

Lane County School District 4J

200 North Monroe Street

Eugene OR 97402

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www.4j.lane.edu



Comprehensive Annual Financial Report

for the year ended June 30, 2010

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2010

Prepared by: Financial Services Department

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
TABLE OF CONTENTS

Page

I. INTRODUCTORY SECTION

Letter of Transmittal	i
GFOA Certificate of Achievement for Excellence in Financial Reporting	ix
Listing of Principal Officials	x
Organization Chart.....	xi

II. FINANCIAL SECTION

A. Independent Auditor’s Report	1
--	----------

B. Management’s Discussion and Analysis	3
--	----------

C. Basic Financial Statements

Government-wide Financial Statements:	
Statement of Net Assets	13
Statement of Activities	14
Fund Financial Statements:	
Major governmental funds:	
Balance Sheet.....	15
Reconciliation of the Balance Sheet to Statement of Net Assets.....	16
Statement of Revenues, Expenditures and Changes in Fund Balances.....	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities.....	18
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
General Fund.....	19
Capital Equipment Fund.....	20
Federal, State and Local Programs Fund.....	21
Proprietary Fund:	
Statement of Net Assets.....	22
Statement of Revenues, Expenses and Changes in Fund Net Assets.....	23
Statement of Cash Flows	24
Notes to the Financial Statements.....	25

D. Required Supplementary Information

Schedule of Funding Progress for Other Postemployment Benefits	47
--	----

Other Supplementary Information

E. Combining Statements – Nonmajor Governmental Funds

Combining Balance Sheet	48
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	49

F. Budgetary Comparisons

Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
Governmental Funds:	
Debt Service	50
Capital Projects.....	51
Nonmajor Special Revenue Funds:	
Nutrition Services	52
Student Body.....	53
District Retirement.....	54
Proprietary Fund – Internal Service Fund – Insurance Reserve	55

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
TABLE OF CONTENTS (Continued)

II. FINANCIAL SECTION (Continued)	<u>Page</u>
G. Capital Assets Used in the Operation of Governmental Funds	
Schedule by Source	56
Schedule by Function and Activity	57
H. Other Financial Schedules	
Computation of District Property Tax Levy	58
Schedule of Property Tax Transactions	59
Debt Information	60
Summary of 2009-10 and 2010-11 Adopted General Fund Budgets	63
Summary Schedule of Cash Receipts and Disbursements - All Schools	64
Schedule of Expenditures of Federal Awards	65
Notes to Schedule of Expenditures of Federal Awards	68
Component Units	
Combining Statement of Net Assets	69
Combining Statement of Activities	70
Statement of Activities – Network Charter School	71
Statement of Activities – Ridgeline Montessori Public Charter School	72
Statement of Activities – The Village School	73
Balance Sheet with Comparative Data	
General Fund	74
Debt Service Fund	75
Capital Projects Fund	76
Capital Equipment Fund	77
Federal, State and Local Programs Fund	78
Statement of Revenues, Expenditures and Changes in Fund Balance with Comparative Data	
General Fund	79
Debt Service Fund	80
Capital Projects Fund	81
Capital Equipment Fund	82
Federal, State and Local Programs Fund	83
Department of Education Supplemental Information	
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
Governmental Funds:	
General Fund	84
Debt Service Fund	86
Capital Projects Fund	88
Capital Equipment Fund	90
Federal, State and Local Programs Fund	92
Nonmajor Special Revenue Funds:	
Nutrition Services	94
Student Body	96
District Retirement	98
Proprietary Fund – Internal Service Fund – Insurance Reserve	100
Schedule of Supplemental Information for State School Fund	
Apportionment to Other LEAs	102

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
TABLE OF CONTENTS (Continued)

III. STATISTICAL SECTION	<u>Page</u>
A. Financial Trends	
Condensed Statement of Net Assets – Last Ten Fiscal Years.....	103
Changes in Net Assets– Last Ten Fiscal Years	104
Fund Balances, Governmental Funds – Last Ten Fiscal Years	105
Revenues, Expenditures and Changes in Fund Balances – Last Ten Fiscal Years	106
Government-wide Expenses by Function – Last Ten Fiscal Years	107
General Fund Revenues by Sources (Budgetary Basis) – Last Ten Fiscal Years.....	108
General Fund Expenditures and Transfers to Other Funds (Budgetary Basis) – Last Ten Fiscal Years.....	109
B. Revenue Capacity	
Property Tax Levies and Collections – Last Ten Fiscal Years	110
Direct District Tax Rates – Last Ten Fiscal Years	111
Schedule of Property Tax Transactions – Last Ten Fiscal Years.....	112
Assessed Values of Taxable Property with School District Boundaries – Last Ten Fiscal Years	113
Comparison of General Fund Budget to Tax Levy – Last Ten Fiscal Years.....	114
Property Tax Rates – All Overlapping Governments – Last Ten Fiscal Years	115
C. Debt Capacity	
Direct and Overlapping Governmental Activities Debt – June 30, 2010	116
Legal Debt Margin Information – Last Ten Fiscal Years	117
Ratio of Annual Debt Service Requirements for General Bonded Debt to Total General Fund Expenditures and Transfers – Last Ten Fiscal Years	118
Ratio of Net General Bonded Debt to Assessed Valuation and Net General Bonded Debt per Capita and per Student – Last Ten Fiscal Years.....	119
Outstanding Debt by Type - Last Ten Fiscal Years.....	120
D. Demographic and Economic Information	
Demographic Statistics – Last Ten Fiscal Years.....	121
Demographic and Economic Statistics – Last Ten Fiscal Years	122
Major Taxpayers – Current Year and Nine Years Ago – June 30, 2010.....	123
Major Employers – Current Year and Nine Years Ago – June 30, 2010.....	124
Average Annual Unemployment as a Percent of Labor Force – Last Ten Years.....	125
Property Value, Construction and Bank Deposits for the City of Eugene – Last Ten Fiscal Years.....	126
D. Operating Information	
Average Daily Membership and Per Pupil Expenditures – Last Ten Fiscal Years	127
Full Time Equivalent Employees by Activity/Function	128
Certified, Classified, and Administrative Full-Time Equivalent Employees–General Fund – Last Ten Fiscal Years.....	129
Licensed Professional Salary Plan	130
Nutrition and Transportation Services Information – Last Ten Fiscal Years.....	131

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
TABLE OF CONTENTS (Continued)

III. STATISTICAL SECTION (Continued)	<u>Page</u>
School Building and Student Enrollment Information – Last Ten Fiscal Years	132
Unreserved General Fund Balance –Budget Basis – Last Ten Fiscal Years.....	135
Current Tax Collection – Last Ten Fiscal Years.....	136
General Fund Expenditures – Year Ended June 30, 2010	137
General Fund Resources – Year Ended June 30, 2010.....	138
 IV. AUDIT COMMENTS	
Comments and Disclosures Required by State of Oregon Minimum Standards for Audits of Oregon Municipal Corporations	139
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	141
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.....	143
Schedule of Findings and Questioned Costs.....	145

Introductory Section



*Investing in Students
Creating the Future*

**Lane County
School District 4J**





December 28, 2010

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, 2010 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, 2010 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 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, 2010 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, 2010 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, 2010 indicated no material weaknesses in internal control and no 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.

During the 2009-10 school year, the District was responsible for educating nearly 16,600 students in kindergarten through grade 12. Eighteen neighborhood schools, a K-8 school, five alternative programs, and two District sponsored charter schools comprise the District's elementary program. Each school reflects the uniqueness of its students, staff, and community. One neighborhood school, the alternative programs, the K-8 school, and charter schools reflect particular visions and educational philosophies and have such emphases as language and culture immersion, arts, and technology.

The secondary program (grades 6-12) consists of seven neighborhood middle schools and three language immersion programs. In addition, there are four regional high schools, three alternative high schools, an international high school program that offers classes on three high school campuses and is accredited by the International Baccalaureate program, and an environmental science program. One regional high school houses three small schools with distinctive academic offerings.

The K-8 school, one alternative program, and two charter schools that serve elementary students also provide middle school education. A third charter school serves grades 7-12. Additionally, school and business partnerships exchange facilities and services for career training or other educational benefits and support. The average age of the District's school buildings is fifty 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 198 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 207 students enrolled in kindergarten through the eighth grade. The Network Charter School serves 106 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 three major governmental funds, General Fund, Capital Equipment 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 F—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 and research 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 population has increased 8.26% and 13.3%, 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 State of Oregon's Office of Economic Analysis' December 2010 report outlined that the unemployment rate for Oregon is 10.5 percent. While this rate has been essentially unchanged for the past twelve months, the report also pointed out the unemployment rate tends to be one of the last measurements to improve as an economy enters recovery. Dating back to 1986, the average Oregon unemployment rate ranged between a low of 4.9% in 1995 to a high of 11.1% in 2009.

As reported by the Oregon Employment Department, the Eugene-Springfield unemployment rate as of October 2010 was 11.1%. This was .6% higher than the State and 1.5% higher than the national rate. Although there are some bright spots emerging on the economic horizon, the metropolitan area's unemployment rate for October 2010 is equal to the annual average for the State in 2009.

The recession and high unemployment rate has affected Lane County's various employment sectors differently. As a percentage of total nonfarm employment, employment in the wood products manufacturing industry declined by 0.1% from the previous year, while employment in the trades and services sectors increased by 1.5% and the government sector declined by 1.3% over the same time period. Currently, the trades, services, and governmental sectors account for 83.6% of total nonfarm payroll employment. Overall, total nonfarm employment in October 2010 experienced a slight decrease from October of last year.

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

The Oregon Employment Department recently provided that Lane County is coming out of a deep recessionary period, although at a very slow pace. Lane County lost 11% of its employment during the Great Recession, in comparison to a loss of 8.6% statewide. Construction and manufacturing, especially RV manufacturing, had large job losses early in the recession which in turn negatively affected most industry sectors.

Lane County's current industry employment mix is very similar to the statewide industry mix, suggesting similar activity relative to employment growth. A recent forecast for Oregon suggests a mild increase of 0.8% in total employment in the fourth quarter of 2010. Job growth is mildly positive at 0.9% in 2011 with modest job gains starting in the second quarter through the end of the year. The Oregon economy is not projected to see above 2% job growth until the fourth quarter of 2011.

LONG-TERM FINANCIAL PLANNING

Financial management policies adopted by the Board include guidance on resource planning and allocation, accounting and financial practices, revenue, capital improvements, intergovernmental revenue, and debt and investment management.

Long-term financial planning guidance is provided in the resource planning and allocation policies. Following that guidance, the District, each year prepares a comprehensive financial forecast estimating all revenues and expenditures for the following five years. The forecast, published in January 2010 and updated in the spring, is a planning tool that provides the basis for the upcoming year's budget as well as longer-term resource allocation strategies. The result of the spring changes is higher projected annual operating deficits in all forecast years.

The 2010-11 budget was developed based on the financial forecast and during turbulent and uncertain economic times. Despite the present difficulties, the 2010-11 budget represents the District's commitment to providing high quality and innovative educational programs. To support that commitment, the District has reduced reserves and contingencies and worked with other stakeholders to leverage resources where possible.

The accounting and financial practices policies provide additional long-term financial planning guidance which includes 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. Board policy for the General Fund ending fund balance is five percent of annual operating revenues.

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." 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 in 2010-2011.

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

2010-11 Budget

The Board adopted the District's 2010-11 budget on June 16, 2010. The adopted budget represents the budget approved by the Budget Committee, revised to reflect a further \$6.8 million reduction in State School Fund revenues, the results of new employee group agreements, additional General Fund budget reduction strategies, and the inclusion of targeted funding FTE. The adopted General Fund operating budget totals \$142.0 million, 1.3% below the 2009-10 adopted budget of \$143.8 million. The 2009-10 budget was down 9.2% from the prior year.

The 2010-11 budget was developed as the nation and State struggled to emerge from the Great Recession. With the community's support of the District's local option levy, Oregon voters' passage of new tax initiatives, and funding from the federal American Recovery and Reinvestment Act (ARRA), it was anticipated that budget reductions would be minimized.

On May 10, 2010, the budget committee unanimously approved the proposed budget, with an amendment to appropriate a one-time increase in State funding of \$1.2 million. As a result, the approved budget was increased to reinstate a \$1 million transfer to the District Retirement Fund to offset future Public Employees Retirement System (PERS) rate increases and use \$200,000 to mitigate the effects of licensed staffing reductions.

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

On May 25, 2010, the State released its updated Economic and Revenue Forecast which reported an anticipated \$577 million revenue shortfall in the biennium ending June 30, 2011 based on weak personal income tax collections. In response, Governor Kulongoski directed all State agencies to develop plans for implementing 9% budget cuts for 2010-11. The impact on the District was a reduction in State School Fund revenue of \$6.8 million.

To address the resulting General Fund shortfall, on June 2, 2010, the budget committee reconvened to discuss budget reduction strategies including eliminating some transfers, reducing contingency funds, and negotiating compensation strategies with employee groups. On June 10, 2010, the District and the Eugene Education Association reached a tentative agreement in employee contract negotiations, including a reduction of seven days. Given the terms of the agreement, the following changes were made in the adopted budget:

- Reduce salary and benefit accounts by the equivalent of seven days for all employees;
- Lower school and department discretionary accounts by 10%; and
- Drop the Contingency to 1.7% from the 2% target in board policy.

Oregon school districts' financial challenges have been growing each year due to increasing expenses and decreasing revenues. The District has balanced its budget by reducing staff, trimming school and work days, using federal stimulus money, and drawing from District reserve funds. Now the District faces a projected deficit in 2011-12 of about \$22-30 million, or 15-20% of the District's operating budget.

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 2010-11, the budget includes scheduled capital projects of \$11.4 million using bond proceeds, State and local sources, and proceeds from the sale of surplus properties. The capital budget also includes funding for the fifth 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. The Superintendent is recommending a 2011 bond measure as part of the Sustainable Budget Plan.

Financial Forecast

The District's current financial forecast projects continued General Fund operating deficits. Major factors contributing to the operating deficits are lower State revenues, declining enrollment, and increased personnel costs. Given the economic uncertainty that surrounded the development and adoption of the State budget, the District's 2010-11 budget was initially built assuming a \$6 billion State K-12 funding level. As a result of the June 2010 State Economic Forecast, the budget assumption was reduced to \$5.7 billion. The State is currently projecting a \$3.5 billion shortfall

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

from the current service level in the 2011-13 biennium. The shortfall represents approximately 20% of the State's biennial General Fund expenditure budget, and K-12 funding comprises 38% of the State's General Fund budget. While District enrollment continues to trend downward, the rate of the decline is slowing. In October 2010, the PERS Board approved a 6.3 percentage point increase of the District's 2011-13 retirement contributions.

Board policy regarding financial management specifies that the District should maintain a contingency account at 2% of operating expenditures and a projected ending fund balance at 5% of operating revenues. The adopted General Fund operating budget for 2010-11 provides for the contingency account to decline to 1.7% and current projections for 2010-11 anticipate the ending fund balance will drop to 3.8%. Corrective action will be required to build the reserves to the 5% required by Board policy. The projected ending fund balance reflects the budgeted Unappropriated Ending Fund Balance plus savings from under spending. It also assumes that the current PERS Reserve of \$2.5 million will be used to offset probable rate increases in the 2011-13 biennium.

Strategic Planning

In March 2008, 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 boundaries; and studying elementary school transportation options in order to provide more families access to school choice. To date the District has merged the two elementary schools, is phasing in a transfer policy for middle and high schools and made adjustments to some school boundaries. In addition, the District transportation study concluded that changes were not feasible due to cost constraints. The 2010-11 staffing model allocated more teachers and classified staff to schools with higher needs students in an effort to increase achievement for all students and close the achievement gap.

The Superintendent and Eugene School Board are working to develop a "*Sustainable Budget Plan*" in the face of decreasing revenues and increasing costs. The goal is to develop a multi-year plan that will balance the budget and put 4J on a sustainable course, while providing all kids with a sound education. Staff, students, parents and community will be affected by the changes ahead and are invited to weigh in at each step of the process. The Board is expected to approve a multi-year strategy in January 2011.

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, 2009. The District has received this prestigious award every year since June 30, 1987. 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

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

Achievement Program requirements, and we are submitting it to determine its eligibility for another certificate.

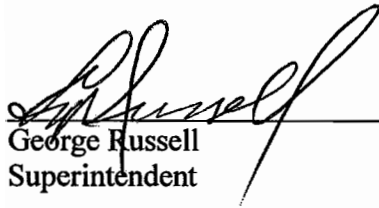
In addition to the recognition for the annual report, the District received GFOA's Distinguished Budget Presentation Award for its 2010 Budget Document. The District has received this award every year since 1992-93. This award recognizes that the District has published a document that meets program criteria as a policy document, operations guide, financial plan, and communications device.

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, 2009

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.



A stylized, handwritten signature in black ink.

President

A stylized, handwritten signature in black ink.

Executive Director

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
LISTING OF PRINCIPAL OFFICIALS
YEAR ENDED JUNE 30, 2010

BOARD OF DIRECTORS

	<u>Term Expires</u>
Craig Smith, Chair 2611 Suncrest Avenue Eugene, Oregon 97405	June 30, 2011
Alicia Hays, Vice Chair 274 Regal Court Eugene, Oregon 97401	June 30, 2011
Jennifer Geller 2069 Olive Street Eugene, Oregon 97405	June 30, 2013
Beth Gerot 1270 River Road Eugene, Oregon 97404	June 30, 2013
Anne Marie Levis 32543 Mt. Baldy Lane Eugene, Oregon 97405	June 30, 2013
Jim Torrey 3393 Arlington Avenue Eugene, Oregon 97408	June 30, 2011
Yvette Webber-Davis 1574 Coburg Road, Box 184 Eugene, Oregon 97401	Resigned Aug. 31, 2009
Mary Walston 245 Sunnyside Drive Eugene, Oregon 97404	Appointed Sept. 30, 2009 Term Expires June 30, 2011

ADMINISTRATION

Administration Office
200 North Monroe Street
Eugene, Oregon 97402

George Russell
Barbara Bellamy
Susan Fahey
Carl Hermanns

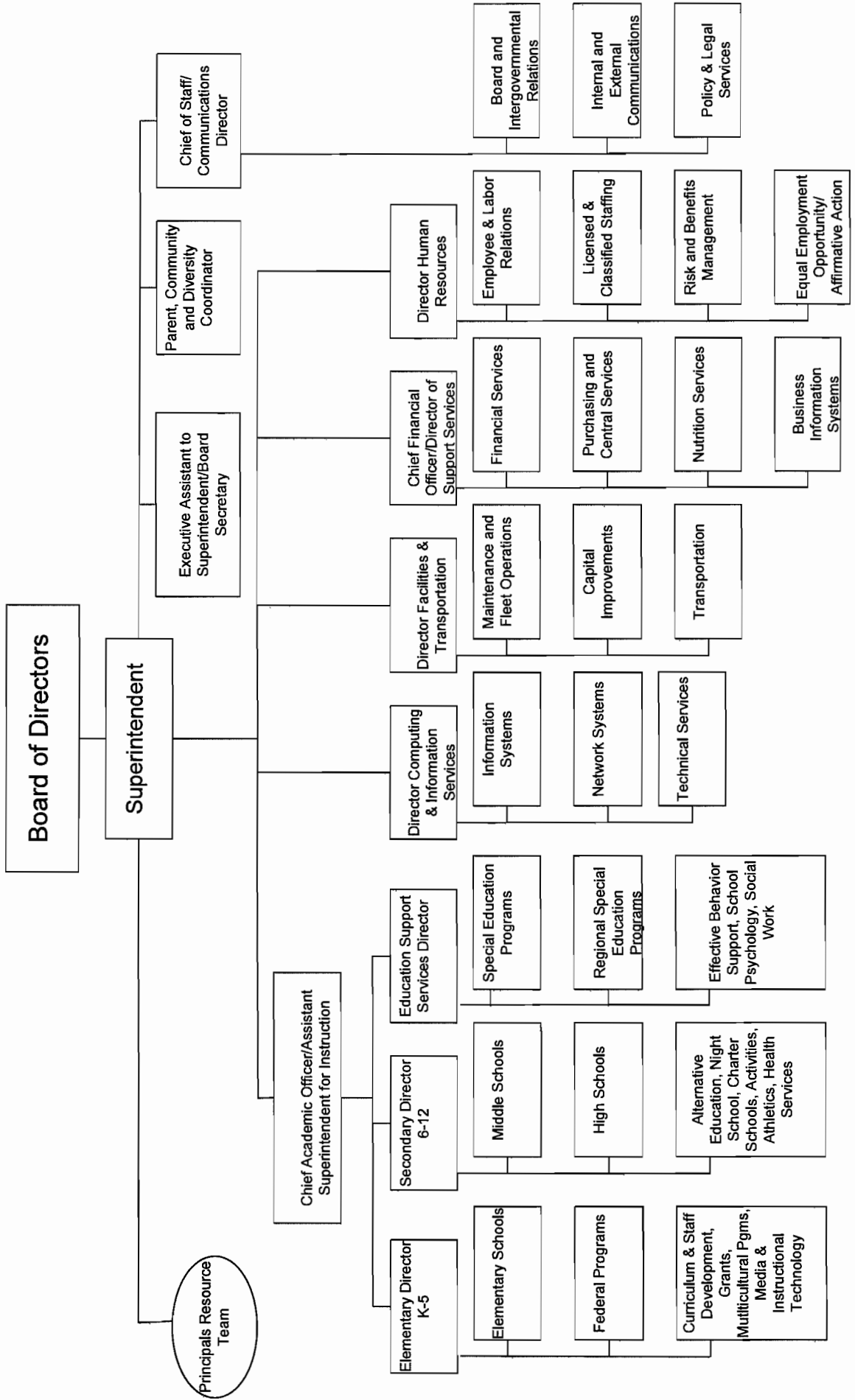
Superintendent and Clerk
Deputy Clerk
Deputy Clerk
Deputy Clerk

LEGAL COUNSEL

Luvaas Cobb, P.C.

**Lane County School District 4J – Organization Chart
2009-2010 – Eugene, Oregon**

Community



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Financial Section



Financial Section

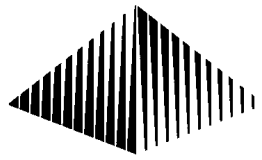


*Investing in Students
Creating the Future*

**Lane County
School District 4J**

INDEPENDENT AUDITOR'S REPORT

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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

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 (the District) as of and for the year ended June 30, 2010, which collectively comprise the 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, 2010, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund, the capital equipment fund and the federal, state and local programs fund 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 28, 2010 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other postemployment healthcare benefits schedule of funding progress be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The introductory section, other supplementary information, and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not a required part of the 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 also not a required part of the financial statements. The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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 do not express an opinion or provide any assurance on it.

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

By: 

Charles A. Swank, A Shareholder
December 28, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

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LANE COUNTY SCHOOL DISTRICT 4J

Management's Discussion and Analysis

June 30, 2010

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, 2010. 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–viii 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, 2010 by \$71.1 million. Of this amount, \$20.4 million represents the District's investment in capital assets net of related debt; \$1 million is available for restricted purposes; and \$49.6 million is unrestricted and available to meet the District's ongoing obligations.
- The District's total net assets decreased by \$2.9 million for the fiscal year, a 4% decrease from the prior year.
- The District's governmental funds report combined ending fund balance of \$53.8 million, a decrease of \$7.2 million from the prior year. Approximately 76% of this total amount, \$41 million, is unreserved, with \$1.4 million reserved for use on capital projects, and the balance, \$11.3 million, reserved for debt service.
- At the end of the fiscal year, unreserved fund balance for the General Fund was \$12.1 million, or about 8.6 % of the total General Fund revenue.
- In the government-wide statements, the total cost of all the District's programs was \$195 million for the fiscal year, a decrease of \$4.8 million from the prior year.

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 any enterprise funds.

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, five 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, the Capital Equipment Fund, and the Federal, State and Local Programs Fund, all of which are considered to be major funds. Data from the other three 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 22–24 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 25–46 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information*. This Management's Discussion and Analysis, is 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 \$71.1 million at the close of the most recent fiscal year, a decrease of 4% from the prior year.

The change from 2009 reflects an \$8.6 million decrease in cash and other assets as the District drew down reserves and to complete District replacement and/or renovation projects. Capital assets, which consist of the District's land, buildings, building improvements, site improvements, construction in progress, vehicles, and equipment, represent 53.1% of total assets. Capital asset activity noted capitalization of completed building improvements and other capital assets of \$10.5 million offset by decreases in construction in progress, depreciation, and disposals for a net effect of a \$3.3 million decrease from 2009.

The District's largest liability (89.4%) is for the repayment of long-term debt (general obligation bonds, limited pension bonds, early termination benefits, net OPEB obligations, and capital leases). Additional liabilities, representing 10.6% of the District's total liabilities, consist of payables on accounts, salaries and benefits, interest charges, and unearned revenue.

A large portion of the District's net assets (28.8%) 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 (1.5%) represents resources that are subject to external restrictions on how they may be used. The remaining net assets are unrestricted and available for use according to the Board's goals and objectives.

