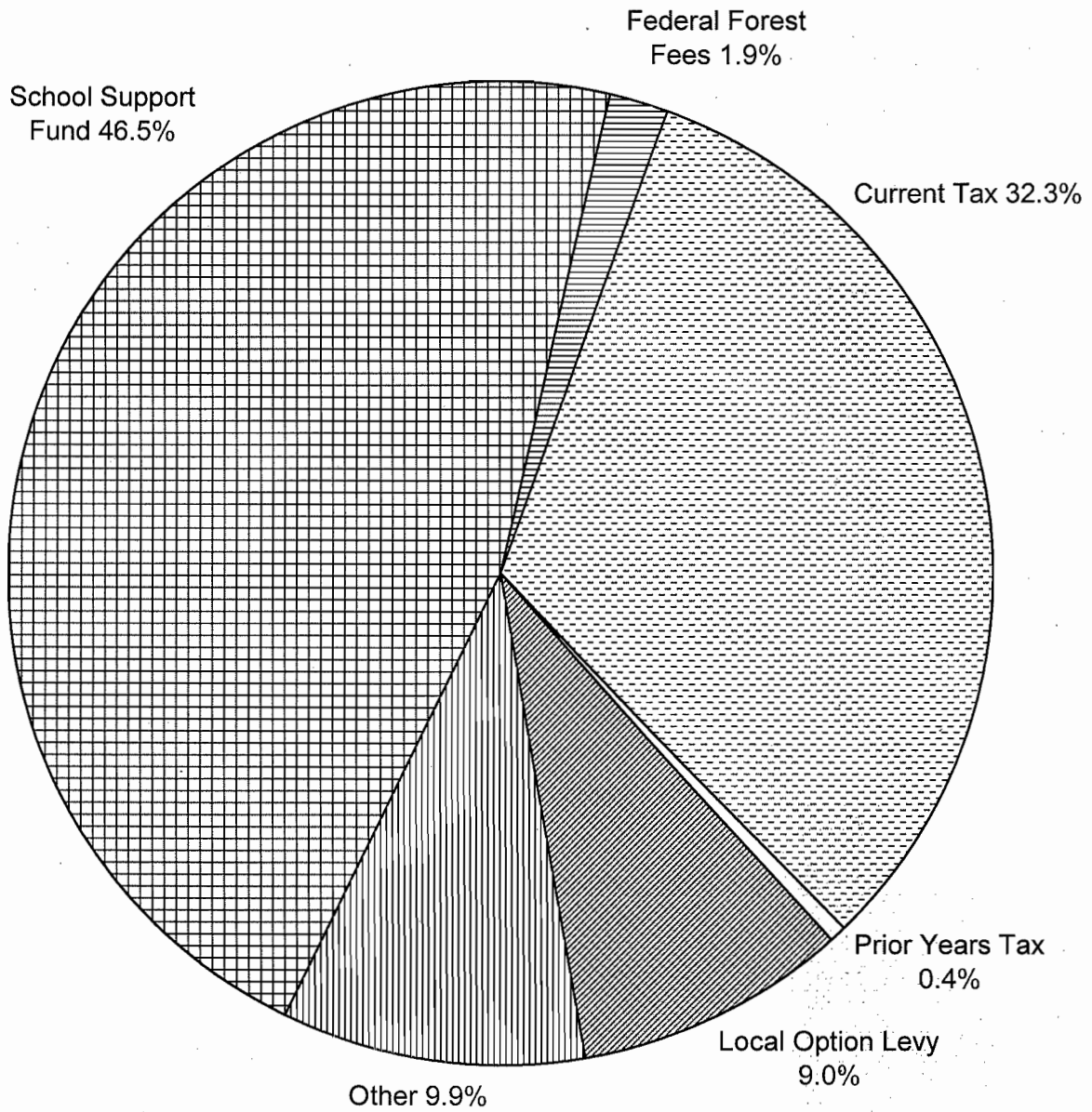
LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
CURRENT TAX COLLECTION
LAST TEN FISCAL YEARS