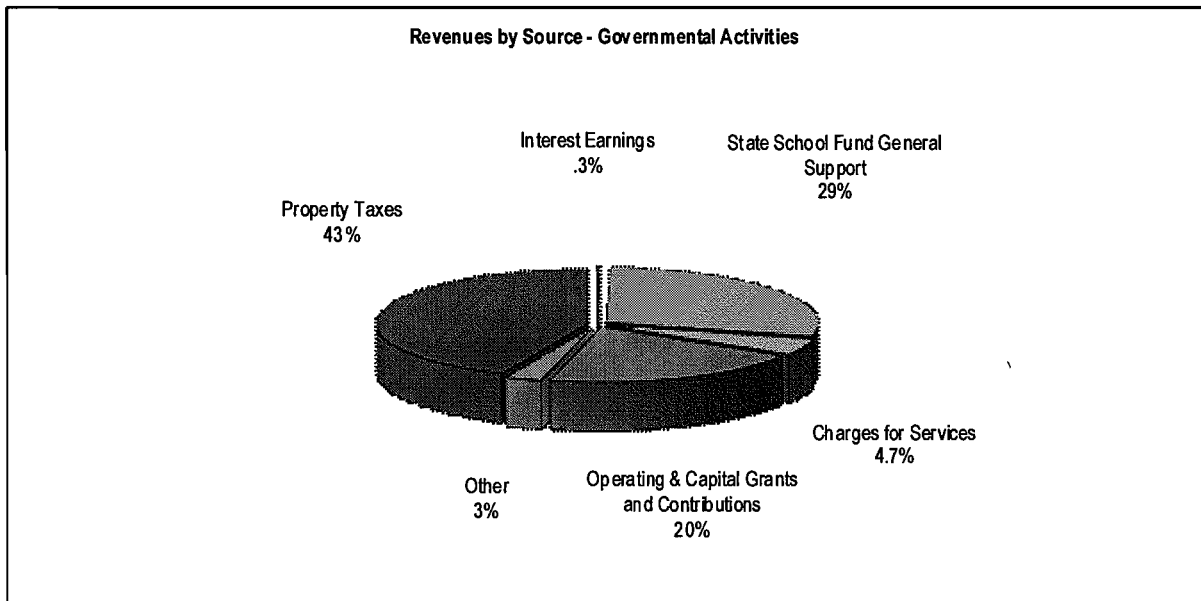
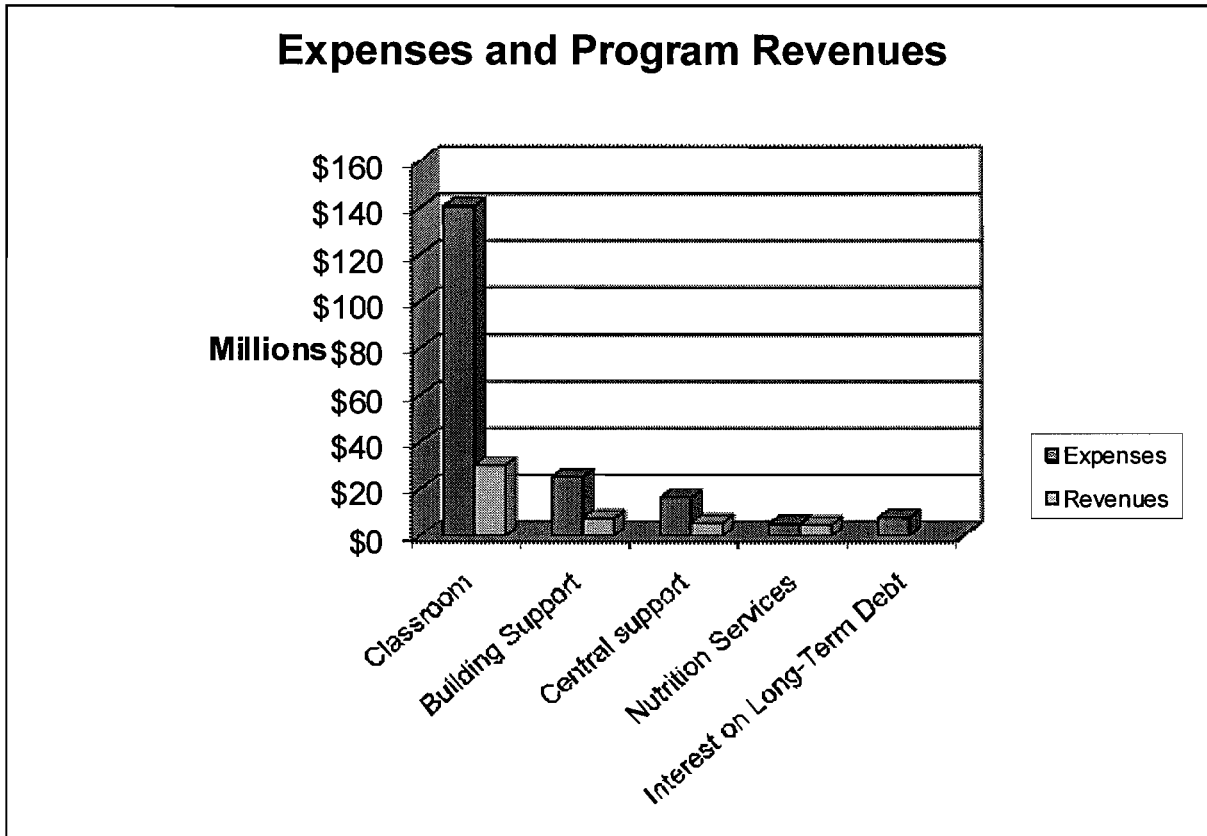
	Net Assets (in thousands)		Total Change 2009 to 2010
	Governmental Activities		
	2010	2009	
Cash and other assets	\$ 80,966	\$ 89,591	\$ (8,625)
Property taxes receivable	5,724	7,060	(1,336)
Pension assets	43,770	46,202	(2,432)
Capital assets	<u>147,912</u>	<u>151,192</u>	<u>(3,280)</u>
Total assets	<u>278,372</u>	<u>294,045</u>	<u>(15,673)</u>
Accrued and other liabilities	21,910	23,374	(1,464)
Long-term debt	<u>185,357</u>	<u>196,641</u>	<u>(11,284)</u>
Total liabilities	<u>207,267</u>	<u>220,015</u>	<u>(12,748)</u>
Net assets:			
Invested in capital assets, net of related debt	20,444	17,581	2,863
Restricted	1,045	2,790	(1,745)
Unrestricted	<u>49,616</u>	<u>53,659</u>	<u>(4,043)</u>
Total net assets	<u>\$ 71,105</u>	<u>\$ 74,030</u>	<u>\$ (2,925)</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 2009–10 fiscal year, the District's net assets decreased by about \$2.9 million as opposed to a decrease of \$.7 million in 2008–09. The key elements in this change are the net effect of the following:

- State School Fund general support decreased \$7.6 million, or about 12.1%, due to reduced state funding and declining enrollment.
- Property taxes and other federal and local sources increased \$3.2 million, due in part to a small increase in property tax revenue, combined with revenue from the sale of capital assets and insurance recoveries.
- Program revenues experienced a net decrease of \$1.2 million, mainly due to the completed athletic field improvements that were paid for by the City of Eugene in 2008-09.
- Classroom services expenses decreased \$2.6 million, due in part to reductions in staffing as a result of an increased student to staff ratio, furlough days, and declining enrollment.
- Interest earnings on investments decreased \$1.4 million, due to lower earnings rates and reserve levels.
- Interest on long-term debt decreased \$2.7 million, as the District principal on debt service declined.

Changes in Net Assets (in thousands)			
	<u>Governmental Activities</u>		Total Change
	<u>2010</u>	<u>2009</u>	<u>2009 to 2010</u>
Revenues:			
Program revenues:			
Charges for services	\$ 8,935	\$ 8,623	\$ 312
Operating grants and contributions	38,031	37,504	527
Capital grants and contributions	657	2,678	(2,021)
General revenues:			
Property taxes	83,267	82,545	722
State school fund – general support	55,264	62,865	(7,601)
Other federal and local sources	5,338	2,825	2,513
Earnings on investments	<u>621</u>	<u>2,035</u>	<u>(1,414)</u>
Total revenues	<u>192,113</u>	<u>199,075</u>	<u>(6,962)</u>
Expenses:			
Classroom services	140,730	143,336	(2,606)
Building support services	25,179	24,325	854
Central support services	16,358	16,621	(263)
Nutrition services	5,091	5,157	(66)
Interest on long-term debt	<u>7,680</u>	<u>10,374</u>	<u>(2,694)</u>
Total expenses	<u>195,038</u>	<u>199,813</u>	<u>(4,775)</u>
Change in net assets	(2,925)	(738)	(2,187)
Net assets – beginning	<u>74,030</u>	<u>74,768</u>	<u>(738)</u>
Net assets – ending	<u>\$ 71,105</u>	<u>\$ 74,030</u>	<u>\$ (2,925)</u>



Financial Analysis of the District's Funds

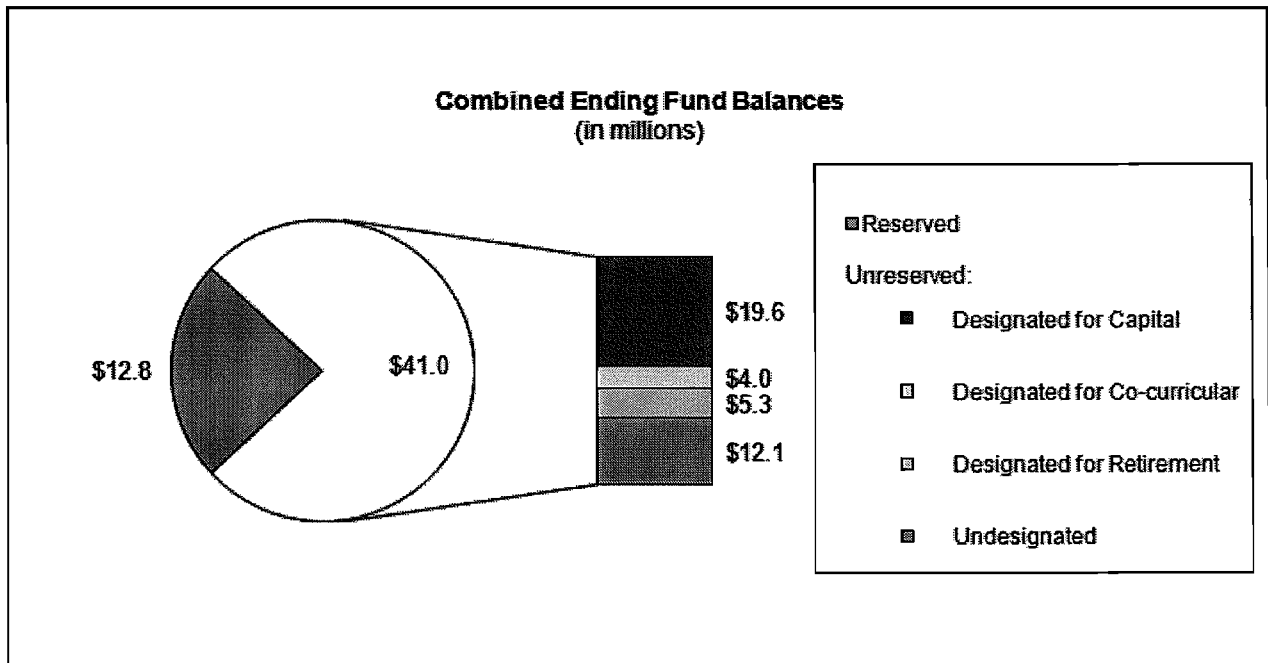
As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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.

Portions of both the Debt Service Fund and the Capital Projects Fund 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, 2010, the District's governmental funds reported *combined ending fund balances* of \$53.8 million, a decrease of \$7.2 million in comparison with prior year. Included in this year's change in the combined fund balances are:

- \$1.9 million decrease in the General Fund's ending fund balance due to planned draw down of reserves as part of a short term budget reduction strategy.
- \$3.8 million decrease in the Capital Projects Fund due to the cost of replacement and/or renovation of District's assets, the use of reserves to support operations, and the elimination of a transfer from the General Fund.
- \$1.6 million decrease in the Capital Equipment Fund due to eliminating the transfer from the General Fund for textbooks and district-wide critical equipment needs.



As depicted in the graph above, of the \$53.8 million combined ending fund balances, \$41 million constitutes *unreserved ending fund balance*, which is available for spending at the District's discretion. About 70% of the unreserved ending fund balance (\$28.9 million) is *unreserved, designated ending fund balance*: 67.9% (\$19.6 million) is designated for capital expenditures, 18.3% (\$5.3 million) is designated for payment of future retirement obligations and another 13.8% (\$4 million) is designated for co-curricular activities.

General Fund. The General Fund is the chief operating fund of the District. As of June 30, 2010, unreserved fund balance was \$12.1 million. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund revenues. At the end of the fiscal year, the General Fund balance was 8.6% of total General Fund revenues. The General Fund balance decreased by \$1.9 million during the current fiscal year compared to a \$3 million decrease in 2008-09. General Fund expenditures decreased approximately \$7 million from 2009 due to a reduction in the State School Fund Formula Grant.

Debt Service Fund. The Debt Service Fund has a total fund balance of \$11.3 million which is a \$.2 million increase from 2009, all of which is reserved for the payment of debt service.

Federal, State, and Local Programs Fund. The Federal, State, and Local Programs Fund's asset and liabilities are equal as revenue was either accrued or deferred based on eligible grant expenditures.

Capital Projects Fund. The Capital Projects Fund has a fund balance of \$12.4 million which is a \$4.0 million decrease from 2009. Capital expenditures reflect payments expended as part of the Long Range Facilities Plan and were partially offset by revenue from the sale of capital assets and insurance recoveries. All of the Capital Projects Fund balance is reserved or designated for capital projects.

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, 2010, the District had over \$147.9 million invested in capital assets, net of depreciation, as shown in the following table:

Capital Assets (Net of Depreciation) (in thousands)			
	<u>2010</u>	<u>2009</u>	<u>Total Change 2009 to 2010</u>
Land	\$ 1,621	\$ 1,621	\$ —
Buildings & Improvements	138,765	138,344	421
Vehicles & Equipment	5,902	6,484	(582)
Construction in Progress	<u>1,624</u>	<u>4,743</u>	<u>(3,119)</u>
Total	<u>\$ 147,912</u>	<u>\$ 151,192</u>	<u>\$ (3,280)</u>

During the year, the District's investment in capital assets decreased due to completed construction projects being more than offset by the decrease in construction in progress and depreciation. Additional information on the District's capital assets can be found in note E on pages 37–39 of this report.

Long-term debt. At the end of the current fiscal year, the District had total bonded debt outstanding of \$185.4 million consisting of general obligation and limited pension bond debt, including unamortized premiums, early termination benefits, net OPEB obligations, and capital leases.

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 \$1.9 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 41–44 of this report.

Economic Factors and Next Year's Budget

Resources supporting District General Fund operations primarily reflect local and state revenues, with additional income representing federal, county, and other sources. The largest segment, which includes state funding and local property taxes, is determined by the State School Fund formula. The majority of funding provided by the State to the District is based on the district's average daily membership of students and is the basis of the State School Funding formula. Total student enrollment in 2009–10 declined slightly from 2008–09. District enrollment, excluding charter school component units, is expected to continue a slow decline over the next five years.

State School Fund Grant revenue accounted for 30.6% of the District's total governmental fund revenue and 41.8% of the District's General Fund revenue for the year ended June 30, 2010. Resources calculated into the State School Funding formula, including federal stimulus support, amounted to 63.9% of total governmental fund revenues and 87.2% of General Fund revenues. Federal stimulus funding distributed through the American Recovery and Reinvestment Act (ARRA) is providing additional resources for three fiscal years, ending in 2010–11.

The 2010–11 budget was developed as the national and state struggled to emerge from the Great Recession. Oregon's recovery from recessions typically lags the nation since consumer confidence and spending which generate sales tax revenue, are generally restored prior to increases in employment. The proposed 2010–11 budget amount was based on a K-12 State funding level of \$6 billion, but due to statewide revenue shortfall the adopted budget was based on \$5.7 billion.

For the year ending June 30, 2011, the District adopted a General Fund budget of \$142.0 million, 1.3% below the 2009–10 adopted budget of \$143.8 million. The adopted budget represents the budget approved by the Budget Committee on June 16, 2010, revised to reflect a further \$6.8 million reduction in State School Fund projected revenues, the results of new employee group agreements, and additional General Fund budget reduction strategies.

The School Board has set policy that states that the District budget 2% of its annual operating budget as contingency and 5% of annual operating revenues as ending fund balance. The 2010–11 adopted budget included a 1.7% operating contingency account and a projected ending fund balance (including under spending) of 4.9%.

The District's Budget Committee and School Board considered all of these factors while preparing the District's budget for the 2010–11 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 Mary Nickelson-Hill, CPA, 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, 2010, WITH COMPARATIVE DATA

	<u>Governmental Activities</u>		<u>Component Units</u>
	<u>2010</u>	<u>2009</u>	
ASSETS			
Cash and investments	\$ 73,961,174	\$ 81,077,925	\$ 1,128,765
Receivables:			
Property taxes	5,723,555	7,060,472	-
Accounts and other receivables	6,736,926	8,330,545	215,145
Inventories	268,470	182,541	6,100
Prepaid PERS unfunded actuarial liability	43,770,349	46,202,035	-
Capital assets not being depreciated			
Land and construction in progress	3,245,517	6,363,734	-
Capital assets, net of accumulated depreciation			
Athletic field improvements	4,557,930	4,709,477	-
Buildings and improvements	134,206,852	133,634,784	-
Machinery and equipment	1,975,664	2,388,175	18,878
Vehicles	3,925,804	4,096,102	-
TOTAL ASSETS	<u>278,372,241</u>	<u>294,045,788</u>	<u>1,368,888</u>
LIABILITIES			
Accounts payable	3,795,403	3,027,135	25,032
Accrued payroll and related charges	11,906,019	12,725,529	111,434
Accrued interest	2,684,968	2,914,731	-
Unearned revenue	3,523,820	4,706,304	17,004
Long-term debt			
Due within one year	12,463,259	11,499,237	-
Due in more than one year	172,893,813	185,142,146	-
TOTAL LIABILITIES	<u>207,267,282</u>	<u>220,015,082</u>	<u>153,470</u>
NET ASSETS			
Invested in capital assets, net of related debt	20,443,719	17,581,497	18,878
Restricted for:			
Debt service	1,045,402	2,790,498	-
Unrestricted	49,615,838	53,658,711	1,196,540
TOTAL NET ASSETS	<u>\$ 71,104,959</u>	<u>\$ 74,030,706</u>	<u>\$ 1,215,418</u>

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, 2010, WITH COMPARATIVE DATA

Functions	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities		
					2010		2009
GOVERNMENTAL ACTIVITIES							
Direct classroom services							
Regular instruction	\$ 69,899,822	\$ 139,719	\$ 6,677,052	\$ -	\$ (64,097,196)	\$ -	
Special programs	32,030,229	329,405	11,545,995	-	(18,672,112)	-	
Total direct classroom services	101,930,051	469,124	18,223,047	-	(83,237,880)	(2,063,489)	
Classroom support services							
Extra-curricular activities	7,622,882	633,150	5,142,327	-	(1,740,588)	-	
Student support	9,673,765	11,050	1,281,197	-	(9,675,436)	-	
Libraries, curriculum and staff development	7,871,977	-	3,690,279	-	(4,181,698)	-	
School administration	12,743,090	-	64,420	-	(12,678,670)	-	
Community services	889,040	-	535,903	-	(353,137)	-	
Total classroom support services	38,800,754	644,200	10,714,126	-	(27,442,428)	(1,121,446)	
Building support services							
Facilities operation and maintenance	13,218,800	602,374	48,554	224,453	(10,133,438)	-	
Student transportation	6,781,067	168,565	5,462,238	432,307	(1,521,824)	-	
Computing and information services	4,695,410	220,442	230,546	-	(3,772,291)	-	
Warehouse and purchasing	483,762	-	-	-	(483,762)	-	
Total building support services	25,179,039	991,381	5,741,338	656,760	(17,789,560)	-	
Central support services							
Executive administration	900,836	-	-	-	(900,836)	-	
Financial services	1,523,279	-	-	-	(1,523,279)	-	
Human resources/employee insurance benefits	7,739,972	5,460,632	-	-	(2,279,340)	-	
District retirement	5,662,659	-	-	-	(5,662,659)	-	
Communications and intergovernmental relations	531,145	-	-	-	(531,145)	-	
Total central support services	16,357,891	5,460,632	-	-	(10,897,259)	-	
Nutrition services	5,091,489	1,369,409	3,353,276	-	(698,721)	-	
Interest on long-term liabilities	7,679,671	-	-	-	(7,679,671)	-	
Unallocated grants	-	-	-	-	-	(100,000)	
Unallocated depreciation	-	-	-	-	-	(12,976)	
Total school district	\$ 195,038,895	\$ 8,934,746	\$ 38,031,787	\$ 656,760	(147,415,602)	-	
COMPONENT UNITS							
	\$ 3,578,740	\$ 65,156	\$ 215,673	\$ -	-	(3,297,911)	
General revenues:							
Property taxes levied for:							
General purposes					67,115,856	-	
Debt service					15,429,663	-	
Federal aid not restricted to specific purposes					2,234,228	42,717	
State aid not restricted to specific purposes					62,864,863	2,682,670	
Earnings on investments					2,035,193	8,364	
Other local revenue					335,795	626,471	
Total general revenues					150,270,367	3,360,222	
Change in net assets					(736,887)	62,311	
Change in Accounting Principle					-	(34,760)	
Net assets - beginning					74,030,706	1,187,867	
Net assets - ending					\$ 74,030,706	\$ 1,215,418	

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, 2010, WITH COMPARATIVE DATA

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>
ASSETS			
Equity in pooled cash and investments	\$ 20,785,633	\$ -	\$ 11,335,910
Cash and investments	-	10,981,984	1,364,763
Receivables			
Property taxes	4,709,161	1,014,394	-
Accounts and other receivables	1,473,463	12,026	45,872
Due from other funds	2,653,831	252,606	288,642
Inventories	184,411	-	-
<i>Total Assets</i>	<u>\$ 29,806,499</u>	<u>\$ 12,261,010</u>	<u>\$ 13,035,187</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts and interest payable	\$ 2,425,133	\$ -	\$ 639,746
Accrued payroll and related charges	10,211,462	-	840
Due to other funds	593,201	-	-
Deferred revenue	4,385,107	936,285	-
Unearned revenue	66,512	-	-
<i>Total Liabilities</i>	17,681,415	936,285	640,586
Fund balances			
Reserved for:			
Debt service	-	11,324,725	-
Capital projects	-	-	1,426,517
Unreserved, reported in:			
General fund	12,125,084	-	-
Capital projects fund	-	-	10,968,084
Special revenue funds	-	-	-
<i>Total Fund Balances</i>	<u>12,125,084</u>	<u>11,324,725</u>	<u>12,394,601</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 29,806,499</u>	<u>\$ 12,261,010</u>	<u>\$ 13,035,187</u>

Capital Equipment	Federal, State and Local Programs	Other Governmental Funds	Totals	
			2010	2009
\$ 8,888,844	\$ -	\$ 5,276,758	\$ 46,287,145	\$ 50,614,526
-	-	3,828,367	16,175,114	19,350,483
-	-	-	5,723,555	7,060,472
13,780	4,940,159	233,478	6,718,778	8,006,328
-	-	51,953	3,247,032	4,211,229
-	-	84,059	268,470	182,540
<u>\$ 8,902,624</u>	<u>\$ 4,940,159</u>	<u>\$ 9,474,615</u>	<u>\$ 78,420,094</u>	<u>\$ 89,425,578</u>
\$ 230,756	\$ 292,048	\$ 207,720	\$ 3,795,403	\$ 3,027,135
-	3,967	3,127	10,219,396	11,295,289
-	2,653,831	-	3,247,032	4,211,229
-	-	-	5,321,392	6,591,310
-	1,990,313	-	2,056,825	3,306,139
230,756	4,940,159	210,847	24,640,048	28,431,102
-	-	-	11,324,725	11,125,207
-	-	-	1,426,517	5,563,829
-	-	-	12,125,084	13,990,673
-	-	-	10,968,084	10,811,559
8,671,868	-	9,263,768	17,935,636	19,503,208
<u>8,671,868</u>	<u>-</u>	<u>9,263,768</u>	<u>53,780,046</u>	<u>60,994,476</u>
<u>\$ 8,902,624</u>	<u>\$ 4,940,159</u>	<u>\$ 9,474,615</u>	<u>\$ 78,420,094</u>	<u>\$ 89,425,578</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, 2010

Total Governmental Fund Balances (page 15)	\$ 53,780,046
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 \$287,741,947 and the accumulated depreciation is \$139,830,180.	147,911,767
Pension assets are not financial resources in governmental funds, but are reported in the Statement of Net Assets.	43,770,349
The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Assets.	9,257,732
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.	5,321,392
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.	(2,684,968)
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.	(894,287)
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	\$ 52,410,000
Bonds payable	125,957,884
Capital leases payable	3,223,243
Early termination benefits	1,726,592
Net OPEB obligation	2,039,353
Total long-term liabilities	<u>(185,357,072)</u>
Total Net Assets (page 13)	<u>\$ 71,104,959</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 BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010, WITH COMPARATIVE DATA

	General Fund	Debt Service Fund	Capital Projects Fund
REVENUES			
Local sources	\$ 72,423,504	\$ 18,877,470	\$ 473,202
Intermediate sources	213,036	-	-
State sources	61,650,887	-	-
Federal sources	6,910,860	-	-
<i>Total Revenues</i>	141,198,287	18,877,470	473,202
EXPENDITURES			
Current			
Instruction	87,251,931	-	-
Supporting services	54,721,788	-	-
Community services	285,213	-	-
Facilities acquisition and construction	-	-	-
Debt service			
Principal	79,522	10,045,000	-
Interest	9,117	8,632,952	-
Refunding bond issuance costs	-	-	-
Capital outlay	53,226	-	6,281,794
<i>Total Expenditures</i>	142,400,797	18,677,952	6,281,794
REVENUES OVER (UNDER) EXPENDITURES	(1,202,510)	199,518	(5,808,592)
OTHER FINANCING SOURCES (USES)			
Transfers in	968,000	-	-
Transfers out	(1,631,079)	-	(500,000)
Refunding bonds issued	-	-	-
Premium on refunding bonds issued	-	-	-
Payment to refunded bond escrow agent	-	-	-
Capital leases	-	-	-
Sale of capital assets	-	-	1,380,450
Insurance recoveries	-	-	947,357
<i>Total Other Financing Sources (Uses)</i>	(663,079)	-	1,827,807
NET CHANGE IN FUND BALANCES	(1,865,589)	199,518	(3,980,785)
FUND BALANCES, Beginning of year	13,990,673	11,125,207	16,375,386
FUND BALANCES, End of year	<u>\$ 12,125,084</u>	<u>\$ 11,324,725</u>	<u>\$ 12,394,601</u>

Capital Equipment Fund	Federal, State and Local Programs Fund	Other Governmental Funds	Totals	
			2010	2009
\$ 44,707	\$ 3,199,200	\$ 9,633,340	\$ 104,651,423	\$ 104,911,703
-	-	-	213,036	244,349
422,307	1,364,820	63,845	63,501,859	74,432,133
-	14,028,757	3,289,431	24,229,048	20,508,435
467,014	18,592,777	12,986,616	192,595,366	200,096,620
1,139,063	12,139,552	5,141,251	105,671,797	107,441,707
338,637	5,890,611	3,565,765	64,516,801	67,457,790
-	514,337	4,947,814	5,747,364	5,913,925
-	36,579	-	36,579	-
560,515	10,832	96,421	10,792,290	9,425,158
120,187	866	3,133	8,766,255	8,703,658
-	-	-	-	223,320
882,953	-	-	7,217,973	11,743,236
3,041,355	18,592,777	13,754,384	202,749,059	210,908,794
(2,574,341)	-	(767,768)	(10,153,693)	(10,812,174)
1,099,576	-	29,825	2,097,401	3,246,510
-	-	-	(2,131,079)	(3,311,453)
-	-	-	-	47,295,000
-	-	-	-	3,952,038
-	-	-	-	(51,018,536)
552,470	-	92,666	645,136	1,312,720
-	-	-	1,380,450	-
-	-	-	947,357	-
1,652,046	-	122,491	2,939,265	1,476,279
(922,295)	-	(645,277)	(7,214,428)	(9,335,895)
9,594,163	-	9,909,045	60,994,474	70,330,369
<u>\$ 8,671,868</u>	<u>\$ -</u>	<u>\$ 9,263,768</u>	<u>\$ 53,780,046</u>	<u>\$ 60,994,474</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, 2010

Net change in fund balances - total governmental funds (page 17) \$ (7,214,428)

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 depreciation (\$10,471,615) exceeded capitalized expenditures (\$7,217,973). (3,253,642)

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. (26,866)

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 lease proceeds	\$ (645,136)	
Debt principal repaid	10,792,290	
Total long-term liabilities		10,147,154

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. 229,763

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. 856,821

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. (1,269,918)

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 \$963,648 exceeded amounts earned of \$683,311.	280,337	
OPEB benefits earned of \$2,547,794 equaled amounts paid of \$2,547,794.	-	
Total retirement obligations		280,337

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 \$894,287 exceeded the amount paid of \$809,473. (84,814)

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. (158,468)

Change in net assets of governmental activities (page 14) \$ (2,925,747)

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.

CAPITAL EQUIPMENT FUND – This fund accounts for funds reserved for use in replacement and purchase of equipment and minor remodeling.

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, 2010

	<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	\$ 68,389,000	\$ 68,569,416	\$ 3,854,088	\$ 72,423,504	\$ -	\$ 72,423,504
Intermediate sources	125,000	125,000	88,036	213,036	-	213,036
State sources	62,979,000	68,924,925	(7,274,038)	61,650,887	-	61,650,887
Federal sources	2,333,000	2,333,000	4,577,860	6,910,860	-	6,910,860
Total Revenues	133,826,000	139,952,341	1,245,946	141,198,287	-	141,198,287
EXPENDITURES						
Current						
Instruction	84,817,412	87,973,472	632,902	87,340,570	(88,639)	87,251,931
Supporting services	57,339,208	56,181,429	1,406,415	54,775,014	(53,226)	54,721,788
Community services	343,886	343,886	58,673	285,213	-	285,213
Facilities acquisition and construction	1,000	1,000	1,000	-	-	-
Operating contingency	2,138,000	1,046,504	1,046,504	-	-	-
Debt service	1,000	1,000	1,000	-	88,639	88,639
Capital outlay	-	-	-	-	53,226	53,226
Total Expenditures	144,640,506	145,547,291	3,146,494	142,400,797	-	142,400,797
REVENUES OVER (UNDER) EXPENDITURES	(10,814,506)	(5,594,950)	4,392,440	(1,202,510)	-	(1,202,510)
OTHER FINANCING SOURCES (USES)						
Transfers in	969,000	969,000	(1,000)	968,000	-	968,000
Transfers out	(1,317,576)	(3,291,805)	1,660,726	(1,631,079)	-	(1,631,079)
Total Other Financing Sources (Uses)	(348,576)	(2,322,805)	1,659,726	(663,079)	-	(663,079)
NET CHANGE IN FUND BALANCE	(11,163,082)	(7,917,755)	6,052,166	(1,865,589)	-	(1,865,589)
FUND BALANCE, Beginning of year	13,836,000	13,990,673	-	13,990,673	-	13,990,673
FUND BALANCE, End of year	\$ 2,672,918	\$ 6,072,918	\$ 6,052,166	\$ 12,125,084	\$ -	\$ 12,125,084

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 - SPECIAL REVENUE FUNDS (CAPITAL EQUIPMENT)
YEAR ENDED JUNE 30, 2010

	Original and Final Budget	Variance with Final Budget	Actual		GAAP Basis
			Budget Basis	Adjustments	
REVENUES					
Local sources	\$ 10,000	\$ 34,707	\$ 44,707	\$ -	\$ 44,707
State sources	485,000	(62,693)	422,307	-	422,307
Total Revenues	495,000	(27,986)	467,014	-	467,014
EXPENDITURES					
Current					
Instruction	2,919,998	1,682,510	1,237,488	(98,425)	1,139,063
Supporting services	3,791,836	3,060,301	731,535	(392,898)	338,637
Community services	1,000	1,000	-	-	-
Debt service					
Principal	747,468	331,780	415,688	144,827	560,515
Interest	118,633	14,459	104,174	16,013	120,187
Operating contingency	1,450,899	1,450,899	-	-	-
Capital outlay	-	-	-	882,953	882,953
Total Expenditures	9,029,834	6,540,949	2,488,885	552,470	3,041,355
REVENUES OVER (UNDER) EXPENDITURES	(8,534,834)	6,512,963	(2,021,871)	(552,470)	(2,574,341)
OTHER FINANCING SOURCES					
Transfers in	499,576	600,000	1,099,576	-	1,099,576
Capital leases	-	-	-	552,470	552,470
Total Other Financing Sources	499,576	600,000	1,099,576	552,470	1,652,046
NET CHANGE IN FUND BALANCE	(8,035,258)	7,112,963	(922,295)	-	(922,295)
FUND BALANCE, Beginning of year	8,035,258	1,558,905	9,594,163	-	9,594,163
FUND BALANCE, End of year	\$ -	\$ 8,671,868	\$ 8,671,868	\$ -	\$ 8,671,868

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, 2010

	<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	\$ 3,799,646	\$ 3,960,822	\$ (761,622)	\$ 3,199,200	\$ -	\$ 3,199,200
Intermediate sources	9,000	9,000	(9,000)	-	-	-
State sources	1,455,783	1,666,692	(301,872)	1,364,820	-	1,364,820
Federal sources	14,983,164	16,128,656	(2,099,899)	14,028,757	-	14,028,757
<i>Total Revenues</i>	<u>20,247,593</u>	<u>21,765,170</u>	<u>(3,172,393)</u>	<u>18,592,777</u>	<u>-</u>	<u>18,592,777</u>
EXPENDITURES						
Current						
Instruction	12,934,822	13,343,637	1,204,085	12,139,552	-	12,139,552
Supporting services	6,577,457	7,498,644	1,596,335	5,902,309	(11,698)	5,890,611
Community services	665,314	755,945	241,608	514,337	-	514,337
Facilities acquisition and construction	70,000	166,944	130,365	36,579	-	36,579
Debt service						
Principal	-	-	-	-	10,832	10,832
Interest	-	-	-	-	866	866
<i>Total Expenditures</i>	<u>20,247,593</u>	<u>21,765,170</u>	<u>3,172,393</u>	<u>18,592,777</u>	<u>-</u>	<u>18,592,777</u>
REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	-	-
FUND BALANCE, Beginning of year	-	-	-	-	-	-
FUND BALANCE, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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, 2010, WITH COMPARATIVE DATA

	Governmental Activities- Internal Service Fund- Insurance Reserve Fund	
	<u>2010</u>	<u>2009</u>
ASSETS		
Current assets:		
Equity in pooled cash and investments	\$ 11,498,915	\$ 11,112,915
Accounts and other receivables	18,148	324,217
	<u>11,517,063</u>	<u>11,437,132</u>
<i>Total Assets</i>		
 LIABILITIES		
Current liabilities:		
Accrued payroll and related charges	792,336	620,767
Unearned revenue	1,466,995	1,400,165
	<u>2,259,331</u>	<u>2,020,932</u>
<i>Total Liabilities</i>		
 NET ASSETS		
Unrestricted	<u>9,257,732</u>	<u>9,416,200</u>
<i>Total Net Assets</i>	<u>\$ 9,257,732</u>	<u>\$ 9,416,200</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, 2010, WITH COMPARATIVE DATA

	Governmental Activities- Internal Service Fund- Insurance Reserve Fund	
	2010	2009
OPERATING REVENUES		
Interfund charges for services	\$ 30,751,331	\$ 28,855,410
Other reimbursements	79,163	24,969
<i>Total Operating Revenues</i>	30,830,494	28,880,379
OPERATING EXPENSES	31,069,278	28,663,892
OPERATING INCOME (LOSS)	(238,784)	216,487
NONOPERATING REVENUES		
Interest income	46,638	167,003
INCOME (LOSS) BEFORE TRANSFERS	(192,146)	383,490
TRANSFERS		
Transfers in	531,503	571,202
Transfers out	(497,825)	(506,259)
<i>Total Transfers</i>	33,678	64,943
CHANGE IN NET ASSETS	(158,468)	448,433
TOTAL NET ASSETS, Beginning of year	9,416,200	8,967,767
TOTAL NET ASSETS, End of year	\$ 9,257,732	\$ 9,416,200

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, 2010, WITH COMPARATIVE DATA

	Governmental Activities- Internal Service Fund- Insurance Reserve Fund	
	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 79,163	\$ 24,969
Receipts from interfund services provided	31,124,230	29,732,330
Payments to suppliers	(30,205,269)	(30,053,908)
Payments to employees	(692,440)	(586,277)
<i>Net Cash Provided (Used) by Operating Activities</i>	305,684	(882,886)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in from other funds	531,503	571,202
Transfers out to other funds	(497,825)	(506,259)
<i>Net Cash Provided by Noncapital Financing Activities</i>	33,678	64,943
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	46,638	167,003
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	386,000	(650,940)
CASH AND CASH EQUIVALENTS, Beginning of year	11,112,915	11,763,855
CASH AND CASH EQUIVALENTS, End of year	\$ 11,498,915	\$ 11,112,915
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ (238,784)	\$ 216,487
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Decrease in accounts and other receivables	306,069	811,691
Increase (decrease) in accrued payroll and related charges	171,569	(1,976,293)
Increase in unearned revenue	66,830	65,229
Total adjustments	544,468	(1,099,373)
<i>Net cash provided (used) by operating activities</i>	\$ 305,684	\$ (882,886)

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, 2010

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 other 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 *Capital Equipment Fund* accounts for funds reserved for use in replacement and purchase of equipment and minor remodeling.

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

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2010. 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

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Oregon Short-term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). At June 30, 2010, the fair value of the position in the Oregon State Treasurer's Short-term Investment Pool was equal to 99.56% 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, 2010. 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, 2010

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.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2010

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 the assigned value and 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, 2010 the District was providing early termination benefits to 189 employees. During the year ended June 30, 2010 governmental fund expenditures related to termination benefits totaled \$963,648.

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 continues to utilize the actuarial valuation report dated July 1, 2007 in conjunction with an updated schedule of additional information for fiscal year ending June 30, 2009. As noted in the table on the following page, the increase in the net OPEB obligation between the fiscal years 2008 and 2009 is minimal. The District performed an estimate of the change in the net OPEB obligation between fiscal years 2009 and 2010 and identified the changes as minimal and not material to the financial statements. The estimate took into account that the demographics appear unchanged from the prior year and the level of active plan benefits offered is available only to a limited subset of eligible non-temporary employees.

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; licensed employees. 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, 2010, there

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

were 410 retirees that were receiving the post employment healthcare benefit. For the fiscal year 2010, the District contributed \$1,460,313 to the plan or approximately 57% of total premiums. Plan members receiving benefits contributed \$1,086,774 or approximately 43% of the total premiums paid during the fiscal year 2010.

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 District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 and 2008 was:

	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
District Estimate	06/30/2010	\$ 4,409,452	99%	\$ 2,039,353
Actuarial Report	06/30/2009	\$ 4,409,452	99%	\$ 2,039,353
Actuarial Report	06/30/2008	\$ 4,584,512	94%	\$ 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 \$88,770,108 for fiscal year 2010 and the ratio of the UAAL to the covered payroll was 40%. 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.

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.

Retirement Health Insurance Account – Description – As a member of Oregon Public Employees Retirement System (OPERS) the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by the OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. The plan, which was established under Oregon Revised

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Statutes (ORS) 238.420, provided for a payment of up to \$60 per month toward the costs of Medicare companion health insurance for eligible retirees. A comprehensive annual financial report of the funds administered by the OPERS may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding – Participating school districts are contractually required to contribute at a rate assessed each year by the OPERS, currently 0.26% of annual covered OPERF payroll. The OPERS Board of Trustees sets the rates based on the annual required contribution (ARC) of the employers, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to RHIA for the years ended June 30, 2010, 2009 and 2008 were \$230,802, \$232,268 and \$225,069, which equaled the required contributions each year.

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.

15. Subsequent Events

The date to which events occurring after June 30, 2010, the date of the most recent statement of net assets, have been evaluated for possible adjustment to the financial statements or disclosure is December 28, 2010, which is the date on which the financial statements were available.

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, 2010, additional appropriations totaling

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2010

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

\$7,643,918 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:

	<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, 2010:

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2010

III. DETAILED NOTES ON ALL FUNDS (Continued)

CASH AND INVESTMENTS (continued)

	Carrying Amount
Deposits	\$ 39,670,908
Investments	34,290,266
	<u>\$ 73,961,174</u>
Equity in Pooled Cash and Investments-Governmental Funds, Balance Sheet	\$ 46,287,145
Cash and Investments-Governmental Funds, Balance Sheet	16,175,114
Equity in Pooled Cash and Investments-Internal Service Fund, Statement of Net Assets	11,498,915
	<u>\$ 73,961,174</u>

	Carrying Amount	Bank Balance
Deposits		
Pooled demand deposits	\$ 33,440,549	\$ 34,628,982
Capital projects fund demand deposits	2,517	2,517
Special revenue funds demand and savings deposits	3,828,367	3,460,432
Debt service	2,399,475	2,399,475
Total Deposits	<u>\$ 39,670,908</u>	<u>\$ 40,491,406</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. The District's deposits with financial institutions are insured up to \$250,000 per institution by the Federal Deposit Insurance Corporation (FDIC). To provide additional security required and authorized by Oregon Revised Statutes (ORS), Chapter 295, deposits above insurance limits are covered by collateral held in a multiple financial institution collateral pool administered by the Oregon State Treasurer. At year-end, bank balances of \$972,857 were insured by FDIC. Funds not covered by FDIC insurance are covered by the Oregon State Treasury Collateral Pool. At year-end, the District's net carrying amount of deposits was \$39,670,908 and the bank balance was \$40,491,406.

Investments

As of June 30, 2010, the District held the following investments and maturities:

	Carrying Amount	Weighted Average Maturity in Years	% of Investment Portfolio
Local Government Investment Pool	<u>\$ 34,290,266</u>	0.003	<u>100.00%</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2010

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 \$42,788,459 at June 30, 2010. 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, 2010 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, 2010.

At June 30, 2010 the District's investments were rated as follows:

<u>Investment Type</u>	<u>Rating by Moody's</u>		<u>Total</u>
	<u>Investors Service</u>	<u>Not Rated</u>	
	<u>Aaa</u>		
Local Government Investment Pool	\$ -	\$ 34,290,266	\$ 34,290,266

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, 2010 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, 2010

III. DETAILED NOTES ON ALL FUNDS (Continued)

losses from any one type of security or issuer will be minimized. As of June 30, 2010 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, 2010 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>	
<i>Due to</i>					
General	\$ -	\$ -	\$ 2,653,831	\$ -	\$ 2,653,831
Debt Service	252,606	288,642	-	51,953	593,201
Total	<u>\$ 252,606</u>	<u>\$ 288,642</u>	<u>\$ 2,653,831</u>	<u>\$ 51,953</u>	<u>\$ 3,247,032</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, 2010

III. DETAILED NOTES ON ALL FUNDS (Continued)

C. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

The interfund transfers during the year ended June 30, 2010 are as follows:

	<i>Transfer in</i>			<i>Total</i>
	<i>Governmental Funds</i>			
	<i>General Fund</i>	<i>All Others</i>	<i>Insurance Reserve</i>	
<i>Transfer out</i>				
General Fund	\$ -	\$ 1,099,576	\$ 531,503	\$ 1,631,079
Capital Projects Fund	500,000	-	-	500,000
Insurance Reserve Fund	468,000	29,825	-	497,825
 Total	 <u>\$ 968,000</u>	 <u>\$ 1,129,401</u>	 <u>\$ 531,503</u>	 <u>\$ 2,628,904</u>

Transfers from the General Fund are for Fleet and Equipment Fund purchases of equipment and textbooks, and risk management operations. Transfers from the Capital Projects Fund are to support general operations. Transfers from the Insurance Reserve Fund are from employee group insurance reserves for on-going compensation increases for classified staff.

D. INVENTORIES

Inventory balances at June 30, 2010 are as follows:

General Fund

Instructional supplies and materials	\$ 149,975
Gasoline and diesel	34,436
<i>Total General Fund</i>	<u>184,411</u>

Other Governmental Funds

Nutrition Services	
Value of commodities on hand from the U.S. Department of Agriculture	71,236
Student Body - Grocery scrip	12,823
<i>Total Other Governmental Funds</i>	<u>84,059</u>
 <i>Total Inventories</i>	 <u>\$ 268,470</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, 2010 is \$3,223,243.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2010

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. CAPITAL ASSETS (Continued)

Capital asset activity for the year ended June 30, 2010 was as follows:

	Balance June 30, 2009	Increases	Decreases	Balance June 30, 2010
Capital assets not being depreciated:				
Land	\$ 1,621,220	\$ -	\$ -	\$ 1,621,220
Construction in progress	4,742,514	1,624,297	(4,742,514)	1,624,297
<i>Total capital assets not being depreciated</i>	<u>6,363,734</u>	<u>1,624,297</u>	<u>(4,742,514)</u>	<u>3,245,517</u>
Capital assets being depreciated:				
Athletic field improvements	9,786,107	518,134	-	10,304,241
Buildings and improvements	247,863,130	9,037,350	(193,758)	256,706,722
Equipment	7,248,062	161,745	(15,813)	7,393,994
Vehicles	9,630,620	618,961	(158,108)	10,091,473
<i>Total capital assets being depreciated</i>	<u>274,527,919</u>	<u>10,336,190</u>	<u>(367,679)</u>	<u>284,496,430</u>
Accumulated depreciation for:				
Athletic field improvements	(5,076,630)	(669,681)	-	(5,746,311)
Buildings and improvements	(114,228,346)	(8,439,892)	168,368	(122,499,870)
Equipment	(4,859,887)	(572,783)	14,340	(5,418,330)
Vehicles	(5,534,518)	(789,259)	158,108	(6,165,669)
<i>Total accumulated depreciation</i>	<u>(129,699,381)</u>	<u>(10,471,615)</u>	<u>340,816</u>	<u>(139,830,180)</u>
<i>Total capital assets being depreciated, net</i>	<u>144,828,538</u>	<u>(135,425)</u>	<u>(26,863)</u>	<u>144,666,250</u>
<i>Governmental activities capital assets, net</i>	<u>\$ 151,192,272</u>	<u>\$ 1,488,872</u>	<u>\$ (4,769,377)</u>	<u>\$ 147,911,767</u>

This schedule presents only the capital asset balances related to governmental funds.

The following is a schedule of 2009-10 asset additions by type and source:

	General	Capital Projects	Capital Equipment	Total
Construction in progress	\$ -	\$ 1,624,297	\$ -	\$ 1,624,297
Athletic field improvements	-	518,134	-	518,134
Buildings and improvements	-	9,037,350	-	9,037,350
Equipment	53,226	6,428	102,091	161,745
Vehicles	-	-	618,961	618,961
<i>Total</i>	<u>\$ 53,226</u>	<u>\$ 11,186,209</u>	<u>\$ 721,052</u>	<u>\$ 11,960,487</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2010

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	\$ 5,163,617
Special programs	1,215,940
Total direct classroom services	<u>6,379,557</u>
Classroom support services	
Extra-curricular activities	177,525
Student support	613,433
Libraries, curriculum and staff development	291,626
School administration	944,692
Community services	108,555
Total classroom support services	<u>2,135,831</u>
Building support services	
Facilities operation and maintenance	353,879
Student transportation	705,403
Computing and information services	208,856
Warehouse and purchasing	59,091
Total building support services	<u>1,327,229</u>
Central support services	
Executive administration	30,287
Financial services	92,778
Human resources/employee insurance benefits	83,885
Communications and intergovernmental relations	16,915
Total central support services	<u>223,865</u>
Nutrition services	<u>405,133</u>
Total depreciation expense, governmental activities	<u>\$ 10,471,615</u>

Construction Commitments

The District has active construction projects as of June 30, 2010. As of the end of the fiscal year, the District's commitments with contractors include costs to date of \$1,624,297 and expected costs to complete of \$526,715.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2010

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 \$4,688,246, with accumulated depreciation of \$1,800,599 and a net book value of \$2,941,117 as of June 30, 2010. The leased computers, totaling \$1,019,958, 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, 2010, were as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 776,728	\$ 121,702	\$ 898,430
2012	590,804	103,650	694,454
2013	565,367	73,447	638,814
2014	422,464	51,197	473,661
2015	322,625	35,032	357,657
2016	215,853	22,851	238,704
2017	168,338	14,228	182,566
2018	104,137	7,137	111,274
2019	56,927	2,590	59,517
Total lease payments	<u>\$ 3,223,243</u>	<u>\$ 431,834</u>	<u>\$ 3,655,077</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	\$ 4,385,107	\$ -
Delinquent property taxes receivable, Debt Service Fund	936,285	-
Grant drawdowns prior to meeting all eligibility requirements	-	1,990,313
Other unearned revenue, General Fund	-	66,512
Total deferred/unearned revenue for governmental funds	<u>\$ 5,321,392</u>	<u>\$ 2,056,825</u>

The Statement of Net Assets reports unearned revenue of \$2,056,825 reported in the governmental funds, and \$1,466,995 reported in the proprietary fund for a total of \$3,523,820.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2010

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, 2010:

	Principal Issued	Balance June 30, 2009	Additions	Reductions	Balance June 30, 2010	Amounts Due in One Year
General obligation bonds:						
2008 Series Refunding	\$ 47,295,000	\$ 47,295,000	\$ -	\$ (555,000)	\$ 46,740,000	\$ 1,340,000
2005 Series	46,000,000	44,710,000	-	(915,000)	43,795,000	1,085,000
2003 Series Refunding	17,630,000	11,910,000	-	(1,850,000)	10,060,000	2,095,000
2002 Series	70,000,000	12,865,000	-	(3,065,000)	9,800,000	3,160,000
2002 Series Refunding	21,035,000	13,855,000	-	(2,555,000)	11,300,000	2,680,000
2000 Series	3,500,000	165,000	-	(165,000)	-	-
1999 Series	8,700,000	455,000	-	(455,000)	-	-
Total G.O. bonds	214,160,000	131,255,000	-	(9,560,000)	121,695,000	10,360,000
2004 Pension bonds	53,435,000	52,895,000	-	(485,000)	52,410,000	645,000
Total bonds	267,595,000	184,150,000	-	(10,045,000)	174,105,000	11,005,000
Issuance premiums:						
2008 Series Refunding	-	3,799,156	-	(559,416)	3,239,740	-
2005 Series	-	724,043	-	(67,990)	656,053	-
2003 Series Refunding	-	44,916	-	(12,115)	32,801	-
2002 Series	-	310,599	-	(134,066)	176,533	-
2002 Series Refunding	-	240,991	-	(83,234)	157,757	-
Total issuance premiums	-	5,119,705	-	(856,821)	4,262,884	-
Total bonds payable	267,595,000	189,269,705	-	(10,901,821)	178,367,884	11,005,000
Early termination benefits	-	2,006,929	683,311	(963,648)	1,726,592	681,531
Net OPEB obligation	-	2,039,353	2,547,794	(2,547,794)	2,039,353	-
Capital lease obligations	3,950,996	3,325,396	645,136	(747,289)	3,223,243	776,728
Total	\$ 271,545,996	\$ 196,641,383	\$ 3,876,241	\$ (15,160,552)	\$ 185,357,072	\$ 12,463,259

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 (OPERS) rate charged against covered District payroll 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, Student Body 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 issued for capital projects. Pension bonds have been issued to reduce the rate 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, 2010

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. LONG-TERM DEBT (Continued)

General obligation bonds - 2008 Refunding Series, future payments due in annual installments of \$555,000 to \$11,680,000 plus interest, paid semi-annually at 4.0% to 5.0% through July 1, 2017.	\$ 46,740,000
General obligation bonds - 2005 Series, future payments due in annual installments of \$915,000 to \$5,400,000 plus interest, paid semi-annually at 4.0% to 5.0% through February 1, 2025.	43,795,000
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 3.75% to 4.5% through January 1, 2019.	10,060,000
General obligation bonds - 2002 Series, future payments due in annual installments of \$3,065,000 to \$3,375,000 plus interest, paid semi-annually at 5.0% through July 1, 2012.	9,800,000
General obligation bonds - 2002 Refunding Series, future payments due in annual installments of \$2,680,000 to \$2,930,000 plus interest, paid semi-annually at 5.0% to 5.25% through July 1, 2013.	11,300,000
Pension obligation bonds - 2004 Series, future payments due in annual installments of \$485,000 to \$6,220,000 plus interest, paid semi-annually at 4.4% to 5.528% through June 30, 2028.	52,410,000
Issuance premiums - 2008 Refunding bond, amortized semi-annually through July 1, 2017.	3,239,740
Issuance premiums - 2005 Series bond, amortized semi-annually through February 1, 2025.	656,053
Issuance premiums - 2003 Refunding bond, amortized semi-annually through January 1, 2019.	32,801
Issuance premiums - 2002 Series bond, amortized semi-annually through July 1, 2012.	176,533
Issuance premiums - 2002 Refunding bond, amortized semi-annually through July 1, 2013.	157,757
Early termination benefits for participants in the District's early retirement program, less \$191,442 representing imputed interest at 4.5%.	1,726,592
Net other post employment benefit (OPEB) obligation.	2,039,353
Capital lease obligations - total of minimum lease payments for all capital leases, through July 15, 2018.	<u>3,223,243</u>
<i>Total</i>	<u>\$ 185,357,072</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2010

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, 2010 consist of the following:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Debt Service Fund			
General obligation refunding bonds - 2008	\$ 555,000	\$ 2,127,275	\$ 2,682,275
General obligation serial bonds - 2005	915,000	2,012,088	2,927,088
General obligation refunding bonds - 2003	1,850,000	459,731	2,309,731
General obligation serial bonds - 2002	3,065,000	566,625	3,631,625
General obligation refunding bonds - 2002	2,555,000	614,787	3,169,787
General obligation serial bonds - 2000	165,000	4,249	169,249
General obligation serial bonds - 1999	455,000	10,010	465,010
Subtotal	<u>9,560,000</u>	<u>5,794,765</u>	<u>15,354,765</u>
Pension obligation serial bonds - 2004	<u>485,000</u>	<u>2,838,187</u>	<u>3,323,187</u>
<i>Total Debt Service Fund</i>	10,045,000	8,632,952	18,677,952
Federal, State and Local Programs Fund			
Capital lease payments	10,832	866	11,698
General Fund			
Capital lease payments	79,522	9,117	88,639
Student Body Fund			
Capital lease payments	96,421	3,133	99,554
Capital Equipment Fund			
Capital lease payments	<u>560,514</u>	<u>120,207</u>	<u>680,721</u>
<i>Total of All Funds</i>	<u>\$ 10,792,289</u>	<u>\$ 8,766,275</u>	<u>\$ 19,558,564</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, 2010

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. LONG-TERM DEBT (Continued)

Year Ending June 30	Bonds - 2008 Refunding		Bonds - 2005 Series		Bonds - 2004 Pension		Bonds - 2003 Refunding	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 1,340,000	\$ 2,098,850	\$ 1,085,000	\$ 1,966,337	\$ 645,000	\$ 2,818,171	\$ 2,095,000	\$ 394,981
2012	1,785,000	2,051,975	1,270,000	1,912,088	825,000	2,789,791	2,180,000	316,419
2013	-	2,025,200	1,470,000	1,848,587	1,015,000	2,751,940	2,265,000	234,669
2014	3,700,000	1,963,087	1,685,000	1,775,088	1,225,000	2,703,494	2,365,000	144,069
2015	7,235,000	1,733,663	1,920,000	1,690,837	1,450,000	2,644,779	215,000	49,469
2016	10,105,000	1,327,975	2,165,000	1,594,838	1,695,000	2,573,396	220,000	40,600
2017	10,895,000	831,850	2,435,000	1,508,237	1,960,000	2,488,256	230,000	31,525
2018	11,680,000	287,050	2,725,000	1,410,838	2,250,000	2,387,845	240,000	21,750
2019	-	-	3,030,000	1,295,025	2,565,000	2,270,328	250,000	11,250
2020	-	-	3,360,000	1,166,250	2,905,000	2,133,793	-	-
2021	-	-	3,715,000	1,019,250	3,275,000	1,977,707	-	-
2022	-	-	4,095,000	852,075	3,680,000	1,800,104	-	-
2023	-	-	4,505,000	667,800	4,110,000	1,598,698	-	-
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	\$ 46,740,000	\$ 12,319,650	\$ 43,795,000	\$ 19,415,325	\$ 52,410,000	\$ 34,973,466	\$ 10,060,000	\$ 1,244,732

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, 2010, \$49,640,000 of general obligation bonds are considered defeased.

<i>Bonds - 2002 Series</i>		<i>Bonds - 2002 Refunding</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>
\$ 3,160,000	\$ 411,000	\$ 2,680,000	\$ 494,587	\$ 19,188,926	\$ 11,005,000	\$ 8,183,926
3,265,000	250,375	2,785,000	368,637	19,799,285	12,110,000	7,689,285
3,375,000	84,375	2,930,000	225,762	18,225,533	11,055,000	7,170,533
-	-	2,905,000	76,256	18,541,994	11,880,000	6,661,994
-	-	-	-	16,938,748	10,820,000	6,118,748
-	-	-	-	19,721,809	14,185,000	5,536,809
-	-	-	-	20,379,868	15,520,000	4,859,868
-	-	-	-	21,002,483	16,895,000	4,107,483
-	-	-	-	9,421,603	5,845,000	3,576,603
-	-	-	-	9,565,043	6,265,000	3,300,043
-	-	-	-	9,986,957	6,990,000	2,996,957
-	-	-	-	10,427,179	7,775,000	2,652,179
-	-	-	-	10,881,498	8,615,000	2,266,498
-	-	-	-	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
\$ 9,800,000	\$ 745,750	\$ 11,300,000	\$ 1,165,242	\$ 243,969,165	\$ 174,105,000	\$ 69,864,165

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2010

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 \$94,053,900 and covered payroll was \$88,770,108 for the year ended June 30, 2010. 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 thirteen 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 23700, Tigard, Oregon 97821-3700.