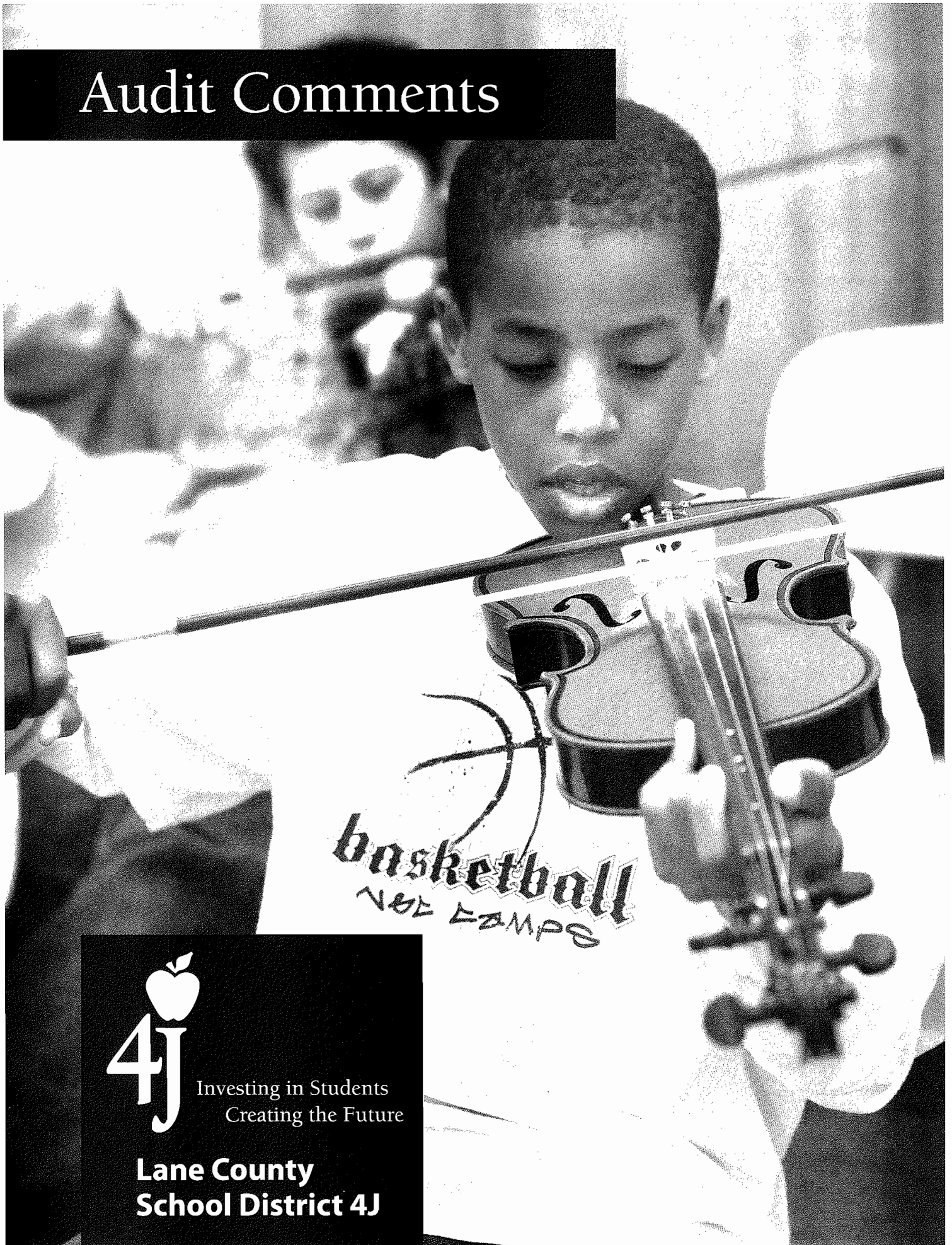
LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
GENERAL FUND EXPENDITURES
YEAR ENDED JUNE 30, 2008



LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
GENERAL FUND RESOURCES
YEAR ENDED JUNE 30, 2008



Audit Comments



Investing in Students
Creating the Future

**Lane County
School District 4J**

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
COMMENTS AND DISCLOSURES REQUIRED BY STATE OF OREGON MINIMUM
STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS
YEAR ENDED JUNE 30, 2008

Oregon Administrative Rules 162-10-000 through 162-16-000 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments, and disclosures required in annual financial reports. Required comments and disclosures related to our audit of such financial statements and schedules are set forth follow.

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lane County School District No. 4J, Eugene, Oregon (the District) as of and for the year ended June 30, 2008, which collectively comprised the District's basic financial statements and have issued our report thereon dated December 29, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

ACCOUNTING AND INTERNAL CONTROL

Our reports relating to accounting and internal control systems are contained in the Audit Comments Section of this comprehensive annual financial report.