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 11.92% 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 8.73%. The rate for employees eligible on or after August 29, 2003 was 12.44%. The amount contributed by the District for the years ended June 30, 2010, 2009 and 2008, which included the District's required amount and the employee's was \$15,307,409, \$20,535,189, and \$19,182,801 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, is 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, 2010

IV. OTHER INFORMATION

B. RISK MANAGEMENT (Continued)

	Unemployment
Liability, June 30, 2008	\$ 174,212
Claims incurred	464,390
Claims paid	(155,267)
Reduction of accrual	(194,549)
	<hr/>
Liability, June 30, 2009	288,786
Claims incurred	882,284
Claims paid	(262,531)
Reduction of accrual	(571,625)
	<hr/>
Liability, June 30, 2010	\$ 336,914
	<hr/> <hr/>

Liabilities recorded in the insurance reserve fund at June 30, 2010 are as follows:

<i>Accrued Liabilities</i>	
Unemployment	\$ 336,914
<i>Insurance Premiums Payable</i>	
Medical/dental	85,938
Deferred medical	1,466,995
Other	369,484
	<hr/>
<i>Total</i>	\$ 2,259,331
	<hr/> <hr/>

C. CLAIMS AND LITIGATION

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, or expenditures which may be disallowed by the grantor agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

Management has represented that there are no contingent liabilities that require disclosure or recognition in accordance with FASB Statement No. 5 and/or GASB Statement No. 10. Such contingent liabilities would include, but would not be confined to: notes or accounts receivable which have been discounted; pending suits; proceedings, hearings, or negotiations possibly involving retroactive adjustments; unsatisfied judgments or claims; taxes in dispute; endorsements or guarantees; and options.

D. NEW PRONOUNCEMENTS

GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions," issued February 2009 will be effective for the District beginning with its fiscal year June 30, 2011. The Statement established new classifications for fund equity and new definitions for government fund types.

The District will implement new GASB pronouncements in the fiscal year no later than the required effective date. Management has not yet determined if the above GASB pronouncement will have a significant financial impact to the District or in issuing its financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

**Other Postemployment Healthcare Benefits
Schedule of Funding Progress**

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)	Fiscal Year 2010 Covered Payroll (c)	UAAL as a Percentate of Covered Payroll [(b - a) / c]
07/01/2007	\$ -	\$ 35,828,398	\$ 35,828,398	0%	\$ 88,770,108	40%

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.

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.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010, WITH COMPARATIVE DATA

	Special Revenue			Total Nonmajor Governmental Funds	
	Nutrition Services	Student Body	District Retirement	2010	2009 ⁽¹⁾
ASSETS					
Equity in pooled cash and investments	\$ -	\$ -	\$ 5,276,758	\$ 5,276,758	\$ 5,929,840
Cash and investments	-	3,828,367	-	3,828,367	3,854,571
Receivables					
Accounts and other receivables	233,478	-	-	233,478	509,292
Due from other funds	51,953	-	-	51,953	-
Inventories	71,236	12,823	-	84,059	57,188
Total Assets	\$ 356,667	\$ 3,841,190	\$ 5,276,758	\$ 9,474,615	\$ 10,350,891
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 207,720	\$ -	\$ -	\$ 207,720	\$ 139,720
Accrued payroll and related charges	3,127	-	-	3,127	4,864
Due to other funds	-	-	-	-	297,262
Total Liabilities	210,847	-	-	210,847	441,846
Fund balances					
Unreserved, designated for:					
Co-curricular activities	-	3,841,190	-	3,841,190	3,856,257
District retirement	-	-	5,276,758	5,276,758	5,929,840
Nutrition services	145,820	-	-	145,820	122,948
Total Fund Balances	145,820	3,841,190	5,276,758	9,263,768	9,909,045
Total Liabilities and Fund Balances	\$ 356,667	\$ 3,841,190	\$ 5,276,758	\$ 9,474,615	\$ 10,350,891

⁽¹⁾ This column restated to exclude the Capital Equipment Fund which is now reported as a major fund

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, 2010, WITH COMPARATIVE DATA

	Special Revenue			Total Nonmajor Governmental Funds	
	Nutrition Services	Student Body	District Retirement	2010	2009 ⁽¹⁾
REVENUES					
Local sources	\$ 1,641,908	\$ 5,133,072	\$ 2,858,360	\$ 9,633,340	\$ 9,933,088
State sources	63,845	-	-	63,845	50,342
Federal sources	3,289,431	-	-	3,289,431	2,964,148
<i>Total Revenues</i>	<u>4,995,184</u>	<u>5,133,072</u>	<u>2,858,360</u>	<u>12,986,616</u>	<u>12,947,578</u>
EXPENDITURES					
Current					
Instruction	-	5,141,251	-	5,141,251	4,608,258
Supporting services	54,323	-	3,511,442	3,565,765	4,066,388
Community services	4,947,814	-	-	4,947,814	5,026,860
Debt service					
Principal	-	96,421	-	96,421	21,606
Interest	-	3,133	-	3,133	2,855
<i>Total Expenditures</i>	<u>5,002,137</u>	<u>5,240,805</u>	<u>3,511,442</u>	<u>13,754,384</u>	<u>13,725,967</u>
REVENUES OVER (UNDER) EXPENDITURES	(6,953)	(107,733)	(653,082)	(767,768)	(778,389)
OTHER FINANCING SOURCES					
Transfers in	29,825	-	-	29,825	187,954
Capital leases	-	92,666	-	92,666	12,866
<i>Total Other Financing Sources</i>	<u>29,825</u>	<u>92,666</u>	<u>-</u>	<u>122,491</u>	<u>200,820</u>
NET CHANGE IN FUND BALANCES	22,872	(15,067)	(653,082)	(645,277)	(577,569)
FUND BALANCES, Beginning of year	<u>122,948</u>	<u>3,856,257</u>	<u>5,929,840</u>	<u>9,909,045</u>	<u>10,486,614</u>
FUND BALANCES, End of year	<u>\$ 145,820</u>	<u>\$ 3,841,190</u>	<u>\$ 5,276,758</u>	<u>\$ 9,263,768</u>	<u>\$ 9,909,045</u>

⁽¹⁾ This column restated to exclude the Capital Equipment Fund which is now reported as a major fund

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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.

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, 2010

	<i>Original and Final Budget</i>	<i>Variance with Final Budget</i>	<i>Actual</i>		<i>GAAP Basis</i>
			<i>Budget Basis</i>	<i>Adjustments</i>	
REVENUES					
Local sources	\$ 18,954,187	\$ (76,717)	\$ 18,877,470	\$ -	\$ 18,877,470
EXPENDITURES					
Debt service	18,677,952	-	18,677,952	-	18,677,952
REVENUES OVER (UNDER) EXPENDITURES	276,235	(76,717)	199,518	-	199,518
FUND BALANCE, Beginning of year	9,935,395	1,189,812	11,125,207	-	11,125,207
FUND BALANCE, End of year	<u>\$ 10,211,630</u>	<u>\$ 1,113,095</u>	<u>\$ 11,324,725</u>	<u>\$ -</u>	<u>\$ 11,324,725</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, 2010

	<i>Original and Final Budget</i>	<i>Variance with Final Budget</i>	<i>Actual</i>		<i>GAAP Basis</i>
			<i>Budget Basis</i>	<i>Adjustments</i>	
REVENUES					
Local sources	\$ 282,975	\$ 1,137,584	\$ 1,420,559	\$ (947,357)	\$ 473,202
EXPENDITURES					
Current					
Instruction	1,000	1,000	-	-	-
Supporting services	2,141,698	286,121	1,855,577	(1,855,577)	-
Community services	1,000	1,000	-	-	-
Facilities acquisition and construction	9,339,434	4,913,217	4,426,217	(4,426,217)	-
Capital outlay	-	-	-	6,281,794	6,281,794
<i>Total Expenditures</i>	<u>11,483,132</u>	<u>5,201,338</u>	<u>6,281,794</u>	<u>-</u>	<u>6,281,794</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(11,200,157)</u>	<u>6,338,922</u>	<u>(4,861,235)</u>	<u>(947,357)</u>	<u>(5,808,592)</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	(500,000)	-	(500,000)	-	(500,000)
Sale of capital assets	-	1,380,450	1,380,450	-	1,380,450
Insurance recoveries	-	-	-	947,357	947,357
<i>Total Other Financing Sources (Uses)</i>	<u>(500,000)</u>	<u>1,380,450</u>	<u>880,450</u>	<u>947,357</u>	<u>1,827,807</u>
NET CHANGE IN FUND BALANCE	<u>(11,700,157)</u>	<u>7,719,372</u>	<u>(3,980,785)</u>	<u>-</u>	<u>(3,980,785)</u>
FUND BALANCE, Beginning of year	<u>16,916,266</u>	<u>(540,880)</u>	<u>16,375,386</u>	<u>-</u>	<u>16,375,386</u>
FUND BALANCE, End of year	<u>\$ 5,216,109</u>	<u>\$ 7,178,492</u>	<u>\$ 12,394,601</u>	<u>\$ -</u>	<u>\$ 12,394,601</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, 2010

	<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	\$ 1,886,164	\$ 1,886,164	\$ (244,256)	\$ 1,641,908	\$ -	\$ 1,641,908
State sources	43,725	43,725	20,120	63,845	-	63,845
Federal sources	3,067,234	3,067,234	206,463	3,273,697	15,734	3,289,431
<i>Total Revenues</i>	<u>4,997,123</u>	<u>4,997,123</u>	<u>(17,673)</u>	<u>4,979,450</u>	<u>15,734</u>	<u>4,995,184</u>
EXPENDITURES						
Current						
Supporting services	54,349	64,349	10,026	54,323	-	54,323
Community services	5,122,747	5,172,747	224,933	4,947,814	-	4,947,814
Operating contingency	-	42,027	42,027	-	-	-
<i>Total Expenditures</i>	<u>5,177,096</u>	<u>5,279,123</u>	<u>276,986</u>	<u>5,002,137</u>	<u>-</u>	<u>5,002,137</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(179,973)</u>	<u>(282,000)</u>	<u>259,313</u>	<u>(22,687)</u>	<u>15,734</u>	<u>(6,953)</u>
OTHER FINANCING SOURCES						
Transfers in	282,000	282,000	252,175	29,825	-	29,825
NET CHANGE IN FUND BALANCE	<u>102,027</u>	<u>-</u>	<u>7,138</u>	<u>7,138</u>	<u>15,734</u>	<u>22,872</u>
FUND BALANCE, Beginning of year	<u>67,446</u>	<u>67,446</u>	<u>-</u>	<u>67,446</u>	<u>55,502</u>	<u>122,948</u>
FUND BALANCE, End of year	<u>\$ 169,473</u>	<u>\$ 67,446</u>	<u>\$ 7,138</u>	<u>\$ 74,584</u>	<u>\$ 71,236</u>	<u>\$ 145,820</u>

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, 2010

	<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	\$ 5,700,000	\$ (566,928)	\$ 5,133,072	\$ -	\$ 5,133,072
EXPENDITURES					
Current					
Instruction	6,019,000	870,861	5,148,139	(6,888)	5,141,251
Debt service					
Principal	-	-	-	96,421	96,421
Interest	-	-	-	3,133	3,133
Operating contingency	500,000	500,000	-	-	-
<i>Total Expenditures</i>	<u>6,519,000</u>	<u>1,370,861</u>	<u>5,148,139</u>	<u>92,666</u>	<u>5,240,805</u>
REVENUES OVER (UNDER) EXPENDITURES	(819,000)	803,933	(15,067)	(92,666)	(107,733)
OTHER FINANCING SOURCES					
Capital leases	-	-	-	92,666	92,666
NET CHANGE IN FUND BALANCE	(819,000)	803,933	(15,067)	-	(15,067)
FUND BALANCE, Beginning of year	<u>3,500,000</u>	<u>356,257</u>	<u>3,856,257</u>	<u>-</u>	<u>3,856,257</u>
FUND BALANCE, End of year	<u>\$ 2,681,000</u>	<u>\$ 1,160,190</u>	<u>\$ 3,841,190</u>	<u>\$ -</u>	<u>\$ 3,841,190</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, 2010

	<i>Original and Final Budget</i>	<i>Variance with Final Budget</i>	<i>Actual</i>		<i>GAAP Basis</i>
			<i>Budget Basis</i>	<i>Adjustments</i>	
REVENUES					
Local sources	\$ 2,800,000	\$ 58,360	\$ 2,858,360	\$ -	\$ 2,858,360
EXPENDITURES					
Current					
Supporting services	4,001,167	489,725	3,511,442	-	3,511,442
Operating contingency	2,513,222	2,513,222	-	-	-
Total Expenditures	6,514,389	3,002,947	3,511,442	-	3,511,442
REVENUES OVER (UNDER) EXPENDITURES	(3,714,389)	3,061,307	(653,082)	-	(653,082)
OTHER FINANCING SOURCES (USES)					
Transfers out	(1,000)	1,000	-	-	-
NET CHANGE IN FUND BALANCE	(3,715,389)	3,062,307	(653,082)	-	(653,082)
FUND BALANCE, Beginning of year	5,654,081	275,759	5,929,840	-	5,929,840
FUND BALANCE, End of year	<u>\$ 1,938,692</u>	<u>\$ 3,338,066</u>	<u>\$ 5,276,758</u>	<u>\$ -</u>	<u>\$ 5,276,758</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, 2010

	<i>Original and Final Budget</i>	<i>Variance with Final Budget</i>	<i>Actual</i>		<i>GAAP Basis</i>
			<i>Budget Basis</i>	<i>Adjustments</i>	
REVENUES					
Local sources	\$ 32,743,237	\$ (1,945,268)	\$ 30,797,969	\$ -	\$ 30,797,969
State sources	-	79,163	79,163	-	79,163
<i>Total Revenues</i>	<u>32,743,237</u>	<u>(1,866,105)</u>	<u>30,877,132</u>	<u>-</u>	<u>30,877,132</u>
EXPENSES					
Current					
Instruction	1,000	1,000	-	-	-
Supporting services	34,819,829	3,750,551	31,069,278	-	31,069,278
Community services	1,000	1,000	-	-	-
Facilities acquisition and construction	1,000	1,000	-	-	-
Operating contingency	600,000	600,000	-	-	-
<i>Total Expenses</i>	<u>35,422,829</u>	<u>4,353,551</u>	<u>31,069,278</u>	<u>-</u>	<u>31,069,278</u>
REVENUES OVER (UNDER) EXPENSES	(2,679,592)	2,487,446	(192,146)	-	(192,146)
OTHER FINANCING SOURCES (USES)					
Transfers in	568,000	(36,497)	531,503	-	531,503
Transfers out	(500,000)	2,175	(497,825)	-	(497,825)
<i>Total Other Financing Sources (Uses)</i>	<u>68,000</u>	<u>(34,322)</u>	<u>33,678</u>	<u>-</u>	<u>33,678</u>
NET CHANGE IN FUND BALANCE	(2,611,592)	2,453,124	(158,468)	-	(158,468)
FUND BALANCE, Beginning of year	<u>10,083,618</u>	<u>(667,418)</u>	<u>9,416,200</u>	<u>-</u>	<u>9,416,200</u>
FUND BALANCE, End of year	<u>\$ 7,472,026</u>	<u>\$ 1,785,706</u>	<u>\$ 9,257,732</u>	<u>\$ -</u>	<u>\$ 9,257,732</u>

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***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, 2010 AND 2009

	2010	2009
Governmental funds capital assets:		
Land	\$ 1,621,220	\$ 1,621,220
Construction in progress	1,624,297	4,742,514
Athletic field improvements	10,304,241	9,786,107
Buildings and improvements	256,706,722	247,863,130
Equipment	7,393,994	7,248,062
Vehicles	10,091,473	9,630,620
Total governmental funds capital assets	<u>\$ 287,741,947</u>	<u>\$ 280,891,653</u>
Investment in governmental funds capital assets by source:		
General fund	\$ 5,642,750	\$ 5,625,955
Capital projects fund		
Equipment	2,037,358	2,030,930
Construction in progress	1,624,297	4,742,514
Athletic field improvements	10,288,053	9,769,919
Building improvements since 1993	212,382,892	203,397,696
Federal, state and local funds		
Equipment	704,347	704,347
Athletic field improvements	16,188	16,188
Buildings and improvements	19,561	19,561
Vehicles	86,142	86,142
Capital equipment fund	8,857,052	8,273,490
Internal service fund	139,853	139,853
Nutrition services fund	17,965	17,965
Subtotal	<u>241,816,458</u>	<u>234,824,560</u>
Land, buildings and improvements prior to 1993 ²	<u>45,925,489</u>	<u>46,067,093</u>
Total governmental funds capital assets	<u>\$ 287,741,947</u>	<u>\$ 280,891,653</u>

¹ This 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.

² Historical 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, 2010

	Land	Athletic Field Improvements	Buildings and Improvements	Equipment	Vehicles	Construction in Progress	Total
Direct classroom services							
Regular instruction	\$ 750,548	\$ -	\$ 144,119,267	\$ 484,846	\$ -	\$ 1,624,297	\$ 146,978,958
Special programs	177,614	-	34,105,638	128,490	-	-	34,411,742
Total direct classroom services	928,162	-	178,224,905	613,336	-	1,624,297	181,390,700
Classroom support services							
Extra-curricular activities	25,741	10,304,241	4,942,846	66,985	-	-	15,339,813
Counselors, nurses and student support	67,838	-	15,116,950	68,172	-	-	15,252,960
Libraries, curriculum and staff development	23,333	-	6,202,083	140,728	-	-	6,366,144
School administration	132,383	-	25,420,351	418,723	-	-	25,971,457
Community services	5,884	-	1,149,354	561,686	-	-	1,716,924
Total classroom support services	255,179	10,304,241	52,831,584	1,256,294	-	-	64,647,298
Building support services							
Facilities operation and maintenance	205,225	-	5,897,709	2,693,102	1,555,751	-	10,351,787
Student transportation	165,100	-	2,263,666	91,226	8,138,999	-	10,658,991
Computing and information services	3,675	-	1,924,161	2,639,504	53,019	-	4,620,359
Warehouse and purchasing	1,492	-	781,239	-	343,704	-	1,126,435
Total building support services	375,492	-	10,866,775	5,423,832	10,091,473	-	26,757,572
Central support services							
Executive administration	931	-	487,945	21,293	-	-	510,169
Financial services	2,984	-	1,562,477	34,544	-	-	1,600,005
Human resources	2,743	-	1,436,217	17,415	-	-	1,456,375
Communications and intergovernmental relations	560	-	293,293	9,315	-	-	303,168
Total central support services	7,218	-	3,779,932	82,567	-	-	3,869,717
Nutrition Services	55,169	-	11,003,526	17,965	-	-	11,076,660
Total governmental funds capital assets	\$ 1,621,220	\$ 10,304,241	\$ 256,706,722	\$ 7,393,994	\$ 10,091,473	\$ 1,624,297	\$ 287,741,947

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 are included as governmental activities in the statement of net assets.

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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, 2010 AND 2009

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 2010 and 2009 follows:

	2010			2009		
	General Fund		Debt Service Fund	General Fund		Debt Service Fund
	Permanent	Local Option		Permanent	Local Option	
Tax Rate	\$ 4.75	\$ 1.50	\$ 1.38	\$ 4.75	\$ 1.50	\$ 1.38
Amount tax rate will raise	55,438,125	17,729,276	16,379,395	53,151,978	17,013,453	15,514,919
Rounding gain (loss)	1,417	859	1,671	649	426	1,481
Measure 5 compression loss	(531,480)	(3,561,345)	-	(443,476)	(2,289,089)	-
Taxes imposed for District	<u>\$ 54,908,062</u>	<u>\$ 14,168,790</u>	<u>\$ 16,381,066</u>	<u>\$ 52,709,151</u>	<u>\$ 14,724,790</u>	<u>\$ 15,516,400</u>
District tax rate per \$1,000 of TAV ⁽¹⁾	<u>\$ 4.70</u>	<u>\$ 1.21</u>	<u>\$ 1.38</u>	<u>\$ 4.71</u>	<u>\$ 1.32</u>	<u>\$ 1.38</u>

⁽¹⁾ Lane County Taxable Assessed Value (TAV):

2010 \$11,665,574,832

2009 \$11,193,424,874

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF PROPERTY TAX TRANSACTIONS
YEAR ENDED JUNE 30, 2010

	Current Levy and Taxes July 1, 2010	Tax Collections	Discounts and Adjustments	Taxes Receivable June 30, 2010		
				Total	General Fund	Debt Service Fund
2009-2010	\$ 85,457,917	\$ 79,813,001	\$ 2,627,810	\$ 3,017,106	\$ 2,455,170	\$ 561,936
2008-2009	4,685,807	1,391,127	2,026,221	1,268,459	1,037,508	230,951
2007-2008	1,031,400	442,646	24,003	564,751	463,115	101,636
2006-2007	448,863	225,628	13,132	210,103	170,055	40,048
2005-2006	182,193	105,551	10,548	66,094	53,247	12,847
2004-2005	63,920	4,992	8,580	50,348	42,389	7,959
2003-2004	49,400	510	6,338	42,552	35,597	6,955
Prior	598,889	25,371	69,376	504,142	452,080	52,062
Totals	\$ 92,518,389	\$ 82,008,826	\$ 4,786,008	\$ 5,723,555	\$ 4,709,161	\$ 1,014,394

	Total
SUMMARY OF PROPERTY TAX REVENUE	
Tax collection shown above	\$ 82,008,826
Decrease in taxes available to meet current demands, net	(66,999)
Interest on tax collection	283,408
Assessment of additional taxes and penalties, Lane County	2,535,414
Payments in lieu of tax and other adjustments	114,813
Total Tax Revenue (Budgetary Basis)	\$ 84,875,462
GENERAL FUND	68,620,233
DEBT SERVICE FUND	16,255,229
	\$ 84,875,462

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
DEBT INFORMATION
YEAR ENDED JUNE 30, 2010

	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Principal Issued</u>	<u>Principal Outstanding</u>
SECURED BY THE FULL FAITH & CREDIT OF THE DISTRICT				
2002 Refunding	2/15/02	7/1/13	\$ 21,035,000	\$ 11,300,000
2002 School Improvement	11/1/02	7/1/12	70,000,000	9,800,000
2003 Refunding	2/1/03	1/1/19	17,630,000	10,060,000
2005 School Improvement	8/25/05	2/1/25	46,000,000	43,795,000
2008 Refunding	9/23/08	7/1/17	47,295,000	46,740,000
<i>Total General Obligation Bonds</i>			<u>201,960,000</u>	<u>121,695,000</u>
Pension Bonds	2/19/04	6/30/28	53,435,000	52,410,000
<i>Total GO and Pension Bonds</i>			<u>255,395,000</u>	<u>174,105,000</u>
LEASE PURCHASE AGREEMENTS AND LONG-TERM CONTRACTS				
Capital Lease (Koch Financial)	1/2/03	7/15/12	1,350,352	456,408
Capital Lease (Bank of America)	7/29/05	7/29/15	406,115	258,782
Capital Lease (Bank of America)	3/17/06	8/1/15	66,142	41,861
Capital Lease (Bank of America)	9/8/06	7/28/16	581,013	428,061
Capital Lease (SunTrust)	6/13/07	7/15/17	310,575	258,815
Capital Lease (SunTrust)	7/25/07	7/25/17	104,667	87,306
Capital Lease (Apple Computer)	7/15/07	7/15/10	224,802	35,711
Capital Lease (Apple Computer)	7/15/07	7/15/10	154,181	29,276
Capital Lease (Apple Computer)	7/15/07	7/15/10	148,484	31,425
Capital Lease (Apple Computer)	9/6/07	7/30/10	26,717	26,717
Capital Lease (Apple Computer)	12/19/07	12/19/10	86,974	22,293
Capital Lease (Apple Computer)	12/20/07	7/15/11	33,786	33,786
Capital Lease (Apple Computer)	7/10/08	7/10/10	152,892	50,921
Capital Lease (Apple Computer)	7/10/08	7/10/10	34,327	11,433
Capital Lease (Apple Computer)	7/10/08	7/10/10	60,782	20,244
Capital Lease (SunTrust)	9/30/08	7/15/18	472,302	431,648
Capital Lease (SunTrust)	11/21/08	7/15/13	523,800	421,330
Capital Lease (Apple Computer)	7/5/09	7/5/11	92,666	24,756
Capital Lease (Traxis Financial)	4/26/10	7/26/14	552,470	552,470
<i>Total Lease Purchase Agreements and Long-term Contracts</i>			<u>5,383,047</u>	<u>3,223,243</u>
<i>Total Gross Direct and Net Direct Debt</i>			<u>\$ 260,778,047</u>	<u>\$ 177,328,243</u>

Source: Lane County School District 4J

SHORT-TERM BORROWING

The District currently has no short-term debt.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
DEBT INFORMATION (Continued)
YEAR ENDED JUNE 30, 2010

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.

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>121,695,000</u>
Net property-tax backed debt ⁽²⁾	121,695,000
Net overlapping debt	<u>81,592,649</u>
Total net property-tax backed plus overlapping debt	<u>\$ 203,287,649</u>

PER CAPITA RATIOS

		<u>Amount per Capita</u>	<u>Percentage</u>
2009-10 estimated district population	147,752		
2009-10 real market value	\$ 23,769,602,477	\$ 160,875	
Gross and net property-tax backed debt	\$ 121,695,000	\$ 824	0.51%
Net overlapping debt	81,592,649	552	0.34%
Total net direct plus overlapping debt	<u>\$ 203,287,649</u>	<u>\$ 1,376</u>	<u>0.86%</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>
<i>Total Allowable Percentage</i>		<u>7.95%</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
DEBT INFORMATION (Continued)
YEAR ENDED JUNE 30, 2010

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 (2009-10)	\$ 23,769,602,477
General obligation debt capacity (7.95% of Real Market Value)	1,889,683,397
Outstanding obligations subject to limit	121,695,000
Less: Amount available in debt service funds	11,324,725
Remaining debt capacity	<u>\$ 1,779,313,122</u>
Percent of general obligation debt capacity issued	6.44%

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
11/04/08	Local Option	80,140,000***	49,568	28,297	21,271	63.7

* 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.

*** Estimated. Voters authorized a Local Option Levy of \$1.50 per \$1,000 of assessed value, to be levied for five years beginning in 2010-2011.

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

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SUMMARY OF 2009-10 AND 2010-11 ADOPTED GENERAL FUND BUDGETS
YEAR ENDED JUNE 30, 2010

	<u>2009-10</u> <u>Budget</u>	<u>2010-11</u> <u>Budget</u>
	<i>(in thousands)</i>	
RESOURCES		
State School Funding		
Property taxes	\$ 50,458	\$ 52,661
Property taxes, prior years	1,105	1,822
State School Fund	62,353	61,290
Other SSF revenues	2,854	3,505
Local option property tax	13,074	12,264
Transfers	969	902
Other sources	3,982	3,637
	<hr/>	<hr/>
<i>Total Revenues</i>	134,795	136,081
Beginning net working capital	13,836	13,221
	<hr/>	<hr/>
<i>Total Budget Resources</i>	<u>\$ 148,631</u>	<u>\$ 149,302</u>
 REQUIREMENTS		
Salaries	\$ 78,482	\$ 76,984
Benefits	44,406	45,233
Services	14,423	14,129
Supplies	4,367	3,585
Equipment	57	54
Other	2,085	1,991
Contingency	2,138	3,413
	<hr/>	<hr/>
<i>Total Expenditures</i>	145,958	145,389
Unappropriated balance	2,673	3,913
	<hr/>	<hr/>
<i>Total Requirements</i>	<u>\$ 148,631</u>	<u>\$ 149,302</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, 2010

	<u>Cash Balances</u> <u>06/30/2009</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Cash Balances</u> <u>06/30/2010</u>
HIGH SCHOOLS				
Churchill	\$ 443,608	\$ 644,007	\$ 803,913	\$ 283,702
Community Living Program	5,250	64,422	62,898	6,774
Life Skills Network	9,717	171	833	9,055
North Eugene	242,569	555,663	488,287	309,945
Opportunity Center	17,395	25,781	22,934	20,242
SEHS-PC	42,677	38,247	39,834	41,090
SEHS-Scip	11,675	29,915	35,376	6,214
Sheldon	512,303	1,241,599	1,234,206	519,696
South Eugene	451,112	1,020,408	971,978	499,542
<i>Total High Schools</i>	<u>1,736,306</u>	<u>3,620,213</u>	<u>3,660,259</u>	<u>1,696,260</u>
MIDDLE SCHOOLS				
Cal Young	29,446	111,412	110,445	30,413
Colin Kelly	69,934	80,672	89,645	60,961
Kenredy	35,743	85,670	80,090	41,323
Madison	68,990	87,298	70,259	86,029
Monroe	108,021	87,744	88,306	107,459
Monroe PTP	3,456	6,171	8,500	1,127
Roosevelt	42,262	155,531	132,378	65,415
Roosevelt PG	57,347	1,738	10,441	48,644
Spencer Butte	55,710	102,079	88,914	68,875
<i>Total Middle Schools</i>	<u>470,909</u>	<u>718,315</u>	<u>678,978</u>	<u>510,246</u>
K-8 SCHOOLS				
Arts and Technolog Academy at Jefferson	32,277	42,842	53,671	21,448
ELEMENTARY SCHOOLS				
Adams	29,798	10,161	28,517	11,442
Awbrey Park	46,315	22,331	27,913	40,733
Bertha Hdt	97,854	56,212	31,288	122,778
Bertha Hdt PAHS	60,998	61,827	80,624	42,201
Camas Ridge*	208,771	107,508	174,102	142,177
Cesar Chavez	3,108	26,425	26,530	3,003
Coburg	16,756	8,125	6,520	18,361
Corridor	29,372	34,049	44,635	18,786
Corridor PTO	59,481	89,858	100,659	48,680
Crest Drive	18,659	66,582	80,182	5,059
Edgewood	39,939	35,425	82,785	(7,421)
Edgewood PGA	51,671	39,865	10,426	81,110
Edison	76,288	102,141	141,852	36,577
Fox Hdlow	32,363	22,208	15,531	39,040
Fox Hdlow PGA	89,313	39,357	32,151	96,519
Gilham	46,371	27,424	23,282	50,513
Gilham PG	24,768	56,799	30,784	50,783
Howard	11,785	25,613	23,610	13,788
McComack	12,732	24,713	25,740	11,705
McComack PTO	19,233	23,998	35,472	7,759
Meadowlark	35,898	14,260	17,531	32,627
Meadowlark PTO	39,243	24,060	25,862	37,441
Parker	56,999	61,709	52,018	66,690
Parker Community Organization	73,050	55,409	34,045	94,414
River Road	9,649	15,807	9,481	15,975
Spring Creek	21,323	21,968	21,395	21,896
Twin Oaks	33,314	14,539	16,523	31,330
Willagillespie	84,896	71,199	73,639	82,456
Yujin Gakuen	17,276	20,733	21,953	16,056
<i>Total Elementary Schools</i>	<u>1,347,223</u>	<u>1,180,305</u>	<u>1,295,050</u>	<u>1,232,478</u>
<i>Total All Schools</i>	<u>\$ 3,586,715</u>	<u>\$ 5,561,675</u>	<u>\$ 5,687,958</u>	<u>\$ 3,460,432</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, Eugene, Oregon
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

	<i>Pass Through Entity Identifying Number</i>	<i>Federal CFDA Number</i>	<i>Original Program or Grant Amount</i>	<i>Current Year's Revenues and Expenditures</i>
Direct Programs				
U.S. Department of Education				
Indian Education 2008-2009	S060A08110	84.060A	\$ 199,080	\$ 24,304
Indian Education 2009-2010	S060A09110	84.060A	264,897	242,493
Foreign Lang Assist Program (Pearl) 2008-2009	T293B060110	84.293B	162,930	2,707
Churchill High School Smaller Learning Community 2009-10	S215L060138	84.215L	780,970	168,878
Foreign Language Assist Program	T293B070131	84.293B	508,681	124,532
Mentoring Program 2007-2008	Q184B070528	84.184B	211,203	59
Mentoring Program 2008-2009	Q184B070528	84.184B	214,440	8,511
Mentoring Program 2009-2010	Q184B070528	84.184B	216,603	123,347
Alcohol Abuse Reduction 2009-2010	Q184A090006	84.184A	336,942	226,863
Carol M. White Physical Education Program	Q215F090921	84.215F	494,606	478,894
Total U.S. Department of Education				1,400,588
Bureau of Land Management				
McGowan Creek Project (BLM)	N/A	15.227	10,000	5,289
Total Direct Programs				1,405,877
Passed Through Oregon State Department of Education				
Title 1				
Title I Disadvantaged 2008-2009	12772	84.010	3,180,880	662,753
Title I Disadvantaged 2009-2010	16541	84.010	3,056,606	2,438,020
Title I D Formula 2008-2009	12907	84.010	60,153	19,121
Title I D Formula 2009-2010	16470	84.010	57,189	47,072
ARRA - Title I-D - Formula	16908	84.389	28,620	3,489
ARRA - Title I-A - Formula	15644	84.389	2,174,751	859,358
Total Title I, Part A Cluster				4,029,813
Title 1				
Looking Glass/Stpng Stn/LTC 2009-2010	8647	84.013	16,633	16,633
Career & Technical Education				
Carl Perkins Voc Ed 2009-2010	15332	84.048	140,996	138,150
Carl Perkins Voc Ed 2009-2010	15332	84.243	17,406	17,075
Comprehensive Guidance & Counseling-Cohort D	19051	84.048	1,050	1,049
Comprehensive Guidance & Counseling-Cohort D	16898	84.048	1,200	1,200
Title II A				
Title II A/Class Size Reduction 2008-2009	12995	84.367	779,890	132,640
Title II A/Class Size Reduction 2009-2010	16736	84.367	804,908	604,235
Title II D				
Title II-D-Enhancing Education Thru Technology 2009-2010	17388	84.318	261,675	129,935
Title II-D-Enhancing Education Thru Technology 2009-2010	16325	84.318	26,866	21,619
ARRA - Title IID - Enhancing Education Through Technology	18353	84.386	267,782	141,762
Total Educational Technology State Grants Cluster				293,316
Title III				
Title III English Language Acquisition 2008-2009	13899	84.365	63,587	31,885
Title III English Language Acquisition 2009-2010	16221	84.365	62,622	45,839
Title IV				
Title IV Safe & Drug Free Schools 2008-2009	14028	84.186	58,213	2,912
Title IV Safe & Drug Free Schools 2009-2010	17043	84.186	56,334	47,265
Title V				
Title V-Public/Private Schools 2007-2008 (Transfer)	10124	84.298	63,187	59,118
Mentoring for English Learner Success	15424	84.298	1,500	500
Summer Math Coaching Institute	15449	84.298	3,000	3,000
Homeless Children and Youth				
McKinney Homeless Education 2008-2009	13953	84.196	45,928	7,174
ARRA McKinney Homeless - Formula	15514	84.387	41,354	25,874
McKinney Homeless Educ. 2009-2010 (passed thru Lane ESD)	N/A	84.196	11,482	2,336
Total of Education of Homeless Children and Youth Cluster				35,384
Total of Career/Technical & Title Programs				5,460,014

See Notes to Schedule of Expenditures of Federal Awards.

LANE COUNTY SCHOOL DISTRICT NO. 4J, Eugene, Oregon
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

	<i>Pass Through Entity Identifying Number</i>	<i>Federal CFDA Number</i>	<i>Original Program or Grant Amount</i>	<i>Current Year's Revenues and Expenditures</i>
Special Education and Rehabilitation Services				
IDEA 2009-2010	17745	84.027	\$ 3,228,840	\$ 3,228,875
IDEA-Redistributed 08-09 Funds-Formula	18801	84.027	6,333	6,333
Positive Behavior Support 2009-10	N/A	84.027	1,000	1,736
SPR&I 2009-10 Grant Award	17448	84.027	9,125	9,125
IDEA Enhancement Grant 2009-2010	18498	84.027	12,360	12,360
Looking Glass/Stpng Stn/LTC 2009-2010	8647	84.027	10,534	10,534
Extended Assessment 2009-10	18267	84.027	8,100	8,100
Rgnl Deaf & Hard of Hearing 2009-2010 (Lane ESD)	N/A	84.027	326,131	326,131
Rgnl Vision Impaired 2009-2010 (Lane ESD)	N/A	84.027	295,865	295,865
Rgnl Orthopedic Impaired 2009-2010 (Lane ESD)	N/A	84.027	75,244	73,403
ARRA - IDEA Part B, Section 611 - Formula	15182	84.391	3,665,341	1,748,487
ARRA - LTCT - IDEA Part B, 611 - Formula	15946	84.391	11,644	6,140
ARRA - Regionals - IDEA Part B, 611 (Passed thru Lane ESD)	N/A	84.391		118,230
Total Special Education Cluster (IDEA)				5,845,319
21st Century Community Learning Centers				
After Sch Comm Ed 21st Ctry - Title IV 2009-10	15079	84.287	330,243	325,399
After Sch Comm Ed 21st Ctry - Title IV 2009-10	18703	84.287	220,162	4,500
21st Ctry Comm Learning Ctrs 2008-2009	12502	84.287	502,772	37,907
22nd Ctry Comm Learning Ctrs 2009-2010	16923	84.287	502,772	502,772
Total 21st Century Learning Centers				870,578
Total U.S. Department of Education Passed Through Oregon Dept. of Education				12,175,911
Passed Through Oregon Department of Transportation				
U.S. Department of Transportation				
Student Traffic Safety Program (ODOT) 2009-2010	HU-09/10-10-13	20.205	62,592	59,724
Total Highway Planning and Construction Cluster				59,724
Passed Through Lane County, Oregon				
U.S. Department of Health and Human Services				
Family Resource Ctr 2009-2010 (Lane County CCF)	N/A	93.556	11,513	8,872
Family Resource Ctr 2009-2010 (Lane County CCF)	N/A	93.667	10,627	8,317
				17,189
Passed through Oregon Employment Department - Child Care Division				
Opportunity Center Teen Parent (Employment Dept.)-2009-2010	10-052	93.575	12,000	11,808
Churchill HS Teen Parent (Employment Dept.) - 2009-2010	10-053	93.575	19,000	19,000
Total Child Care and Development Block Grant Cluster				30,808
Passed through University of Oregon				
Department of Education				
Cites Grant 2000-2001	N/A	84.324M	3,600	1,475
Individual Pos. Behavior Support (2009-2010) (UO)	223281-4J	84.326M	31,000	31,567
National Science Foundation				
Design as a creative Model for Tech Ed (UO)	N/A	47.041	8,000	1,863
Strategic Integ. of Science and Math 2009-2010 (UO)	#206291A	47.076	26,086	19,492
Total Passed Through University of Oregon				54,397
Passed through Oregon State University				
Department of Education				
Title IIB Math Sci Partnership 2009-2010	N/A	84.366	49,530	21,633
National Oceanic and Atmospheric Administration				
Aquatic Invasive Species	N/A	11.417	500	185
Total Passed Through Oregon State University				21,818
Passed Through State Board of Education on behalf of U of O				
National Science Foundation				
NSF - Strategic Integration of Mathematics and Science	206291	47.076	25,000	38,055
Total Passed Through State Board of Education				38,055

See Notes to Schedule of Expenditures of Federal Awards.

LANE COUNTY SCHOOL DISTRICT NO. 4J, Eugene, Oregon
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

	Pass Through Entity Identifying Number	Federal CFDA Number	Original Program or Grant Amount	Current Year's Revenues and Expenditures
Passed through Lane Workforce Partnership				
U.S. Department of Labor				
Workforce Investment Act 2009-2010 (Lane Wkfc)	29403	17.259	\$ 54,263	\$ 35,140
ARRA - Workforce Investment Act 2009-2010 (Lane Wkfc)	29403	17.259	5,000	3,756
Total WIA Cluster (DOL Passed thru Lane Workforce Partnership)				38,896
Total of Pass Through Funds				12,436,798
U.S. Department of Energy				
ARRA State Energy Program - Lighting Upgrades	SEP 10-1104/1105	81.041	38,470	11,401
ARRA State Energy Program - HVAC Measures	SEP 10-1081	81.041	17,615	13,758
Total US. Dept. of Energy Passed Through Oregon State Department of Energy				25,159
U.S. Department of Agriculture				
National School Breakfast Program	N/A	10.553	643,192	695,148
National School Lunch Program	N/A	10.555	2,049,175	2,160,095
National School Summer Food	N/A	10.559	39,772	39,772
Total Child Nutrition Cluster				2,895,015
National School Child & Adult Care	N/A	10.558	107,600	123,944
Total U.S. Dept. of Agriculture Passed Through Oregon State Dept. of Education				3,018,959
U.S. Department of Agriculture				
Forest Fees	N/A	10.666	2,234,228	2,234,228
Total of Schools and Roads Cluster				2,234,228
State Fiscal Stabilization Fund				
State Fiscal Stabilization Fund	17273	84.394	4,561,983	4,561,983
Total State Fiscal Stabilization Fund Cluster				4,561,983
				\$ 23,683,004
Reconciliation of Federal Expenditures to Federal Revenue				
Federal revenue reported above				\$ 23,683,004
Federal revenue not required to be reported in this Schedule of Expenditures of Federal Awards				546,044
Total revenue received from Federal sources				\$ 24,229,048

See Notes to Schedule of Expenditures of Federal Awards.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

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 Amendments of 1996 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 Amendments of 1996 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, 2010.

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, 2010

	Network Charter School	Ridgeline Montessori Public Charter School	The Village School	Total
Assets				
Current assets				
Cash and investments	\$ 87,671	\$ 257,019	\$ 784,075	\$ 1,128,765
Prepaid items	-	2,290	-	2,290
Accounts and other receivables	44,719	70,188	97,948	212,855
Deposits	-	-	6,100	6,100
Total current assets	<u>132,390</u>	<u>329,497</u>	<u>888,123</u>	<u>1,350,010</u>
Non-current assets				
Capital assets:				
Machinery and equipment, net	6,963	4,294	7,621	18,878
Total assets	<u>139,353</u>	<u>333,791</u>	<u>895,744</u>	<u>1,368,888</u>
Liabilities				
Current liabilities				
Accounts payable	18,941	30	6,061	25,032
Accrued payroll and related charges	-	88,427	23,007	111,434
Security deposits	-	-	1,305	1,305
Unearned revenue	6,404	8,475	820	15,699
Total liabilities	<u>25,345</u>	<u>96,932</u>	<u>31,193</u>	<u>153,470</u>
Net Assets				
Invested in capital assets, net of related debt	6,963	4,294	7,621	18,878
Unrestricted	107,045	232,565	856,930	1,196,540
Total net assets	<u>\$ 114,008</u>	<u>\$ 236,859</u>	<u>\$ 864,551</u>	<u>\$ 1,215,418</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, 2010

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	\$ 561,285	\$ 5,458	\$ 33,626	\$ -	\$ (522,201)
Ridgeline Montessori Public Charter School	1,043,059	32,250	12,012	-	(998,797)
The Village School	711,061	22,296	146,274	-	(542,491)
Total direct classroom services	<u>2,315,405</u>	<u>60,004</u>	<u>191,912</u>	<u>-</u>	<u>(2,063,489)</u>
Classroom support services					
Network Charter School	256,588	-	-	-	(256,588)
Ridgeline Montessori Public Charter School	474,641	-	6,983	-	(467,658)
The Village School	419,130	5,152	16,778	-	(397,200)
Total classroom support services	<u>1,150,359</u>	<u>5,152</u>	<u>23,761</u>	<u>-</u>	<u>(1,121,446)</u>
Grants					
Network Charter School	100,000	-	-	-	(100,000)
Unallocated depreciation					
Network Charter School	8,760	-	-	-	(8,760)
The Village School	4,216	-	-	-	(4,216)
Total unallocated depreciation	<u>12,976</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,976)</u>
Total component units	<u>\$ 3,578,740</u>	<u>\$ 65,156</u>	<u>\$ 215,673</u>	<u>\$ -</u>	<u>(3,297,911)</u>
General revenues:					
Federal aid not restricted to specific purposes					
Ridgeline Montessori Public Charter School					<u>42,717</u>
State aid not restricted to specific purposes					
Network Charter School					706,202
Ridgeline Montessori Public Charter School					996,542
The Village School					<u>979,926</u>
					2,682,670
Earnings on investments					
Network Charter School					2,379
Ridgeline Montessori Public Charter School					2,404
The Village School					<u>3,581</u>
					8,364
Other local revenue					
Network Charter School					88,297
Ridgeline Montessori Public Charter School					417,960
The Village School					<u>120,214</u>
					<u>626,471</u>
Total general revenues					<u>3,360,222</u>
Change in net assets					
Network Charter School					(90,671)
Ridgeline Montessori Public Charter School					(6,832)
The Village School					<u>159,814</u>
					62,311
Change in Accounting Principle					
Ridgeline Montessori Public Charter School					
Loss of assets due to change in Accounting Principle					(34,760)
Net assets - beginning					
Network Charter School					204,679
Ridgeline Montessori Public Charter School					278,451
The Village School					<u>704,737</u>
					1,187,867
Net assets - ending					
Network Charter School					114,008
Ridgeline Montessori Public Charter School					236,859
The Village School					<u>864,551</u>
					<u>\$ 1,215,418</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
STATEMENT OF ACTIVITIES - NETWORK CHARTER SCHOOL
YEAR ENDED JUNE 30, 2010

Functions	Expenses	Program Revenues ⁽¹⁾			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
GOVERNMENTAL ACTIVITIES					
Direct classroom services					
Regular instruction					
Special programs					
Direct classroom services	\$ 561,285	\$ 5,458	\$ 33,626	\$ -	\$ (522,201)
Classroom support services	256,588	-	-	-	(256,588)
Grant	100,000	-	-	-	(100,000)
Unallocated depreciation	8,760	-	-	-	(8,760)
Total	<u>\$ 926,633</u>	<u>\$ 5,458</u>	<u>\$ 33,626</u>	<u>\$ -</u>	<u>(887,549)</u>
General revenues:					
State aid not restricted to specific purposes					706,202
Earnings on investments					2,379
Other local revenue					88,297
Total general revenues					<u>796,878</u>
Change in net assets					(90,671)
Net assets - beginning					204,679
Net assets - ending					<u>\$ 114,008</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, 2010

Functions	Expenses	Program Revenues ⁽¹⁾			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	\$ 1,043,059	\$ 32,250	\$ 12,012	\$ -	\$ (998,797)
Classroom support services	474,641	-	6,983	-	(467,658)
Total	\$ 1,517,700	\$ 32,250	\$ 18,995	\$ -	(1,466,455)
General revenues:					
					42,717
					996,542
					2,404
					417,960
					<u>1,459,623</u>
					(6,832)
					(34,760)
					278,451
					<u>\$ 236,859</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, 2010

Functions	Expenses	Program Revenues ⁽¹⁾			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	\$ 711,061	\$ 22,296	\$ 146,274	-	\$ (542,491)
Classroom support services	419,130	5,152	16,778	-	(397,200)
Unallocated depreciation	4,216	-	-	-	(4,216)
Total	<u>\$ 1,134,407</u>	<u>\$ 27,448</u>	<u>\$ 163,052</u>	<u>\$ -</u>	<u>(943,907)</u>
General revenues:					
					979,926
					3,581
					120,214
					<u>1,103,721</u>
					159,814
					704,737
					<u>\$ 864,551</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, 2010, WITH COMPARATIVE DATA

	<u>2010</u>	<u>2009</u>
ASSETS		
Equity in pooled cash and investments	\$ 20,785,633	\$ 22,602,962
Receivables		
Property taxes receivable	4,709,161	5,822,654
Accounts and other receivables	1,473,463	2,745,141
Due from other funds	2,653,831	2,897,889
Inventories	184,411	125,352
	<u>29,806,499</u>	<u>34,193,998</u>
<i>Total Assets</i>	<u>\$ 29,806,499</u>	<u>\$ 34,193,998</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 2,425,133	\$ 2,080,304
Accrued payroll and related charges	10,211,462	11,264,785
Due to other funds	593,201	1,313,340
Deferred revenue	4,385,107	5,442,894
Unearned revenue	66,512	102,002
	<u>17,681,415</u>	<u>20,203,325</u>
<i>Total Liabilities</i>	<u>17,681,415</u>	<u>20,203,325</u>
Fund balances		
Fund balance, unreserved	<u>12,125,084</u>	<u>13,990,673</u>
	<u>\$ 29,806,499</u>	<u>\$ 34,193,998</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 29,806,499</u>	<u>\$ 34,193,998</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
BALANCE SHEET - DEBT SERVICE FUND
JUNE 30, 2010, WITH COMPARATIVE DATA

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and investments	\$ 10,981,984	\$ 9,967,100
Property taxes receivable	1,014,394	1,237,818
Accounts and other receivables	12,026	10,366
Due from other funds	252,606	1,058,339
<i>Total Assets</i>	<u>\$ 12,261,010</u>	<u>\$ 12,273,623</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Deferred revenue	\$ 936,285	\$ 1,148,416
Fund balances		
Fund balance, reserved for debt service	11,324,725	11,125,207
<i>Total Liabilities and Fund Balances</i>	<u>\$ 12,261,010</u>	<u>\$ 12,273,623</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
BALANCE SHEET - CAPITAL PROJECTS FUND
JUNE 30, 2010, WITH COMPARATIVE DATA

	<u>2010</u>	<u>2009</u>
ASSETS		
Equity in pooled cash and investments	\$ 11,335,910	\$ 12,242,177
Cash and investments	1,364,763	5,528,812
Accounts receivable	45,872	79,092
Due from other funds	288,642	255,001
<i>Total Assets</i>	<u>\$ 13,035,187</u>	<u>\$ 18,105,082</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 639,746	\$ 220,574
Accrued payroll and related charges	840	922
Unearned revenue	-	1,508,198
<i>Total Liabilities</i>	640,586	1,729,694
Fund balances		
Fund balance, reserved for capital projects	1,426,517	5,563,829
Fund balance, unreserved	10,968,084	10,811,559
<i>Total Fund Balances</i>	<u>12,394,601</u>	<u>16,375,388</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 13,035,187</u>	<u>\$ 18,105,082</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
BALANCE SHEET - CAPITAL EQUIPMENT FUND
JUNE 30, 2010, WITH COMPARATIVE DATA

	<u>2010</u>	<u>2009</u>
ASSETS		
Equity in pooled cash and investments	\$ 8,888,844	\$ 9,839,547
Accounts and other receivables	<u>13,780</u>	<u>594</u>
<i>Total Assets</i>	<u>\$ 8,902,624</u>	<u>\$ 9,840,141</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 230,756	\$ 245,978
Fund Balances		
Fund balance, unreserved	<u>8,671,868</u>	<u>9,594,163</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 8,902,624</u>	<u>\$ 9,840,141</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
BALANCE SHEET - FEDERAL, STATE AND LOCAL PROGRAMS FUND
JUNE 30, 2010, WITH COMPARATIVE DATA

	<u>2010</u>	<u>2009</u>
ASSETS		
Accounts and other receivables	\$ 4,940,159	\$ 4,661,843
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 292,048	\$ 340,559
Accrued payroll and related charges	3,967	24,718
Due to other funds	2,653,831	2,600,627
Unearned revenue	1,990,313	1,695,939
<i>Total Liabilities</i>	4,940,159	4,661,843
Fund balances		
Fund balances, unreserved	-	-
<i>Total Liabilities and Fund Balances</i>	\$ 4,940,159	\$ 4,661,843

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED JUNE 30, 2010, WITH COMPARATIVE DATA

	<u>2010</u>	<u>2009</u>
REVENUES		
Local sources	\$ 72,423,504	\$ 69,551,373
Intermediate sources	213,036	244,349
State sources	61,650,887	72,241,776
Federal sources	6,910,860	5,949,385
<i>Total Revenues</i>	<u>141,198,287</u>	<u>147,986,883</u>
EXPENDITURES		
Current		
Instruction	87,251,931	91,146,427
Supporting services	54,721,788	57,738,291
Community services	285,213	245,691
Debt service	88,639	209,379
Capital outlay	53,226	28,321
<i>Total Expenditures</i>	<u>142,400,797</u>	<u>149,368,109</u>
REVENUES UNDER EXPENDITURES	(1,202,510)	(1,381,226)
OTHER FINANCING SOURCES (USES)		
Transfers in	968,000	976,634
Transfers out	(1,631,079)	(2,811,453)
Capital leases	-	153,130
<i>Total Other Financing Sources (Uses)</i>	<u>(663,079)</u>	<u>(1,681,689)</u>
NET CHANGE IN FUND BALANCE	(1,865,589)	(3,062,915)
FUND BALANCE, Beginning of year	<u>13,990,673</u>	<u>17,053,588</u>
FUND BALANCE, End of year	<u>\$ 12,125,084</u>	<u>\$ 13,990,673</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, 2010, WITH COMPARATIVE DATA

	<u>2010</u>	<u>2009</u>
REVENUES		
Local sources	\$ 18,877,470	\$ 18,985,059
EXPENDITURES		
Debt service		
Principal	10,045,000	8,855,000
Interest	8,632,952	8,587,780
Refunding bond issuance costs	-	223,320
<i>Total Expenditures</i>	<u>18,677,952</u>	<u>17,666,100</u>
REVENUES OVER EXPENDITURES	199,518	1,318,959
OTHER FINANCING SOURCES (USES)		
Refunding bonds issued	-	47,295,000
Premium on refunding bonds issued	-	3,952,038
Payment to refunding bond escrow agent	-	(51,018,536)
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>228,502</u>
NET CHANGE IN FUND BALANCE	199,518	1,547,461
FUND BALANCE, Beginning of year	<u>11,125,207</u>	<u>9,577,746</u>
FUND BALANCE, End of year	<u>\$ 11,324,725</u>	<u>\$ 11,125,207</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, 2010, WITH COMPARATIVE DATA

	<u>2010</u>	<u>2009</u>
REVENUES		
Local sources	\$ 473,202	\$ 2,837,152
EXPENDITURES		
Capital outlay	<u>6,281,794</u>	<u>9,685,915</u>
REVENUES UNDER EXPENDITURES	(5,808,592)	(6,848,763)
OTHER FINANCING SOURCES (USES)		
Transfers out	(500,000)	(500,000)
Sale of capital assets	1,380,450	-
Insurance recoveries	<u>947,357</u>	<u>-</u>
<i>Total Other Financing Sources (Uses)</i>	<u>1,827,807</u>	<u>(500,000)</u>
NET CHANGE IN FUND BALANCE	(3,980,785)	(7,348,763)
FUND BALANCE, Beginning of year	<u>16,375,386</u>	<u>23,724,149</u>
FUND BALANCE, End of year	<u>\$ 12,394,601</u>	<u>\$ 16,375,386</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
CAPITAL EQUIPMENT FUND
YEAR ENDED JUNE 30, 2010, WITH COMPARATIVE DATA

	<u>2010</u>	<u>2009</u>
REVENUES		
Local sources	\$ 44,707	\$ 55,699
State sources	422,307	505,129
<i>Total Revenues</i>	467,014	560,828
EXPENDITURES		
Current		
Instruction	1,139,063	1,041,051
Supporting services	338,637	262,112
Debt service		
Principal	560,515	363,037
Interest	120,187	89,159
Capital outlay	882,953	1,617,703
<i>Total Expenditures</i>	3,041,355	3,373,062
REVENUES UNDER EXPENDITURES	(2,574,341)	(2,812,234)
OTHER FINANCING SOURCES		
Transfers in	1,099,576	2,081,922
Capital leases	552,470	1,146,724
<i>Total Other Financing Sources</i>	1,652,046	3,228,646
NET CHANGE IN FUND BALANCE	(922,295)	416,412
FUND BALANCE, Beginning of year	9,594,163	9,177,751
FUND BALANCE, End of year	<u>\$ 8,671,868</u>	<u>\$ 9,594,163</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, 2010, WITH COMPARATIVE DATA

	<u>2010</u>	<u>2009</u>
REVENUES		
Local sources	\$ 3,199,200	\$ 3,549,332
State sources	1,364,820	1,634,886
Federal sources	14,028,757	11,594,902
<i>Total Revenues</i>	18,592,777	16,779,120
EXPENDITURES		
Current		
Instruction	12,139,552	10,645,971
Supporting services	5,890,611	5,390,999
Community services	514,337	641,374
Facilities acquisition and construction	36,579	-
Debt service		
Principal	10,832	-
Interest	866	-
Capital outlay	-	411,297
<i>Total Expenditures</i>	18,592,777	17,089,641
REVENUES UNDER EXPENDITURES	-	(310,521)
FUND BALANCE, Beginning of year	-	310,521
FUND BALANCE, End of year	<u>\$ -</u>	<u>\$ -</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, the Capital Equipment Fund and 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, Capital Equipment 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, 2010