ACCOUNTING RECORDS

The District's accounting records were reasonably maintained and adequate to support our audit of the basic financial statements.

LEGAL REQUIREMENTS RELATING TO DEBT

We noted no defaults in principal, interest, sinking fund, or redemption provisions with respect to any of the District's liabilities, and no breach of the bond agreements, at June 30, 2008.

ADEQUACY OF COLLATERAL SECURING DEPOSITORY BALANCES

Oregon Revised Statutes Chapter 295 requires that each depository throughout the period of its possession of public fund deposits shall maintain on deposit with its custodians, at its own expense, securities having a value not less than 25% of the certificates of participation issued by the pool manager for funds in excess of those insured by the Federal Deposit Insurance Corporation. Our review of the adequacy of collateral securing depository balances indicated the collateral was sufficient during the year ended June 30, 2008.

INVESTMENTS

Our review of deposit and investment balances indicated that, during the year ended June 30, 2008, the District was in compliance with ORS 294, as it pertains to investment of public funds.

BUDGET COMPLIANCE

The District appears to have complied with Local Budget Law (ORS 294.305 to 294.520) in the preparation and adoption of its budget and tax levy for the years ending June 30, 2008 and 2009. A description of the budgeting process is in the notes to the basic financial statements.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
COMMENTS AND DISCLOSURES REQUIRED BY STATE OF OREGON MINIMUM
STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS (Continued)
YEAR ENDED JUNE 30, 2008

INSURANCE POLICIES AND FIDELITY BONDS

We have reviewed the District's insurance and fidelity bond coverage at June 30, 2008. We ascertained that such policies appeared to be in force. We are not competent by training to comment on the adequacy of the insurance policies covering District-owned property at June 30, 2008.

PUBLIC CONTRACTS

The District's procedures for awarding public contracts were reviewed and found to be in accordance with ORS Chapter 279.

PROGRAMS FUNDED FROM OUTSIDE SOURCES

Our reports 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* and compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133 are contained in the Comments Section of this comprehensive annual financial report.

PROGRAMS FUNDED FROM OUTSIDE SOURCES

We have reviewed financial reports and other data relating to programs funded wholly or partially by other governmental agencies. This data, filed with other governmental agencies, is in agreement with and supported by the accounting records.

STATE SCHOOL FUND DISTRIBUTION FORMULA FACTORS

We have reviewed the District's system for reporting to the Oregon State Department of Education average daily attendance and related items in compliance with ORS 327.013. We found no instances in which the District had not properly reported the required information, except that errors were found in District teacher experience records. The District is in the process of updating their records and submitting corrected data.

This report is intended solely for the information and use of the Board of Directors and management of Lane County School District 4J, federal awarding agencies and the Secretary of State, Audits Division, of the State of Oregon and is not intended and should not be used by anyone other than those specified parties.

GROVE, MUELLER & SWANK, PC
CERTIFIED PUBLIC ACCOUNTANTS

By:



Charles A. Swank, a Shareholder
December 21, 2008



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

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

Board of Directors
Lane County School District No. 4J, Eugene, Oregon
Eugene, Oregon

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lane County School District No. 4J, Eugene, Oregon, as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 29, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our 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. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

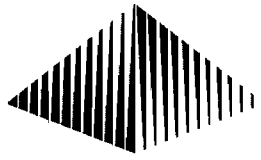
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lane County School District No. 4J, Eugene, Oregon's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS

December 29, 2008



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Lane County School District No. 4J, Eugene, Oregon
Eugene, Oregon

Compliance

We have audited the compliance of Lane County School District No. 4J, Eugene, Oregon 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, 2008. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our 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 we 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 the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control over Compliance

The management of Lane County School District No. 4J, Eugene, Oregon is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District'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 our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by any entity's internal control.

Our consideration of internal control over compliance 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS

December 29, 2008

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2008

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's opinion issued:	Unqualified
Internal control reporting:	
• Material weakness(es) identified?	No
• Reportable condition(s) identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Reportable condition(s) identified that are not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No

Identification of major program:

CFDA Numbers

Name of Federal Program or Cluster

84.027	Special Education-Grants to States-IDEA
84.060	Indian Education-Grants to Local Educational Agencies
84.184	Safe and Drug-Free Schools and Communities-National Programs

Dollar threshold used to distinguish between type A and type B programs:	\$486,712
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District qualified as low-risk auditee?	Yes
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FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.