Code	Function	Actual	Budget	Variance
LOCAL REVENUE				
1111	Taxes - current year's levy	\$ 53,076,687	\$ 50,498,000	\$ 2,578,687
1112	Taxes - prior years' levies	1,191,653	970,000	221,653
1120	Local option levy	14,078,250	13,074,000	1,004,250
1190	Penalties and interest on taxes	218,536	50,000	168,536
1200	Local governmental units	55,106	45,000	10,106
1310	Regular day school tuition	203,864	198,000	5,864
1500	Earnings on investments	426,344	790,000	(363,656)
1700	Cocurricular activities income	669,016	664,000	5,016
1800	Community service income	133,531	120,000	13,531
1910	Rentals	365,450	420,000	(54,550)
1980	Fees charged to grants	563,985	550,000	13,985
1990	Refunds and miscellaneous	1,441,082	1,190,416	250,666
1000	<i>Total Local Revenue</i>	72,423,504	68,569,416	3,854,088
INTERMEDIATE REVENUE				
2101	County school fund	194,916	125,000	69,916
2900	Revenue for/on behalf of the District	18,120	-	18,120
2000	<i>Total Intermediate Revenue</i>	213,036	125,000	88,036
STATE REVENUE				
3101	State school fund (except 3102 and 3106)	59,008,155	66,921,712	(7,913,557)
3103	Common school fund	1,666,545	823,213	843,332
3199	Other unrestricted grants-in-aid	934,924	1,150,000	(215,076)
3900	Revenue for/on behalf of the District	41,263	30,000	11,263
3000	<i>Total State Revenue</i>	61,650,887	68,924,925	(7,274,038)
REVENUE FROM FEDERAL SOURCES				
4500	Restricted revenue from the Federal government through the state	4,561,983	-	4,561,983
4700	Grants-in-aid from the Federal government through other intermediate agencies	114,649	200,000	(85,351)
4801	Federal forest fees	2,234,228	2,133,000	101,228
4000	<i>Total Federal Revenue</i>	6,910,860	2,333,000	4,577,860
	<i>Total Revenue</i>	141,198,287	139,952,341	1,245,946
OTHER SOURCES				
5200	Transfer from other funds	968,000	969,000	(1,000)
5400	FUND BALANCES, Beginning	13,990,673	13,990,673	-
6000	TOTAL RESOURCES	<u>\$ 156,156,960</u>	<u>\$ 154,912,014</u>	<u>\$ 1,244,946</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, 2010

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Supplies & Materials
INSTRUCTION					
1100	Regular programs				
1111	Elementary (curricular)	\$ 12,473,033	\$ 6,460,290	\$ 27,002	\$ 375,922
1112	Intermediate programs	5,649,378	2,770,299	5,024	189,318
1113	Elementary extacurricular	31,566	10,610	848	-
1121	Middle/JHS (curricular)	8,924,366	4,330,816	17,717	344,659
1122	Cocurricular - Middle/JHS	156,064	35,346	2,300	2,406
1131	High school (curricular)	14,990,564	6,703,366	105,449	376,499
1132	Cocurricular - High School	1,560,963	392,445	175,403	92,492
1200	Special programs				
1210	Talented and gifted	72,415	27,547	-	1,123
1220	Restrictive programs for students with disabilities	2,565,689	1,613,446	535,552	9,093
1250	Less restrictive programs for students with disabilities	4,647,905	2,622,448	86,539	1,328
1260	Early intervention	27,699	11,439	50,473	1,283
1271	Remediation	50,670	14,874	6,438	10,560
1280	Early intervention/other special programs	1,040,127	460,065	2,470,122	39,472
1288	Charter school flow through	-	-	2,942,301	-
1290	Other special programs	986,716	524,280	31,619	16,119
1400	Summer school programs	82,772	22,810	17,598	10,799
	<i>Total Instruction</i>	<u>53,259,927</u>	<u>26,000,081</u>	<u>6,474,385</u>	<u>1,471,073</u>
SUPPORTING SERVICES					
2100	Students				
2110	Attendance and social work	442,218	249,209	182,248	-
2120	Guidance services	1,489,589	731,634	2,964	12,960
2130	Health services	737,817	387,342	43,006	9,547
2140	Psychological services	684,749	309,096	4,807	16,778
2150	Speech pathology and audiology services	783,474	385,591	2,855	5,498
2160	Educational services	337,013	153,629	4,209	3,033
2190	Service area direction, students	672,707	296,447	50,628	17,172
2200	Instructional staff and educational media	2,564,400	1,010,221	381,466	295,504
2300	General administration				
2310	Board of education	-	-	145,374	1,029
2320	Executive administration	360,999	183,337	111,457	2,164
2400	School administration				
2410	Principals services	7,412,621	3,753,960	445,266	283,337
2490	Other support services - school administration	2,343	605	911	-
2500	Business				
2520	Fiscal services	872,449	437,543	80,178	8,313
2540	Operation and maintenance	4,945,266	2,997,277	3,625,216	1,281,849
2550	Student transportation	2,809,392	1,942,613	359,549	705,341
2570	Internal services	250,977	145,146	24,357	8,073
2600	Central				
2630	Information services	215,731	105,558	165,926	12,418
2640	Staff services	749,503	468,278	66,068	20,847
2660	Technology services	1,928,893	1,031,659	1,245,828	82,295
2700	District retirement	-	2,500,000	-	-
	<i>Total Supporting Services</i>	<u>27,260,141</u>	<u>17,089,145</u>	<u>6,942,313</u>	<u>2,766,158</u>
ENTERPRISE AND COMMUNITY SERVICES					
3320	Community recreation services	65,427	39,523	7,743	-
3500	Custody and care of children services	115,160	57,360	-	-
	<i>Total Enterprise and Community Services</i>	<u>180,587</u>	<u>96,883</u>	<u>7,743</u>	<u>-</u>
FACILITIES ACQUISITION AND CONSTRUCTION					
	<i>Total Facilities Acquisition and Construction</i>	-	-	-	-
DEBT SERVICE					
5100	Debt Service	-	-	-	-
OTHER USES					
5200	Interfund Transfers	-	-	-	-
6110	OPERATING CONTINGENCY	-	-	-	-
7000	ENDING BALANCE	-	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 80,700,655</u>	<u>\$ 43,186,109</u>	<u>\$ 13,424,441</u>	<u>\$ 4,237,231</u>

<u>500</u> <u>Capital</u> <u>Outlay</u>	<u>800</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>
\$ -	\$ -	\$ -	\$ 19,336,247		
-	-	-	8,614,019		
-	-	-	43,024		
-	-	-	13,617,558		
-	-	-	196,116		
-	14,843	-	22,190,721		
-	11,649	-	2,232,952		
-	-	-	101,085		
-	-	-	4,723,780		
-	-	-	7,358,220		
-	-	-	90,894		
-	-	-	82,542		
-	495	-	4,010,281		
-	-	107,983	3,050,284		
-	134	-	1,558,868		
-	-	-	133,979		
-	27,121	107,983	87,340,570	\$ 87,973,472	\$ 632,902
-	-	-	873,675		
-	165	-	2,237,312		
-	3,248	-	1,180,960		
-	-	-	1,015,430		
-	-	-	1,177,418		
-	-	-	497,884		
-	580	-	1,037,534		
-	14,737	-	4,266,328		
-	27,125	-	173,528		
-	36,804	-	694,761		
-	6,802	-	11,901,986		
-	-	-	3,859		
-	3,140	-	1,401,623		
24,480	503,465	-	13,377,553		
8,584	61,174	-	5,886,653		
-	4,776	-	433,329		
-	945	-	500,578		
-	550	-	1,305,246		
20,162	520	-	4,309,357		
-	-	-	2,500,000		
53,226	664,031	-	54,775,014	56,181,429	1,406,415
-	-	-	112,693		
-	-	-	172,520		
-	-	-	285,213	343,886	58,673
-	-	-	-	1,000	1,000
-	-	-	-	1,000	1,000
-	-	1,631,079	1,631,079	3,291,805	1,660,726
-	-	-	-	1,046,504	1,046,504
-	-	12,125,084	12,125,084	6,072,918	(6,052,166)
<u>\$ 53,226</u>	<u>\$ 691,152</u>	<u>\$ 13,864,146</u>	<u>\$ 156,156,960</u>	<u>\$ 154,912,014</u>	<u>\$ (1,244,946)</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 - DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2010

<u>Code</u>	<u>Function</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	LOCAL REVENUE			
1111	Taxes - current year's levy	\$ 15,834,683	\$ 15,234,187	\$ 600,496
1112	Taxes - prior years' levies	355,674	300,000	55,674
1190	Penalties and interest on taxes	64,872	10,000	54,872
1500	Earnings on investments	57,090	60,000	(2,910)
1900	Charges to other funds	2,565,151	3,350,000	(784,849)
1000	<i>Total Local Revenue</i>	18,877,470	18,954,187	(76,717)
5400	FUND BALANCES, Beginning	11,125,207	9,935,395	1,189,812
6000	TOTAL RESOURCES	<u>\$ 30,002,677</u>	<u>\$ 28,889,582</u>	<u>\$ 1,113,095</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, 2010

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
\$ -	\$ 10,045,000	\$ -	\$ 10,045,000	\$ -	
-	8,632,952	-	8,632,952		
-	18,677,952	-	18,677,952	18,677,952	-
-	-	11,324,725	11,324,725	10,211,630	(1,113,095)
\$ -	\$ 18,677,952	\$ 11,324,725	\$ 30,002,677	\$ 28,889,582	\$ (1,113,095)

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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, 2010

Code	Function	Actual	Budget	Variance
LOCAL REVENUE				
1200	Local governmental units other than District	\$ 233,988	\$ 30,000	\$ 203,988
1500	Earnings on investments	25,543	52,975	(27,432)
1990	Refunds and miscellaneous	1,161,028	200,000	961,028
1000	<i>Total Local Revenue</i>	1,420,559	282,975	1,137,584
OTHER FINANCING SOURCES				
5300	Sale of capital assets	1,380,450	-	1,380,450
5400	FUND BALANCES, Beginning	16,375,386	16,916,266	(540,880)
6000	TOTAL RESOURCES	<u>\$ 19,176,395</u>	<u>\$ 17,199,241</u>	<u>\$ 1,977,154</u>

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, 2010

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Supplies & Materials
	INSTRUCTION				
1100	Regular programs				
1111	Elementary (curricular)	\$ -	\$ -	\$ -	\$ -
	<i>Total Instruction</i>	-	-	-	-
	SUPPORTING SERVICES				
2500	Business				
2520	Fiscal services	-	-	4,740	-
2540	Operation and maintenance	502,563	279,732	505,702	443,105
2700	District retirement	-	7,922	-	-
	<i>Total Supporting Services</i>	502,563	287,654	510,442	443,105
	ENTERPRISE AND COMMUNITY SERVICES				
3390	Other community services	-	-	-	-
	<i>Total Enterprise and Community Services</i>	-	-	-	-
	FACILITIES ACQUISITION AND CONSTRUCTION				
4110	Service area direction	328,964	157,871	1,751	1,137
4120	Site acquisition and development services	3,617	2,317	355,498	40,176
4150	Building acquisition, construction and improvement services	46,563	29,682	384,593	300,231
	<i>Total Facilities Acquisition and Construction</i>	379,144	189,870	741,842	341,544
	OTHER USES				
5200	Interfund Transfers	-	-	-	-
7000	ENDING BALANCE	-	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 881,707</u>	<u>\$ 477,524</u>	<u>\$ 1,252,284</u>	<u>\$ 784,649</u>

500 Capital Outlay	600 Other Objects	700 Transfers & Flow- through Payments	Actual Fund Total	Appropriations	Variance
\$ -	\$ -	\$ -	\$ -		
-	-	-	-	\$ 1,000	\$ 1,000
-	-	-	4,740		
107,079	4,734	-	1,842,915		
-	-	-	7,922		
107,079	4,734	-	1,855,577	2,141,698	286,121
-	-	-	-		
-	-	-	-	1,000	1,000
-	-	-	489,723		
880,068	750	-	1,282,426		
1,891,249	1,750	-	2,654,068		
2,771,317	2,500	-	4,426,217	9,339,434	4,913,217
-	-	500,000	500,000	500,000	-
-	-	12,394,601	12,394,601	5,216,109	(7,178,492)
<u>\$ 2,878,396</u>	<u>\$ 7,234</u>	<u>\$ 12,894,601</u>	<u>\$ 19,176,395</u>	<u>\$ 17,199,241</u>	<u>\$ (1,977,154)</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, 2010

<u>Code</u>	<u>Function</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	LOCAL REVENUE			
1990	Refunds and miscellaneous	\$ 44,707	\$ 10,000	\$ 34,707
	STATE REVENUE			
3221/3222	SSF Transportation	422,307	485,000	(62,693)
	OTHER FINANCING SOURCES			
5200	Interfund transfers	1,099,576	499,576	600,000
5400	FUND BALANCES, Beginning	<u>9,594,163</u>	<u>8,035,258</u>	<u>1,558,905</u>
6000	TOTAL RESOURCES	<u>\$ 11,160,753</u>	<u>\$ 9,029,834</u>	<u>\$ 2,130,919</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, 2010

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Supplies & Materials
INSTRUCTION					
1100	Regular programs				
1111	Elementary (curricular)	\$ -	\$ -	\$ 71	\$ 369,620
1112	Intermediate programs	-	-	-	246,411
1121	Middle/JHS (curricular)	-	-	-	185,471
1131	High school (curricular)	-	-	-	385,038
1200	Special programs				
1220	Restrictive programs for students with disabilities	-	-	-	20,719
1280	Early intervention/other special programs	-	-	-	72
1290	Other special programs	-	-	-	24,326
	<i>Total Instruction</i>	-	-	71	1,231,657
SUPPORTING SERVICES					
2100	Students				
2120	Guidance services	-	-	-	788
2190	Service area direction, students	-	-	-	17,562
2200	Instructional staff and educational media	-	-	-	99,126
2300	General administration				
2320	Office of the superintendent	-	-	-	3,035
2400	School administration				
2410	Principals services	-	-	-	140,764
2500	Business				
2520	Fiscal services	-	-	-	11,393
2540	Operation and maintenance	-	-	-	51,002
2550	Student transportation	-	-	-	25,340
2570	Internal services	-	-	-	878
2600	Central				
2630	Information services	-	-	-	22,089
2660	Technology services	-	-	-	218,532
	<i>Total Supporting Services</i>	-	-	-	590,509
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>	\$ -	\$ -	\$ 71	\$ 1,822,166

<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>
\$ -	\$ -	\$ -	\$ 369,691		
-	-	-	246,411		
-	-	-	185,471		
5,760	-	-	390,798		
-	-	-	20,719		
-	-	-	72		
-	-	-	24,326		
5,760	-	-	1,237,488	\$ 2,919,998	\$ 1,682,510
-	-	-	788		
-	-	-	17,562		
-	-	-	99,126		
-	-	-	3,035		
35,617	-	-	176,381		
-	-	-	11,393		
105,409	-	-	156,411		
-	-	-	25,340		
-	-	-	878		
-	-	-	22,089		
-	-	-	218,532		
141,026	-	-	731,535	3,791,836	3,060,301
-	-	-	-	1,000	1,000
-	415,688	-	415,688		
-	104,174	-	104,174		
-	519,862	-	519,862	866,101	346,239
-	-	-	-	1,450,899	1,450,899
-	-	8,671,868	8,671,868	-	(8,671,868)
<u>\$ 146,786</u>	<u>\$ 519,862</u>	<u>\$ 8,671,868</u>	<u>\$ 11,160,753</u>	<u>\$ 9,029,834</u>	<u>\$ (2,130,919)</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, 2010**

Code	Function	Actual	Budget	Variance
LOCAL REVENUE				
1310	Regular day school tuition	\$ 104,793	\$ 94,000	\$ 10,793
1910	Rentals	41,670	50,000	(8,330)
1920	Private contributions	678,298	964,049	(285,751)
1990	Refunds and miscellaneous	2,374,439	2,852,773	(478,334)
1000	<i>Total Local Revenue</i>	3,199,200	3,960,822	(761,622)
INTERMEDIATE REVENUE				
2900	Revenue for/on behalf of the District	-	9,000	(9,000)
STATE REVENUE				
3204	Drivers education	69,687	72,000	(2,313)
3990	Other revenue from State sources	1,295,133	1,594,692	(299,559)
3000	<i>Total State Revenue</i>	1,364,820	1,666,692	(301,872)
REVENUE FROM FEDERAL SOURCES				
4300	Restricted grants-in-aid; direct	435,675	413,041	22,634
4500	Restricted grants-in-aid; through State	12,909,301	14,684,014	(1,774,713)
4700	Grants-in-aid from the Federal government through other intermediate agencies	1,736	-	1,736
4990	Other revenue from Federal sources	682,045	1,031,601	(349,556)
4000	<i>Total Federal Revenue</i>	14,028,757	16,128,656	(2,099,899)
	<i>Total Revenue</i>	18,592,777	21,765,170	(3,172,393)
5400	FUND BALANCES, Beginning	-	-	-
6000	TOTAL RESOURCES	\$ 18,592,777	\$ 21,765,170	\$ (3,172,393)

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, 2010

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Supplies & Materials
INSTRUCTION					
1100	Regular programs				
1111	Elementary (curricular)	\$ 117,687	\$ 64,895	\$ 7,704	\$ 43,499
1112	Intermediate programs	35,580	20,830	6,060	32,537
1113	Elementary extacurricular	462	38	2,086	-
1121	Middle/JHS (curricular)	191,065	104,273	15,871	312,018
1122	Cocurricular - Middle/JHS	1,037	86	1,933	-
1131	High school (curricular)	331,375	176,492	197,697	300,067
1132	Cocurricular - High School	1,622	80	795	642
1200	Special programs				
1210	Talented and gifted	-	-	-	17,368
1220	Restrictive programs for students with disabilities	1,774,870	928,676	154,906	84,557
1250	Less restrictive programs for students with disabilities	1,668,697	975,483	9,743	16,618
1260	Early intervention	68,253	31,394	-	-
1270	Educationally disadvantaged	2,217,362	1,290,024	164,341	86,839
1280	Early intervention/other special programs	83,343	38,377	214,232	12,401
1290	Other special programs	90,282	48,320	3,763	31,590
1400	Summer school programs	113,662	34,784	542	2,951
	<i>Total Instruction</i>	<u>6,695,297</u>	<u>3,713,752</u>	<u>779,673</u>	<u>941,087</u>
SUPPORTING SERVICES					
2100	Students				
2110	Attendance and social work	104,572	62,616	30,564	8,414
2120	Guidance services	36,036	16,907	1,638	545
2130	Health services	84,507	36,579	28,349	212
2140	Psychological services	207,328	95,841	-	-
2150	Speech pathology and audiology services	123,856	60,200	-	62
2160	Educational services	103,265	53,085	650	132
2190	Service area direction, students	96,960	52,061	10,115	1,172
2200	Instructional staff and educational media	1,883,731	769,273	649,914	197,207
2400	School administration				
2410	Principals services	4,690	3,444	13,247	8,028
2490	Other support services - school administration	-	-	31,717	-
2500	Business				
2520	Fiscal services	-	-	-	-
2540	Operation and maintenance	480	-	-	-
2550	Student transportation	36,786	-	2,885	8,168
2600	Central				
2660	Technology services	32,688	23,210	45,926	8,145
2700	District retirement	-	332,142	-	-
	<i>Total Supporting Services</i>	<u>2,714,899</u>	<u>1,505,358</u>	<u>815,005</u>	<u>232,085</u>
ENTERPRISE AND COMMUNITY SERVICES					
3320	Community recreation services	12,216	6,844	6,650	821
3390	Other community services	214,745	114,453	126,882	27,910
3510	Custoday and care of children services	1,138	850	-	-
	<i>Total Enterprise and Community Services</i>	<u>228,099</u>	<u>122,147</u>	<u>133,532</u>	<u>28,731</u>
FACILITIES ACQUISITION AND CONSTRUCTION					
4150	Building acquisition, construction and improvement services	1,863	2,289	-	-
	<i>Total Facilities Acquisition and Construction</i>	<u>1,863</u>	<u>2,289</u>	<u>-</u>	<u>-</u>
7000	Ending balance	-	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 9,640,158</u>	<u>\$ 5,343,546</u>	<u>\$ 1,728,210</u>	<u>\$ 1,201,903</u>

500 Capital Outlay	600 Other Objects	700 Transfers and Flow- through Payments	Actual Fund Total	Appropriations	Variance
\$ -	\$ -	\$ -	\$ 233,785		
-	-	-	95,007		
-	-	-	2,586		
-	-	-	623,227		
-	-	-	3,056		
-	-	-	1,005,631		
-	-	-	3,139		
-	-	-	17,368		
-	815	-	2,943,824		
-	-	-	2,670,541		
-	-	-	99,647		
-	-	8,928	3,767,494		
-	-	-	348,353		
-	-	-	173,955		
-	-	-	151,939		
-	815	8,928	12,139,552	\$ 13,343,637	\$ 1,204,085
-	-	-	206,166		
-	-	-	55,126		
-	-	-	149,647		
-	-	-	303,169		
-	-	-	184,118		
-	-	-	157,132		
-	-	-	160,308		
-	1,402	-	3,501,527		
-	-	-	29,409		
-	-	-	31,717		
-	611,295	-	611,295		
22,265	-	-	22,745		
-	-	-	47,839		
-	-	-	109,969		
-	-	-	332,142		
22,265	612,697	-	5,902,309	7,498,644	1,596,335
-	25	-	26,556		
-	1,803	-	485,793		
-	-	-	1,988		
-	1,828	-	514,337	755,945	241,608
32,427	-	-	36,579		
32,427	-	-	36,579	166,944	130,365
-	-	-	-	-	-
<u>\$ 54,692</u>	<u>\$ 615,340</u>	<u>\$ 8,928</u>	<u>\$ 18,592,777</u>	<u>\$ 21,765,170</u>	<u>\$ 3,172,393</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, 2010

Code	Function	Actual	Budget	Variance
LOCAL REVENUE				
1600	Food service sales	\$ 1,641,908	\$ 1,886,164	\$ (244,256)
STATE REVENUE				
3102	State school fund - school lunch match	51,074	43,725	7,349
3299	Other restricted grants-in-aid	12,274	-	12,274
3900	Revenue for/on behalf of the District	497	-	497
3000	<i>Total State Revenue</i>	63,845	43,725	20,120
REVENUE FROM FEDERAL SOURCES				
4500	Restricted grants-in-aid-through State - school nutrition	3,013,031	2,799,967	213,064
4900	Revenue for/on behalf of the District	260,666	267,267	(6,601)
4000	<i>Total Federal Revenue</i>	3,273,697	3,067,234	206,463
	<i>Total Revenue</i>	4,979,450	4,997,123	(17,673)
OTHER SOURCES				
5200	Interfund transfers	29,825	282,000	(252,175)
5400	FUND BALANCES, Beginning	67,446	67,446	-
6000	TOTAL RESOURCES	<u>\$ 5,076,721</u>	<u>\$ 5,346,569</u>	<u>\$ (269,848)</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, 2010

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Supplies & Materials
	SUPPORTING SERVICES				
2500	Business				
2520	Fiscal services	\$ 26,709	\$ 14,393	\$ 3,304	\$ -
2700	District retirement	-	9,917	-	-
	<i>Total Supporting Services</i>	26,709	24,310	3,304	-
	ENTERPRISE AND COMMUNITY SERVICES				
3000	Nutrition services				
3120	Food preparation and dispensing services	1,424,434	1,030,694	80,214	2,412,472
	<i>Total Enterprise and Community Services</i>	1,424,434	1,030,694	80,214	2,412,472
6000	OPERATING CONTINGENCY	-	-	-	-
7000	Ending balance	-	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 1,451,143</u>	<u>\$ 1,055,004</u>	<u>\$ 83,518</u>	<u>\$ 2,412,472</u>

500 Capital Outlay	600 Other Objects	700 Transfers & Flow- through Payments	Actual Fund Total	Appropriations	Variance
\$ -	\$ -	\$ -	\$ 44,406		
-	-	-	9,917		
-	-	-	54,323	\$ 64,349	\$ 10,026
-	-	-	4,947,814		
-	-	-	4,947,814	5,172,747	224,933
-	-	-	-	42,027	42,027
-	-	74,584	74,584	67,446	(7,138)
\$ -	\$ -	\$ 74,584	\$ 5,076,721	\$ 5,346,569	\$ 269,848

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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, 2010

Code	Function	Actual	Budget	Variance
	LOCAL REVENUE			
1700	Cocurricular activities income	\$ 5,133,072	\$ 5,700,000	\$ (566,928)
5400	FUND BALANCES, Beginning	<u>3,856,257</u>	<u>3,500,000</u>	<u>356,257</u>
6000	TOTAL RESOURCES	<u>\$ 8,989,329</u>	<u>\$ 9,200,000</u>	<u>\$ (210,671)</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, 2010

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Supplies & Materials
	INSTRUCTION				
1100	Regular programs				
1113	Elementary extracurricular	\$ -	\$ -	\$ 409,318	\$ 908,459
1122	Cocurricular - Middle/JHS	-	-	194,545	417,011
1132	Cocurricular - High School	-	-	769,742	1,280,227
	<i>Total Instruction</i>	-	-	1,373,605	2,605,697
6110	OPERATING CONTINGENCY	-	-	-	-
7000	ENDING BALANCE	-	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,373,605</u>	<u>\$ 2,605,697</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>
\$ 16,330	\$ 36,325	\$ -	\$ 1,370,432		
18,035	31,522	-	661,113		
7,078	1,059,547	-	3,116,594		
41,443	1,127,394	-	5,148,139	\$ 6,019,000	\$ 870,861
-	-	-	-	500,000	500,000
-	-	3,841,190	3,841,190	2,681,000	(1,160,190)
<u>\$ 41,443</u>	<u>\$ 1,127,394</u>	<u>\$ 3,841,190</u>	<u>\$ 8,989,329</u>	<u>\$ 9,200,000</u>	<u>\$ 210,671</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, 2010

Code	Function	Actual	Budget	Variance
	LOCAL REVENUE			
1990	Refunds and miscellaneous	\$ 2,858,360	\$ 2,800,000	\$ 58,360
5400	FUND BALANCES, Beginning	<u>5,929,840</u>	<u>5,654,081</u>	<u>275,759</u>
6000	TOTAL RESOURCES	<u>\$ 8,788,200</u>	<u>\$ 8,454,081</u>	<u>\$ 334,119</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, 2010

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Supplies & Materials
	SUPPORTING SERVICES				
2700	District retirement	\$ 922,358	\$ 2,589,084	\$ -	\$ -
	<i>Total Supporting Services</i>	922,358	2,589,084	-	-
	OTHER USES				
5200	Interfund Transfers	-	-	-	-
6000	OPERATING CONTINGENCY	-	-	-	-
7000	ENDING BALANCE	-	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 922,358</u>	<u>\$ 2,589,084</u>	<u>\$ -</u>	<u>\$ -</u>

500 Capital Outlay	600 Other Objects	700 Transfers & Flow- through Payments	Actual Fund Total	Appropriations	Variance
\$ -	\$ -	\$ -	\$ 3,511,442		
-	-	-	3,511,442	\$ 4,001,167	\$ 489,725
-	-	-	-	1,000	1,000
-	-	-	-	2,513,222	2,513,222
-	-	5,276,758	5,276,758	1,938,692	(3,338,066)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,276,758</u>	<u>\$ 8,788,200</u>	<u>\$ 8,454,081</u>	<u>\$ (334,119)</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, 2010

<u>Code</u>	<u>Function</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	LOCAL REVENUE			
1500	Earnings on investments	\$ 46,638	\$ 84,642	\$ (38,004)
1990	Refunds and miscellaneous	30,751,331	32,658,595	(1,907,264)
1000	<i>Total Local Revenue</i>	30,797,969	32,743,237	(1,945,268)
	STATE REVENUE			
3990	Other revenue from State sources	79,163	-	79,163
	<i>Total Revenue</i>	30,877,132	32,743,237	(1,866,105)
	OTHER SOURCES			
5200	Interfund transfers	531,503	568,000	(36,497)
5400	FUND BALANCES, Beginning	9,416,200	10,083,618	(667,418)
6000	TOTAL RESOURCES	<u>\$ 40,824,835</u>	<u>\$ 43,394,855</u>	<u>\$ (2,570,020)</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, 2010

	<i>Function</i>	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Supplies & Materials
INSTRUCTION					
1121	Middle school (curricular)	\$ -	\$ -	\$ -	\$ -
	<i>Total Instruction</i>	-	-	-	-
SUPPORTING SERVICES					
2310	Board of directors	\$ -	\$ -	\$ 12,729	\$ -
2500	Business				
2520	Fiscal services	160	29,507,913	711,263	42,693
2540	Operation and maintenance	6,072	4,948	655	-
2600	Central				
2640	Staff services	448,238	220,753	29,061	10,953
2660	Technology services	3,404	1,392	3,842	-
2690	Claims	-	-	-	48,485
2700	District retirement	-	7,473	-	-
	<i>Total Supporting Services</i>	457,874	29,742,479	757,550	102,131
ENTERPRISE AND COMMUNITY SERVICES					
	<i>Total Enterprise and Community Services</i>	-	-	-	-
OTHER USES					
5200	Interfund transfers	-	-	-	-
FACILITIES ACQUISITION AND CONSTRUCTION					
	<i>Total Facilities Acquisition and Construction</i>	-	-	-	-
6000	CONTINGENCY	-	-	-	-
7000	ENDING BALANCE	-	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 457,874</u>	<u>\$ 29,742,479</u>	<u>\$ 757,550</u>	<u>\$ 102,131</u>

500 Capital Outlay	600 Other Objects	700 Transfers & Flow- through Payments	Actual Fund Total	Appropriations	Variance
\$ -	\$ -	\$ -	\$ -		
-	-	-	-	\$ 1,000	\$ 1,000
\$ -	\$ -	\$ -	\$ 12,729		
-	-	-	30,262,029		
-	-	-	11,675		
-	400	-	709,405		
-	-	-	8,638		
-	8,844	-	57,329		
-	-	-	7,473		
-	9,244	-	31,069,278	34,819,829	3,750,551
-	-	-	-	1,000	1,000
-	-	497,825	497,825	500,000	2,175
-	-	-	-	1,000	1,000
-	-	-	-	600,000	600,000
-	-	9,257,732	9,257,732	7,472,026	(1,785,706)
<u>\$ -</u>	<u>\$ 9,244</u>	<u>\$ 9,755,557</u>	<u>\$ 40,824,835</u>	<u>\$ 43,394,855</u>	<u>\$ 2,570,020</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, 2010

A. ENERGY BILLS FOR HEATING – ALL FUNDS

Expenditures for Electricity and Heating Fuel:

	<u>Objects 325 and 326</u>
Function 2548	\$ 2,305,175
Function 2551	29,236

A. REPLACEMENT OF EQUIPMENT - GENERAL FUND

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

Exclude these functions:

			<u>Amount</u>
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
			\$ 14,203

Statistical Section

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	103
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	110
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
Debt Capacity	116
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.	
Demographic and Economic Information	121
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Information	127
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.	

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									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	
ASSETS										
Cash and investments	\$ 73,961,174	\$ 81,077,923	\$ 95,736,164	\$ 104,463,528	\$ 108,043,786	\$ 84,820,548	\$ 111,541,154	\$ 126,535,793	\$ 58,304,585	
Receivables and inventories	12,728,951	15,573,558	11,995,589	13,483,019	2,029,802	2,129,262	2,229,050	2,396,689	2,372,040	
Pension assets	43,770,349	46,202,035	48,633,721	51,065,407	51,065,407	51,065,407	51,065,407	-	-	
Capital assets (net)	147,911,767	151,192,272	149,666,372	148,961,252	143,239,398	125,787,550	100,222,418	72,530,652	74,543,587	
Total Assets	278,372,241	294,045,788	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	34,373,469	34,872,936	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	172,893,813	185,142,146	192,576,026	199,961,017	213,064,818	174,645,214	183,039,752	136,910,291	73,069,487	
Total Liabilities	207,267,282	220,015,082	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	20,443,719	17,581,497	15,987,837	14,772,028	11,441,729	11,118,522	9,785,954	9,541,803	14,529,024	
Restricted	1,045,402	2,790,498	2,933,884	4,033,374	2,353,395	1,689,281	3,872,681	6,112,072	3,168,480	
Unrestricted	49,615,838	53,658,711	55,845,872	64,084,694	41,588,041	37,156,936	28,872,831	13,364,626	20,606,565	
Total Net Assets	\$ 71,104,959	\$ 74,030,706	\$ 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)

Governmental Activities	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	
Expenses										
Direct classroom services	\$ 101,930,051	\$ 103,102,339	\$ 102,821,704	\$ 99,067,887	\$ 90,369,299	\$ 80,955,925	\$ 79,250,460	\$ 79,791,432	\$ 79,436,014	
Classroom support	38,800,754	40,233,622	40,533,869	39,324,976	37,389,343	32,342,640	30,907,121	31,969,309	30,658,218	
Building support services	25,179,039	24,324,614	25,394,584	23,093,650	21,355,531	19,412,622	18,085,609	21,794,823	19,135,452	
Central support services	16,357,891	16,621,013	16,896,055	11,162,296	10,469,404	8,767,139	13,709,298	16,452,744	7,198,346	
Nutrition services	5,091,489	5,156,642	5,424,214	4,945,942	4,684,654	4,545,052	4,445,155	4,427,250	4,201,682	
Interest on long-term liabilities	7,679,671	10,374,493	9,025,104	9,179,263	9,309,771	7,697,004	6,115,395	4,614,932	5,068,755	
Total expenses	195,038,895	199,812,723	200,095,530	180,774,014	173,578,002	153,720,382	152,513,038	159,050,490	145,698,467	
Program revenues										
Charges for services										
Direct classroom services	469,124	515,627	720,467	1,006,531	1,238,072	1,084,038	652,257	761,854	799,458	
Classroom support	644,200	518,340	531,340	809,070	870,167	662,762	845,946	937,710	897,581	
Building support services	991,381	1,112,279	1,154,312	1,542,812	1,240,764	760,202	1,070,459	873,089	735,688	
Central support services	5,460,632	4,933,327	3,678,507	3,658,494	3,640,068	3,219,590	6,863,056	6,916,853	141,663	
Nutrition services	1,369,409	1,543,431	1,970,201	1,861,178	1,875,180	1,892,476	1,840,406	1,792,234	1,947,198	
Operating grants and contributions										
Direct classroom services	18,223,047	19,817,404	14,327,127	11,926,625	10,895,347	10,995,298	11,434,271	8,809,321	11,286,318	
Classroom support	10,714,126	10,062,775	10,747,607	15,142,838	15,315,990	13,691,325	12,562,596	9,931,376	8,795,754	
Building support services	5,741,338	4,609,784	4,530,411	4,739,184	4,145,315	3,531,705	3,743,808	2,971,586	2,972,266	
Central support services			93,171	38,375	83,074	184,548	132,811	11,271	70,672	
Nutrition services	3,353,276	3,014,490	2,729,384	2,634,819	2,239,429	2,300,888	2,322,563	2,138,748	1,778,928	
Capital grants and contributions										
Building support services	656,760	2,678,012	434,949	502,258	2,022,694	1,819,079	496,256	531,249	383,299	
Total program revenues	47,623,293	48,805,469	40,917,476	43,862,184	43,566,100	40,141,911	41,964,429	35,675,291	29,808,815	
Total governmental activities net expense	(147,415,602)	(151,007,254)	(159,178,054)	(136,911,830)	(130,011,902)	(113,578,471)	(110,548,609)	(123,375,199)	(115,889,652)	
General revenues										
Property taxes	83,267,030	82,545,519	76,571,114	75,243,972	69,204,217	60,626,025	56,740,907	56,838,117	49,091,805	
Federal aid not restricted to specific purposes	2,234,228	2,488,977	2,777,437	2,633,094	2,588,498	2,540,427	2,543,120	2,473,752	2,516,953	
State aid not restricted to specific purposes	55,263,895	62,864,883	66,810,401	68,077,308	59,374,071	52,681,908	62,926,660	52,222,259	60,451,626	
Earnings on investments	620,487	2,035,193	4,649,939	5,165,714	4,115,453	1,794,235	1,517,038	1,392,135	1,076,202	
Other federal and local sources	3,104,115	335,795	246,680	5,794,817	148,089	3,369,149	1,268,466	1,163,368	594,062	
Total general revenues	144,489,855	150,270,367	151,055,551	156,914,905	135,430,328	121,011,744	124,996,191	114,089,631	113,730,648	
Change in net assets	\$ (2,925,747)	\$ (736,887)	\$ (8,122,503)	\$ 20,003,075	\$ 5,418,426	\$ 7,433,273	\$ 14,447,582	\$ (9,285,568)	\$ (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									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
FUND BALANCES										
General Fund										
Unreserved	\$ 12,125,084	\$ 13,990,873	\$ 17,053,588	\$ 20,845,607	\$ 10,815,344	\$ 6,165,685	\$ 10,067,999	\$ 373,978	\$ 8,030,202	\$ 4,883,514
Total General Fund	<u>\$ 12,125,084</u>	<u>\$ 13,990,873</u>	<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>
All Other Governmental Funds										
Reserved	\$ 12,751,242	\$ 16,689,036	\$ 21,081,040	\$ 28,019,482	\$ 37,226,200	\$ 12,097,145	\$ 45,895,838	\$ 79,846,930	\$ 7,105,350	\$ 4,901,625
Unreserved, reported in:										
Capital Projects Fund	10,988,084	10,811,559	12,531,376	13,782,621	8,127,796	7,108,271	3,313,841	2,880,521	2,367,403	7,559,875
Special Revenue Funds	17,935,636	19,503,208	19,664,365	20,297,170	21,398,516	23,552,024	16,800,894	11,915,685	11,006,914	11,972,478
Total all Other Governmental Funds	<u>\$ 41,654,962</u>	<u>\$ 47,003,803</u>	<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>

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									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
REVENUES										
Local sources	\$ 104,651,423	\$ 104,911,703	\$ 101,126,216	\$ 107,757,019	\$ 101,240,156	\$ 88,649,140	\$ 82,679,828	\$ 74,750,684	\$ 64,452,195	\$ 68,141,096
Intermediate sources	213,036	244,349	159,545	445,910	610,488	1,056,643	755,269	714,998	614,387	446,926
State sources	63,501,859	74,432,133	77,778,621	74,562,394	64,936,210	58,487,376	67,929,728	56,643,831	68,288,464	70,434,064
Federal sources	24,229,048	20,508,435	16,140,160	16,873,156	15,882,855	14,515,572	14,477,800	14,798,904	13,541,047	10,240,356
Total Revenues	192,595,366	200,096,620	195,204,542	199,638,479	182,669,689	162,708,731	165,842,625	146,908,417	146,896,093	149,262,442
EXPENDITURES										
Current										
Instruction	105,671,797	107,441,707	106,988,926	98,248,573	94,408,695	85,235,899	82,251,079	83,301,511	82,296,952	81,208,749
Supporting services	64,516,801	67,457,790	67,933,961	64,577,675	60,775,241	53,970,390	102,574,390	52,856,211	50,523,946	48,473,930
Community services	5,747,364	5,913,925	6,047,451	5,620,404	5,263,602	5,108,995	4,815,505	4,865,236	4,706,549	4,390,166
Facilities acquisition and construction	36,579	-	-	2,931	-	-	-	2,308,664	-	397,778
Debt service										
Principal	10,792,290	9,425,158	7,689,789	7,048,490	7,016,990	6,670,381	5,881,784	3,952,550	4,134,278	5,200,757
Interest	8,786,255	8,703,658	10,767,967	11,251,596	8,853,157	8,488,767	7,126,550	3,087,132	3,369,559	3,559,146
Refunding bonds issuance costs	-	223,320	-	-	-	-	-	157,088	60,598	-
Capital outlay	7,217,973	11,743,236	9,890,891	14,287,800	26,797,974	33,283,020	36,434,432	4,412,047	3,309,661	8,156,481
Total Expenditures	202,749,059	210,908,794	209,318,985	201,037,469	203,115,659	192,757,452	239,083,740	154,940,439	148,401,543	151,377,007
REVENUES OVER (UNDER) EXPENDITURES	(10,153,693)	(10,812,174)	(14,114,443)	(1,398,990)	(20,445,970)	(30,048,720)	(73,241,115)	(8,032,022)	(1,505,450)	(2,114,566)
OTHER FINANCING SOURCES (USES)										
Transfers in	2,097,401	3,246,510	6,018,811	8,828,064	6,795,051	8,705,438	6,665,968	2,807,934	1,763,187	1,437,541
Transfers out	(2,131,079)	(3,311,453)	(5,296,514)	(8,551,078)	(7,113,099)	(8,884,487)	(6,978,519)	(2,870,898)	(1,731,187)	(1,437,541)
Construction bonds issued	-	-	-	-	46,000,000	-	-	70,000,000	-	-
Bond premium (discount)	-	-	-	-	964,027	-	-	3,063,658	1,072,310	-
Pension bonds issued	-	-	-	-	-	-	53,435,000	-	-	-
Refunding bonds issued	-	51,247,038	-	-	-	-	-	17,630,000	21,035,000	-
Payment to refunded bond escrow agent	-	(51,018,536)	-	-	-	-	-	(17,591,048)	(22,045,412)	-
Capital leases	645,136	1,312,720	779,635	1,179,526	1,241,633	-	169,266	1,350,352	573,429	-
Sale of capital assets	1,380,450	-	-	5,271,907	30,000	3,072,323	1,010,858	149,068	30,500	50,000
Insurance recoveries	947,357	-	-	47,595	1,173,089	-	-	-	-	-
Total Other Financing Sources (Uses)	2,939,265	1,476,279	1,499,932	6,776,014	49,090,701	2,893,274	54,302,573	74,539,266	697,827	50,000
NET CHANGE IN FUND BALANCES	(7,214,428)	(9,335,895)	(12,614,511)	5,377,024	28,644,731	(27,155,447)	(18,938,542)	66,507,244	(807,623)	(2,064,565)
FUND BALANCES, Beginning of year	60,994,474	70,330,369	82,944,880	77,567,856	48,923,125	76,078,572	95,017,114	28,509,870	29,317,492	31,382,057
FUND BALANCES, End of year	\$ 53,780,046	\$ 60,994,474	\$ 70,330,369	\$ 82,944,880	\$ 77,567,856	\$ 48,923,125	\$ 76,078,572	\$ 95,017,114	\$ 28,509,869	(1) \$ 29,317,492
Debt service as a percentage of noncapital expenditures	10.0%	9.1% ⁽²⁾	9.3%	9.8%	8.7%	9.2%	6.3%	4.7%	5.7%	6.0%

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

⁽²⁾ Restated.

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
2010	\$ 195,038,895	\$ 69,899,822	\$ 32,030,229	\$ 7,622,882	\$ 9,673,765	\$ 7,871,977	\$ 12,743,090	\$ 889,040
2009	199,812,723	72,672,924	30,429,415	7,188,363	10,589,123	8,346,919	13,229,656	879,561
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*

Building Support Services				Central Support Services						
Facilities Operation and Maint- enance	Student Transpor- tation	Computing and Information Services	Warehouse and Purchasing	Executive Adminis- tration	Financial Services	Human Resources/ Employee Insurance Benefits	District Retirement ⁽²⁾	Communi- cations and Intergov- ernmental Relations	Nutrition Services	Interest on Long-term Liabilities
\$ 13,218,800	\$ 6,781,067	\$ 4,695,410	\$ 483,762	\$ 900,836	\$ 1,523,279	\$ 7,739,972	\$ 5,662,659	\$ 531,145	\$ 5,091,489	\$ 7,679,671
13,040,261	6,569,960	4,215,762	498,631	1,381,942	1,831,784	6,567,715	6,265,746	573,826	5,156,642	10,374,493
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
2010	\$ 142,166,287	\$ 68,620,232	\$ 426,344	\$ 3,376,928
2009	148,963,517	65,236,044	1,240,044	3,075,285
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

*Source: Schedule 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
\$ 53,545,917	\$ 1,666,545	\$ 5,462,238	\$ 976,187	\$ 213,036	\$ 6,910,860	\$ 968,000
60,102,338	1,304,229	4,340,404	6,494,805	244,349	5,949,385	976,634
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

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
2010	\$ 144,031,876	\$ 87,340,570	\$ 8,020,213	\$ 4,266,328	\$ 868,289	\$ 11,905,845
2009	152,026,432	91,212,826	8,726,094	5,373,745	1,359,760	12,490,948
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

*Source: Schedule 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
\$ 21,099,158	\$ 6,115,181	\$ 2,500,000	\$ 285,213	\$ -	\$ 1,631,079
21,216,355	5,696,921	2,892,639	245,691	-	2,811,453
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

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

Year Ended June 30 ⁽¹⁾	Taxable Assessed Value ⁽²⁾	Percent Change	Total Levy ⁽³⁾	Percent Change	Tax Rate per \$1,000 ⁽⁴⁾	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years and Adjustments	Total Collections and Adjustments to Date	
						Amount	Percent Collected Year of Levy ⁽⁴⁾		Amount	Percent Collected 06/30/2010 ⁽⁴⁾
2010	\$ 11,674,870,928	4.30 %	\$ 85,457,917	3.02 %	7.3196	\$ 79,813,001	96.57 %	\$ -	\$ 82,526,466	96.57 %
2009	11,193,424,874	3.14	82,950,341	3.87	7.4105	75,890,390	98.51	5,825,327	81,715,717	98.51
2008	10,852,594,702	5.55	79,859,440	3.20	7.3584	74,777,925	93.64	4,527,984	79,305,909	99.31
2007	10,281,818,660	4.28	77,379,818	8.56	7.5257	73,242,886	94.65	3,949,407	77,192,293	99.76
2006	9,859,887,317	3.97	71,281,365	13.93	7.2295	67,364,563	94.51	3,850,980	71,215,543	99.91
2005	9,483,125,975	4.49	62,568,429	8.03	6.5871	58,765,673	93.92	3,752,545	62,518,218	99.92
2004	9,075,796,054	3.97	57,918,849	(1.30)	6.3818	54,417,169	93.95	3,459,193	57,876,362	99.93
2003	8,729,173,782	3.08	58,679,866	15.68	6.7224	54,558,438	92.98	4,070,104	58,628,542	99.91
2002	8,468,375,012	10.69	50,725,954	0.94	5.9901	46,577,634	91.82	4,104,855	50,682,489	99.91
2001	7,650,861,479	6.28	50,255,047	17.93	6.5680	46,599,690	92.73	3,619,022	50,218,712	99.93

⁽¹⁾Includes Local Option Levy.

⁽²⁾These figures represent assessed values for Lane and Linn Counties after removal of certain offsets, including the value of urban renewal areas.

⁽³⁾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.

⁽⁴⁾Tax rates and percent collected are for Lane County only. Tax rates reflect post-Measure 5 compression amounts.

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 113.

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>
2010	\$ 4.7485	\$ 1.5000	\$ 1.3929	\$ 7.6414
2009	4.7485	1.5000	1.3757	7.6242
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

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>2009-2010</u>	<u>2008-2009</u>	<u>2007-2008</u>	<u>2006-2007</u>	<u>2005-2006</u>
GENERAL FUND					
Levy extended by Assessor	<u>\$ 69,076,852</u>	<u>\$ 67,433,941</u>	<u>\$ 65,196,549</u>	<u>\$ 60,855,183</u>	<u>\$ 57,369,015</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	\$ 66,621,682	\$ 63,603,885	\$ 63,256,929	\$ 59,279,706	\$ 55,897,134
1st year prior	2,792,548	1,093,583	828,632	899,896	999,151
2nd year prior	382,922	311,836	241,694	243,724	338,955
3rd year prior	187,743	168,833	147,589	161,223	235,825
4th year prior	96,573	88,995	69,845	89,160	100,120
5th and prior years	<u>108,877</u>	<u>33,051</u>	<u>64,278</u>	<u>23,009</u>	<u>35,452</u>
Total Prior	<u>3,568,663</u>	<u>1,696,298</u>	<u>1,352,038</u>	<u>1,417,012</u>	<u>1,709,503</u>
Total General Fund	<u>\$ 70,190,345</u>	<u>\$ 65,300,183</u>	<u>\$ 64,608,967</u>	<u>\$ 60,696,718</u>	<u>\$ 57,606,637</u>
DEBT SERVICE FUND					
Levy extended by Assessor	<u>\$ 16,381,066</u>	<u>\$ 15,516,400</u>	<u>\$ 14,662,891</u>	<u>\$ 16,524,635</u>	<u>\$ 13,912,350</u>
Tax rate per \$1,000 assessed value	<u>\$ 1.39</u>	<u>\$ 1.38</u>	<u>\$ 1.34</u>	<u>\$ 1.61</u>	<u>\$ 1.40</u>
Reduction of taxes receivable ⁽¹⁾					
Current year	\$ 15,819,130	\$ 14,660,649	\$ 14,251,334	\$ 16,125,607	\$ 13,577,001
1st year prior	624,800	226,194	225,016	201,849	166,311
2nd year prior	83,727	82,947	58,612	45,362	62,445
3rd year prior	51,017	42,515	27,804	31,126	65,048
4th year prior	19,526	14,037	13,671	23,544	13,948
5th and prior years	<u>6,290</u>	<u>6,896</u>	<u>5,520</u>	<u>3,840</u>	<u>6,958</u>
Total prior	<u>\$ 785,360</u>	<u>\$ 372,589</u>	<u>\$ 330,623</u>	<u>\$ 305,721</u>	<u>\$ 314,710</u>
Total Debt Service Fund	<u>\$ 16,604,490</u>	<u>\$ 15,033,238</u>	<u>\$ 14,581,957</u>	<u>\$ 16,431,328</u>	<u>\$ 13,891,711</u>

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

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

<u>2004-2005</u>	<u>2003-2004</u>	<u>2002-2003</u>	<u>2001-2002</u>	<u>2000-2001</u>
<u>\$ 52,650,371</u>	<u>\$ 48,437,891</u>	<u>\$ 45,697,027</u>	<u>\$ 44,522,869</u>	<u>\$ 41,694,498</u>
<u>\$ 6.25</u>	<u>\$ 6.25</u>	<u>\$ 6.25</u>	<u>\$ 6.25</u>	<u>\$ 6.25</u>
\$ 52,016,649	\$ 46,843,389	\$ 43,908,558	\$ 42,603,648	\$ 39,804,901
960,780	1,015,071	1,152,962	1,067,838	981,743
389,730	402,457	408,567	332,262	331,743
201,048	239,485	196,029	153,873	187,912
112,178	102,693	102,483	72,516	108,453
21,885	53,981	34,577	19,740	8,934
<u>1,685,621</u>	<u>1,813,687</u>	<u>1,894,618</u>	<u>1,646,229</u>	<u>1,618,785</u>
<u>\$ 53,702,270</u>	<u>\$ 48,657,076</u>	<u>\$ 45,803,176</u>	<u>\$ 44,249,877</u>	<u>\$ 41,423,686</u>
<u>\$ 9,918,059</u>	<u>\$ 9,480,958</u>	<u>\$ 12,982,839</u>	<u>\$ 6,203,085</u>	<u>\$ 8,560,549</u>
<u>\$ 1.05</u>	<u>\$ 1.04</u>	<u>\$ 1.48</u>	<u>\$ 0.73</u>	<u>\$ 1.12</u>
\$ 9,799,749	\$ 9,196,475	\$ 12,510,454	\$ 5,936,286	\$ 8,173,367
166,173	262,610	160,041	218,393	202,141
104,723	56,072	83,919	86,152	64,631
28,011	49,191	50,828	36,681	44,075
23,041	26,627	24,432	22,363	27,904
4,212	13,622	3,630	3,152	1,860
<u>\$ 326,160</u>	<u>\$ 408,122</u>	<u>\$ 322,850</u>	<u>\$ 366,741</u>	<u>\$ 340,611</u>
<u>\$ 10,125,909</u>	<u>\$ 9,604,597</u>	<u>\$ 12,833,304</u>	<u>\$ 6,303,027</u>	<u>\$ 8,513,978</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)							Add: Non- Profit Housing	Less: Urban Renewal Excess	Total Net Assessed Value	Total Direct Tax Rate	Amount Tax Rate will Raise	Less: Reductions and Adjustments	Total Taxes Imposed Net Levy
	Real Property	Personal Property	Manufactured Structure	Public Utility	Total Assessed Value	Profit Housing	Less: Urban Renewal Excess							
2010	\$ 11,075,193	\$ 371,475	\$ 51,055	\$ 244,759	\$ 11,742,482	\$ 8,794	\$ 187,081	\$ 11,564,195	\$ 7,3899	\$ 89,551	\$ 4,093	\$ 85,458		
2009	10,746,643	400,726	57,081	192,877	11,397,327	8,538	212,440	11,193,425	7,4106	85,683	2,733	82,950		
2008	10,416,221	384,883	56,134	200,093	11,057,331	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	10,461,331	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	10,033,089	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	9,668,600	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	9,245,197	-	169,401	9,075,796	6,3817	66,192	8,273	57,919		
2003	8,284,951	315,680	51,533	236,327	8,888,491	7,317	166,634	8,729,174	6,7223	67,528	8,849	58,680		
2002 ⁽¹⁾	7,992,009	317,471	54,419	244,254	8,608,153	7,104	153,815	8,461,442	5,9901	59,069	8,385	50,685		
2001 ⁽¹⁾	7,233,616	291,798	51,005	211,243	7,787,663	-	143,477	7,644,185	6,5680	56,318	6,111	50,207		

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 2001-2002 Assessed Value by Property Type are Lane County only.

Source:

FY 2001-2002: Lane County Department of Assessment and Taxation.

FY 2003-2010: 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

<u>Year Ended June 30</u>	<u>General Fund Budget</u>	<u>General Fund Levy</u>	<u>Percentage of Levy to Budget</u>
2010	\$ 148,631,000	\$ 69,076,852	46.48 %
2009	168,681,634	67,433,941	39.98
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

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)

	% within School District ⁽²⁾	2009-2010	2008-2009	2007-2008	2006-2007
Bailey-Spencer RFPD	100.00 %	\$ 2.39	\$ 2.39	\$ 2.39	\$ 2.39
City of Coburg	100.00	5.50	5.48	5.49	5.38
City of Eugene	81.56	8.32	7.73	7.89	8.79
City of Springfield	10.03	7.13	7.19	6.13	6.12
Coburg RFPD	92.96	1.37	1.37	1.39	1.65
Creswell RFPD	N/A	N/A	N/A	N/A	N/A
Eugene Urban Renewal Downtown	81.56	0.24	0.25	0.26	0.26
Emerald PUD	9.86	-	-	-	-
Eugene RFPD #1	99.63	2.00	2.00	2.54	2.54
Glenwood Water	99.98	3.85	3.85	3.89	4.14
Glenwood Urban Development	10.65	0.31	0.43	0.41	0.33
Goshen RFPD	14.61	1.72	1.72	1.72	1.72
Junction City Water Control	2.62	0.29	0.30	0.31	0.31
Lane Rural Fire/Rescue	3.19	2.12	2.12	2.12	2.12
Lane County	46.34	1.40	1.40	1.40	1.41
Lane County Fire District 1	21.88	1.98	1.98	1.98	1.98
Lane County Metro Waste Water	-	-	-	-	-
Lane ESD	46.51	0.22	0.22	0.22	0.22
Lane Community College	46.43	0.85	0.87	0.83	0.85
LeBleu Road	100.00	-	-	-	-
Linn County	0.12	7.64	7.62	7.59	7.84
Mohawk Valley RFPD	1.96	1.91	2.41	2.41	2.48
Rainbow Water & Fire District	2.25	3.62	3.73	3.73	3.15
River Road Park & Recreation	98.12	3.90	3.46	3.48	3.48
River Road Water Subdistrict #1	2.32	0.28	0.28	0.28	0.28
River Road Water	98.05	1.97	1.97	1.97	1.97
Santa Clara RFPD	98.43	1.04	1.04	1.04	1.04
Santa Clara Water District	85.31	-	-	-	-
South Lane County Fire & Rescue	0.02	1.03	1.03	1.03	1.03
Springfield Economic Development Agency	11.24	-	-	-	-
Willakenzie RFPD	53.51	3.07	3.07	3.07	3.07
Willamalane Park & Rec	11.41	2.01	2.15	2.15	2.18
Zumwalt Fire	81.85	2.34	2.34	2.34	2.34

⁽¹⁾ Gross tax rate before Measure 5 limitations applied

⁽²⁾ Percentage within School District is provided by Lane County Department of Assessment and Taxation and is calculated as the portion of taxable value that is within the District's boundaries divided by each overlapping Government's total taxable value

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

<i>2005-2006</i>	<i>2004-2005</i>	<i>2003-2004</i>	<i>2002-2003</i>	<i>2001-2002</i>	<i>2000-2001</i>
\$ 2.39	\$ 2.39	\$ 2.39	\$ 2.39	\$ 2.39	\$ 2.39
5.54	5.48	5.44	3.75	3.75	3.75
8.90	9.28	9.22	8.41	8.18	8.19
6.10	6.15	6.17	5.15	5.17	5.18
1.73	1.78	1.78	1.33	1.33	1.40
N/A	N/A	N/A	1.02	1.02	1.02
0.26	-	-	-	-	-
-	-	-	-	-	-
2.54	1.72	2.54	2.54	2.54	2.54
4.14	4.14	3.19	1.90	4.14	2.87
0.18	-	-	-	-	-
1.72	1.72	1.72	1.72	1.72	1.72
0.29	0.32	0.34	0.32	0.35	0.36
2.12	2.12	2.12	2.12	2.12	2.12
1.41	1.41	1.43	1.44	1.44	1.44
1.98	1.98	1.98	1.98	1.98	1.98
-	-	-	-	0.05	0.05
0.22	0.22	0.22	0.22	0.22	0.22
0.88	0.89	0.86	0.88	0.86	0.87
-	-	-	-	-	-
7.65	7.28	7.29	7.73	6.98	7.37
2.55	2.51	2.56	2.68	2.89	2.83
3.18	3.21	3.25	3.10	3.12	3.16
3.50	3.06	3.45	3.52	3.53	3.53
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	1.03	1.03	N/A	N/A	N/A
-	-	-	-	-	-
3.07	3.07	3.07	1.88	2.84	1.72
2.33	2.33	2.35	2.42	2.38	2.44
2.34	2.34	2.34	2.34	2.34	2.12

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2010

Overlapping Issuer	Net Property-tax Backed Debt ⁽¹⁾	Percentage Within School District ⁽²⁾	Overlapping Debt ⁽³⁾
River Road Park & Recreation District	\$ 725,000	98.03 %	\$ 710,689
Coburg RFPD	453,333	93.39	423,376
City of Eugene	38,705,000	82.45	31,913,124
Lane ESD	7,890,000	47.98	3,785,993
Lane County	40,870,000	47.82	19,542,563
Lane Community College	41,015,000	47.25	19,378,234
City of Springfield	29,975,000	19.44	5,825,791
Harrisburg Rural Fire Protection District	200,000	3.54	7,084
Junction City Water Control District	263,221	2.20	5,795
Total			81,592,649
Direct District net property-tax backed debt			174,105,000
Total direct and overlapping debt			\$ 255,697,649

(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 within School District is provided by the Municipal Debt Advisory Commission and is calculated as the portion of another overlapping issuer's real market value that is within the District's boundaries divided by each issuer's total real market value.

(3) The overlapping debt is the issuer's Net Property-tax Backed Debt times the percentage of taxable value within the District's boundaries.

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 2010

Real Market Value		<u>\$ 20,140,136</u>
Debt Limit (7.95%) ⁽¹⁾		\$ 1,601,141
Amount of Debt Applicable to Debt Limit:		
General Obligation Bonded Debt	121,695	
Less: Amount Available in Debt Service Funds	<u>11,071</u>	
Amount of Debt Applicable to Debt Limit		<u>110,624</u>
Legal Debt Margin		<u>\$ 1,490,517</u>

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Debt limit	\$ 1,601,141	\$ 1,692,305	\$ 1,591,775	\$ 1,402,753	\$ 1,149,304	\$ 1,020,733	\$ 922,233	\$ 875,483	\$ 888,143	\$ 880,210
Total net debt applicable to limit	<u>110,624</u>	<u>120,130</u>	<u>130,252</u>	<u>136,731</u>	<u>153,165</u>	<u>113,294</u>	<u>119,685</u>	<u>124,372</u>	<u>57,235</u>	<u>61,162</u>
Legal debt margin	<u>\$ 1,490,517</u>	<u>\$ 1,572,176</u>	<u>\$ 1,461,523</u>	<u>\$ 1,266,022</u>	<u>\$ 996,139</u>	<u>\$ 907,439</u>	<u>\$ 802,549</u>	<u>\$ 751,111</u>	<u>\$ 830,909</u>	<u>\$ 819,048</u>

Total net debt applicable to the limit as a percentage of debt limit	6.91%	7.10%	8.18%	9.75%	13.33%	11.10%	12.98%	14.21%	6.44%	6.95%
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⁽¹⁾ ORS 328.245 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	<u>7.95%</u>

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
2010	\$ 9,560,000	\$ 5,794,765	\$ 15,354,765	\$ 144,031,876	0.1066
2009	8,515,000	5,737,129	14,252,129	152,179,562	0.0937
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

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⁽¹⁾	Assessed Valuation	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita	Net Bonded Debt Per Student
2010	147,752	16,027	\$ 11,674,870,928	\$ 121,695,000	0.0104	\$ 824	\$ 7,593
2009	146,945	⁽²⁾ 16,104	11,193,424,874	131,255,000	0.0117	893 ⁽²⁾	8,150
2008	146,411	⁽²⁾ 16,192	10,852,594,702	139,829,999	0.0129	955 ⁽²⁾	8,636
2007	145,216	⁽²⁾ 16,476	10,281,818,660	146,638,929	0.0143	1,010 ⁽²⁾	8,900
2006	143,957	⁽²⁾ 16,746	9,859,887,317	153,164,719	0.0155	1,064 ⁽²⁾	9,146
2005	142,501	⁽²⁾ 16,984	9,483,125,975	113,294,150	0.0119	795 ⁽²⁾	6,671
2004	140,327	⁽²⁾ 17,105	9,075,796,054	119,684,627	0.0132	853 ⁽²⁾	6,997
2003	138,985	⁽²⁾ 17,379	8,729,173,782	124,371,933	0.0142	895 ⁽²⁾	7,156
2002	137,928	⁽²⁾ 17,310	8,468,375,012	57,234,925	0.0068	415 ⁽²⁾	3,306
2001	136,485	⁽²⁾ 17,339	7,650,861,479	61,162,096	0.0080	448 ⁽²⁾	3,515

⁽¹⁾Excludes district sponsored public charter schools and alternative education providers.
704 ADM were excluded from the 2010 count.

⁽²⁾Revised

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

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

<i>Fiscal Year</i>	<i>Governmental Activities</i>			<i>Total Primary Government</i>	<i>Percentage of Personal Income ⁽¹⁾</i>	<i>Per Capita ⁽¹⁾</i>	<i>Per Student ⁽²⁾</i>
	<i>General Obligation Bonds</i>	<i>Pension Bonds</i>	<i>Capital Leases</i>				
2010	\$ 121,695,000	\$ 52,410,000	\$ 3,223,243	\$ 177,328,243	1.539%	\$ 1,200	\$ 10,936
2009	131,255,000	52,895,000	3,325,396	187,475,396	1.613%	1,276 ⁽³⁾	11,642
2008	139,830,000	53,235,000	2,582,834	195,647,834	1.734%	1,336 ⁽³⁾	12,083
2007	146,638,929	53,435,000	2,484,059	202,557,988	1.932%	1,395 ⁽³⁾	12,294
2006	153,164,719	53,435,000	1,827,233	208,426,952	2.094%	1,448 ⁽³⁾	12,446
2005	113,294,150	53,435,000	1,473,159	168,202,309	1.792%	1,180 ⁽³⁾	9,904
2004	119,684,627	53,435,000	1,753,062	174,872,689	1.982%	1,246 ⁽³⁾	10,223
2003	124,371,931	-	2,793,123	127,165,054	1.470%	915 ⁽³⁾	7,317
2002	57,234,924	-	1,707,329	58,942,253	0.702%	427 ⁽³⁾	3,405
2001	61,162,096	-	1,396,006	62,558,102	0.760%	458 ⁽³⁾	3,608

Source:

⁽¹⁾ See page 119 for estimated district population data and 122 for personal income data. These ratios are calculated using personal income for the prior calendar year.

⁽²⁾ See page 127 for average daily membership data.

⁽³⁾ Reflects revised estimated district population data on page 119.

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 ⁽¹⁾	Percent Change	Area (Square Miles)	Average Density Persons/Square Mile	Estimated Population ⁽¹⁾	Percent Change	Estimated Population ⁽¹⁾	Percent Change
2010	157,100	1.60 %	40.5	3,879	348,550	0.25 %	3,844,195	0.54 %
2009	154,620	3.77	40.5	3,818	347,690	0.52	3,823,465	0.85
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	1.40	41.5	3,387	325,900	0.91	3,471,700	1.47
2001	138,615	1.56	41.5	3,340	322,959	2.30	3,421,399	3.17

Source: Lane Council of Governments

Portland State University Center for Population Research and Census

⁽¹⁾ Based on preliminary estimates by Population Research Center as of November 15, 2010

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
2009	351,109	\$ 11,525,524	\$ 32,826	11.9%
2008	345,880	11,594,589	33,522	6.6
2007	343,140	11,284,845	32,887	5.3
2006	339,740	10,483,145	31,364	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

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, 2010

Name	2010			2001		
	2009-10 Assessed Valuation	Rank ⁽¹⁾	Percentage of District Total Assessed Value	2000-2001 Assessed Valuation	Rank	Percentage of District Total Assessed Value
Hynix Semiconductor Mfg	\$ 258,542,806	1	2.22 %			
PeaceHealth	449,885,648	2	3.86			
Valley River Center	99,460,548	3	0.85	\$ 140,832,962	2	1.84 %
Symantec Corporation	77,524,843	4	0.66			
Comcast Corporation	81,044,100	5	0.69			
Qwest Corp	69,285,200	6	0.59			
McKay Investment Company	48,079,548	7	0.41	28,514,670	7	0.37
Northwest Natural Gas Co	48,669,300	8	0.42	48,049,372	6	0.63
Molecular Probes Inc	38,586,997	9	0.33			
Workhorse International Holding Co	43,413,770	10	0.37			
HMT Technology Group				127,702,780	3	1.67
Guard Publishing Co				57,500,944	4	0.75
U.S. West Communications				202,896,094	1	2.65
Simpson Housing Ltd Partnership				50,838,480	5	0.66
Boulders on the River, Inc.				29,504,810	8	0.39
Kinder Morgan Energy Partner				30,738,068	9	0.40
Patriot American/Valley River Inn				27,019,736	10	0.35
Total Major Taxpayers	1,214,492,760		10.40	743,597,916		9.71
Other	10,451,082,072		89.60	6,907,263,563		90.29
Total All Taxpayers	\$ 11,665,574,832		100.00 %	\$ 7,650,861,479		100.00 %

⁽¹⁾ Ranking is based on amount of tax and not assessed valuation

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, 2010

<u>Company</u>	<u>2010</u>			<u>2001</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>
University of Oregon	4,000	1	3.00 %	3,600 ²	2	2.62 %
PeaceHealth Corporation	3,400 ¹	2	2.55	3,752	1	2.73
City of Eugene	2,200	3	1.65	1,390	5	1.01
Lane County School District 4J	2,025 ³	4	1.52	2,328 ³	3	1.69
Lane Community College	2,000 ²	5	1.50	1,335 ²	6	0.97
U.S. Government	1,800	6	1.35	2,134	4	1.55
Lane County	1,462	7	1.10	1,323	7	0.96
Springfield School District	1,406	8	1.05	NA	-	NA
State of Oregon	1,100	9	0.82	886	8	0.64
McKenzie-Willamette Medical Ctr	750	10	0.56	NA	-	NA
Symantec	NA	-	NA	616	9	0.45
Eugene Water & Electric Board	NA	-	NA	464	10	0.34
<i>Total Major Employers</i>	20,143		15.10	17,828		12.96
<i>Other</i>	113,280		84.90	119,746		87.04
<i>Total All Employers</i>	133,423 ⁴		100.00 %	137,574		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 employees.

⁴ Bureau of Labor Statistics March 2010 preliminary total.

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>
2009	11.9 %	11.1 %	9.3 %
2008	6.7 ⁽¹⁾	6.5 ⁽¹⁾	5.8
2007	5.2	5.1	4.6
2006	5.4	5.3	4.6
2005	6.2	6.2	5.1
2004	7.3	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

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)
2010	\$ 11,665,574	523	\$ 37,907	755	\$ 62,531	\$ 2,833,992
2009	11,184,444	585	67,635	746	47,182	2,799,212
2008	10,843,906	751	74,606	1,005	68,984	2,618,900
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

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

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

* 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) ⁽¹⁾	Total		Government- wide		Total General Fund Expenditures ⁽⁶⁾	General Fund		General Fund		General Fund	
		Government- wide Expenses ⁽⁴⁾	Expenses ⁽⁴⁾	Per Pupil (ADM) ⁽⁴⁾	Expenses ⁽⁶⁾		Instruction Expenditures ⁽⁶⁾	Other Expenditures ⁽⁶⁾	Instruction Expenditures ⁽⁶⁾	Other Expenditures ⁽⁶⁾	Per Pupil (ADM)	Per Pupil (ADM)
2010	16,569	\$ 195,038,895	\$ 11,771	\$ 142,400,797	\$ 8,594	\$ 87,340,570	\$ 5,271	\$ 55,060,227	\$ 3,323			
2009	16,812 ⁽²⁾	199,812,723	11,885	149,214,979	8,876	91,212,826	5,425	58,002,153	3,450			
2008	16,998 ⁽³⁾	200,095,530	11,772	147,208,921	8,660	89,703,733	5,277	57,505,188	3,383			
2007	17,282 ⁽³⁾	180,774,014	10,460	127,625,737	7,385	77,881,307	4,506	49,744,430	2,878			
2006	17,563 ⁽³⁾	173,578,002	9,883	121,263,357	6,904	74,996,549	4,270	46,266,808	2,634			
2005	17,570	153,720,382	8,749	117,947,267	6,713	67,787,367	3,858	50,159,900	2,855			
2004	17,709	152,513,038	8,612	111,124,327	6,275	65,170,109	3,680	45,954,218	2,595			
2003	17,964 ⁽³⁾	159,050,490	8,854	114,067,614	6,350	69,308,489	3,858	44,759,125	2,492			
2002	17,908	151,398,575	8,454	113,249,461	6,324	69,436,074	3,877	43,813,387	2,447			
2001	17,783	n/a	n/a	111,322,083	6,260	69,676,116	3,918	41,645,967	2,342			

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

⁽²⁾ Revised in 2010 to reflect final numbers for fiscal year.

⁽³⁾ Revised in 2009 to reflect final numbers for fiscal year.

⁽⁴⁾ Reporting of Government-wide expenses began in fiscal year 2002. Over time, ten fiscal years will be presented.

⁽⁵⁾ Budgetary basis.

Sources: State of Oregon Department of Education
Statement of Activities
Schedule 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									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	
Direct classroom services										
Regular instruction	767.2	789.2	792.6	776.1	775.6	778.6	767.2	770.9	811.6	
Special programs	380.1	350.6	347.0	345.3	338.6	317.9	307.4	288.5	291.1	
Total direct classroom services	1,147.3	1,139.8	1,139.6	1,121.4	1,114.2	1,096.5	1,074.6	1,059.4	1,102.7	
Classroom support services										
Extra-curricular activities	5.9	6.2	7.5	6.0	6.4	5.4	4.3	3.7	4.0	
Student support	110.1	122.7	122.2	122.9	120.7	107.6	107.4	103.5	105.1	
Libraries, curriculum and staff development	59.5	62.6	68.5	65.5	60.1	57.3	51.1	50.5	49.7	
School administration	134.2	143.0	139.8	150.3	152.1	143.8	145.0	145.4	150.6	
Community services	10.0	9.9	11.5	12.3	10.7	9.6	9.1	10.7	12.5	
Total classroom support services	319.7	344.4	349.5	357.0	350.0	323.7	316.9	313.8	321.9	
Building support services										
Facilities operation and maintenance	154.1	159.2	152.8	145.2	158.5	150.5	153.1	153.8	162.2	
Student transportation	79.4	85.1	71.1	63.3	59.6	62.6	58.4	57.8	59.6	
Computing and information services	41.5	33.6	30.4	20.7	21.2	21.2	18.7	19.3	22.0	
Warehouse and purchasing	5.7	6.0	7.3	6.3	6.5	5.5	6.5	6.5	7.0	
Total building support services	280.7	283.9	261.6	235.5	245.8	239.8	236.7	237.4	250.8	
Central support services										
Executive administration	4.3	7.8	7.2	6.1	4.7	2.5	2.5	4.0	5.8	
Financial services	15.9	15.9	13.9	14.8	14.8	14.4	14.0	14.0	15.5	
Human resources/employee insurance benefits	17.6	18.2	18.9	25.0	19.6	19.3	18.0	20.3	22.2	
Communications and intergovernmental relations	3.2	3.1	3.0	3.0	3.2	3.2	3.1	3	2	
Total central support services	41.0	45.0	43.0	48.9	42.3	39.4	37.6	41.3	45.5	
Nutrition services	72.1	68.0	71.6	72.1	73.7	75.1	74.8	69.9	65.4	
Total employees	1,860.8	1,881.1	1,865.3	1,834.9	1,826.0	1,774.5	1,740.6	1,721.8	1,786.3	
Licensed Staff	962.9	976.4	969.4	951.5	959.3	931.1	919.2	915.8	952.1	
Classified Staff	791.5	789.8	784.3	772.3	754.7	735.5	715.8	699.9	730.6	
Professional Staff	24.3	26.3	25.2	23.2	22.5	21.0	17.2	17.1	15.7	
Total Classified and Professional	815.8	816.1	809.5	795.5	777.2	756.5	733.0	717.0	746.3	
Administrative Staff	71.1	77.6	75.4	76.9	78.1	76.4	77.6	78.6	77.5	
Supervisory Staff	11.0	11.0	11.0	11.0	11.4	10.5	10.8	10.4	10.4	
Total Administrators and Supervisors	82.1	88.6	86.4	87.9	89.5	86.9	88.4	89.0	87.9	
Total employees	1,860.8	1,881.1	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

Year Ended June 30	Certified	Classified	Administrative	Total	Average Daily Membership (Resident) K-12⁽³⁾	Certified Staffing Ratio
2010	839.0	588.2	65.0	1,492.2	16,027	19.1
2009	883.4	578.0	70.7	1,532.1	16,104	18.2
2008 ⁽¹⁾	885.2	592.0	70.6	1,547.8	16,192	18.3
2007	818.3	554.2	68.0	1,440.5	16,476	20.1
2006	822.4	572.2	68.0	1,462.6	16,746	20.4
2005	831.4	555.7	66.0	1,453.1	16,943	20.4
2004	805.4	537.7	66.1	1,409.2	17,105	21.2
2003	822	569	69	1,460	17,379	21.1
2002	877	594 ⁽²⁾	72	1,543	17,310	19.7
2001	908	553	75	1,536	17,339	19.1

⁽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.

Note: FTE as of June

EUGENE SCHOOL DISTRICT NO. 4J
BARGAINING UNITS & CONTRACT STATUS
JUNE 30, 2010

<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	1,012	06/30/2013	Settled
Oregon School Employees Association	947	09/30/2011	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, 2010

LEVEL	BACHELORS	BACHELORS + 23	BACHELORS + 45	BACHELORS + 60 MASTERS	BACHELORS + 83 B+88 W/MASTERS MASTERS + 23	BACHELORS + 105 B+90 W/MASTERS MASTERS + 45	DOCTORATE MASTERS + 90
1	\$34,628	\$35,909	\$37,238	\$38,616	\$40,045	\$41,527	\$43,063
2	35,909	37,238	38,616	40,045	41,527	43,063	44,656
3	37,238	38,616	40,045	41,527	43,063	44,656	46,308
4	38,616	40,045	41,527	43,063	44,656	46,308	48,021
5	40,045	41,527	43,063	44,656	46,308	48,021	49,798
6	41,527	43,063	44,656	46,308	48,021	49,798	51,641
7	43,063	44,656	46,308	48,021	49,798	51,641	53,552
8	44,656	46,308	48,021	49,798	51,641	53,552	55,533
9	46,308	48,021	49,798	51,641	53,552	55,533	57,588
10	48,021	49,798	51,641	53,552	55,533	57,588	59,719
11	49,798	51,641	53,552	55,533	57,588	59,719	61,929
12	51,641	53,552	55,533	57,588	59,719	61,929	64,220
13	53,552	55,533	57,588	59,719	61,929	64,220	66,596
Longevity A	55,533	57,588	59,719	61,929	64,220	66,596	69,060
Longevity B	NA	NA	NA	NA	NA	68,594	71,132

* Highest entry level.

LICENSED STAFFING PER LEVEL AND EDUCATION IN FULL-TIME EQUIVALENT EMPLOYEES—JUNE 2010

LEVEL	BACHELORS	BACHELORS + 23	BACHELORS + 45	BACHELORS + 60 MASTERS	BACHELORS + 83 B+88 W/MASTERS MASTERS + 23	BACHELORS + 105 B+90 W/MASTERS MASTERS + 45	DOCTORATE MASTERS + 90	TOTAL
1	2.1	0.9	0.0	11.0	9.0	4.5	0.0	27.5
2	0.2	0.5	0.7	10.0	16.5	3.0	1.0	31.9
3	0.0	1.0	1.0	15.5	19.2	8.3	0.0	45.0
4	4.6	1.0	0.0	12.1	10.0	13.2	3.8	44.7
5	6.2	1.0	0.0	14.5	18.9	18.9	1.0	63.5
6	3.0	0.0	0.0	16.6	12.4	12.6	2.0	46.6
7	4.2	1.8	1.0	17.8	19.2	8.3	1.0	53.3
8	1.5	1.0	0.5	6.7	9.5	15.8	1.0	36.0
9	1.6	0.0	1.0	16.3	10.0	17.6	2.6	49.1
10	3.0	2.0	1.0	10.4	9.8	21.7	6.8	54.7
11	4.3	0.0	1.0	13.8	11.4	17.5	4.0	52.0
12	1.3	3.0	1.0	9.1	12.8	19.5	10.1	56.8
13	9.9	5.7	5.8	30.4	29.1	16.9	7.0	104.8
Longevity A	10.8	11.5	11.0	45.3	34.0	68.2	16.5	197.3
Longevity B	0.0	0.0	0.0	0.0	0.0	69.0	30.8	99.8
Total	52.7	29.4	24.0	229.5	224.8	315.0	87.6	963.0

Average Education: Bachelor's +90 with Master's
 Average Salary: \$51,153

Sources: 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

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Breakfast Program:										
Paid Breakfasts Served	75,466	86,906	99,441	80,683	67,338	60,583	44,976	41,744	36,978	38,258
Free Breakfasts Served	348,012	325,119	300,421	268,803	242,860	239,964	231,067	243,368	220,621	222,780
Reduced Breakfasts Served	50,529	46,936	46,696	34,128	33,403	31,374	21,731	23,091	21,685	23,894
Lunch Program:										
Paid Lunches Served	425,932	478,193	497,358	504,989	479,532	459,032	439,433	387,441	409,847	434,837
Free Lunches Served	666,688	615,451	569,180	554,097	538,406	541,274	521,887	516,759	478,898	431,911
Reduced Lunches Served	117,056	116,851	117,973	104,879	109,223	103,591	91,847	79,049	81,142	83,359
Supper/Snack Program:										
Paid Suppers/Snacks Served									3,548	2,607
Free Suppers/Snacks Served	40,831	35,068	28,840	26,419	18,436	21,449	27,048	31,569	19,371	13,275
Reduced Suppers/Snacks Served									578	529
A la Carte Sales	\$ 230,736	\$ 315,740	\$ 574,353	\$ 605,771	\$ 712,648	\$ 787,917	\$ 786,211	\$ 953,179	\$ 1,023,929	\$ 968,831
Percentage of Students Eligible to Receive Free or Reduced-Price Meals⁽¹⁾	38.79%	35.60%	32.70%	32.50%	30.70%	33.10%	28.20%	26.00%	25.00%	n/a
Pupil transportation statistics:										
Number of Buses	93	93	88	87	83	83	81	81	81	77
Number of Vans	12	12	10	10	10	10	10	10	10	10
Total Miles Traveled ⁽²⁾	1,326,201	1,391,374	1,447,550	1,267,489	1,317,538	1,265,765	1,142,656	1,112,387	1,152,658	1,160,205
Number of students transported daily	4,985	4,832	5,056	4,855	4,407	4,567	4,437	4,490	4,365	4,297

⁽¹⁾ Information for fiscal year 2001 is not readily available.

⁽²⁾ 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

	<i>Fiscal Year</i>									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Enrollment Summary: ⁽¹⁾										
Elementary Schools	6,470.5	6,684.0	6,665.0	6,763.5	6,837.0	6,786.0	6,863.5	7,024.5	7,141.0	7,294.5
K - 8 Schools	372.5	326.0	281.0	NA	NA	NA	NA	NA	NA	NA
Middle Schools	3,505.0	3,661.0	3,652.0	3,915.0	4,024.0	4,193.0	4,386.0	4,465.0	4,441.0	4,409.0
High Schools	5,551.0	5,592.0	5,839.0	6,056.0	6,068.0	6,227.0	6,186.0	6,068.0	5,988.0	5,949.0
Total Enrollment	15,899.0	16,263.0	16,437.0	16,734.5	16,929.0	17,206.0	17,435.5	17,557.5	17,570.0	17,652.5

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

Elementary Schools (K=0.5) Number of school programs: 18 Neighborhood, 4 Alternative

Adams (1949)

Gross Floor Area (sq ft): 47,660

Elementary Enrollment - Adams 165.0 179.0 172.5 180.0 167.0 162.0 151.0 170.5 183.0 195.0

Elementary Enrollment - Hillside - - 83.0 115.0 111.5 122.0 131.5 125.0 113.5 111.0

Awbrey Park (1967)

Gross Floor Area (sq ft): 58,375

Elementary Enrollment 456.5 449.5 422.5 436.5 437.0 413.0 441.5 476.5 330.5 316.5

Bailey Hill (1949)

Gross Floor Area (sq ft): 36,442

Elementary Enrollment - - - - - - - - - 234.0

Bertha Holt (2004)

Gross Floor Area (sq ft): 67,389

Elementary Enrollment 473.0 485.5 489.0 531.0 551.0 555.5 - - - -

Cesar Chavez (2004)

Gross Floor Area (sq ft): 66,940

Elementary Enrollment - Cesar Chavez 415.5 368.5 328.0 332.0 324.5 323.0 - - - -

Elementary Enrollment - Family ⁽²⁾ - 124.0 123.0 121.0 123.0 110.0 - - - -

⁽²⁾ Family School moved to a new co-location with Arts and Technology fall of 2009 and added kindergarten and 6th grade classes. 7th grade was added in 2010.

Charlemagne at Fox Hollow (1967)

Gross Floor Area (sq ft): 29,621

Elementary Enrollment 271.0 267.5 267.5 270.0 276.0 280.0 269.0 263.5 266.0 276.0

Coburg (1950)

Gross Floor Area (sq ft): 27,537

Elementary Enrollment 123.5 135.0 139.5 143.0 137.0 119.0 127.0 128.5 118.0 122.5

Crest Drive (1963)

Gross Floor Area (sq ft): 27,441

Elementary Enrollment 244.0 242.5 237.0 201.0 215.5 180.0 202.0 239.5 225.5 231.0

Edgewood (1962)

Gross Floor Area (sq ft): 36,719

Elementary Enrollment - Edgewood 286.0 280.5 293.5 267.5 224.5 229.0 227.0 224.0 225.0 238.0

Elementary Enrollment - Evergreen - - - - 76.0 98.0 95.0 100.0 95.0 97.0

Edison (1926)

Gross Floor Area (sq ft): 42,195

Elementary Enrollment 295.5 275.0 302.5 286.0 265.5 281.5 290.0 256.5 262.5 258.5

Gilham (1966)

Gross Floor Area (sq ft): 74,500

Elementary Enrollment 463.5 475.0 479.0 476.5 498.5 511.5 454.0 468.5 480.5 442.5

Harris (1949) (Became Camas Ridge 7/1/2009)

Gross Floor Area (sq ft): 41,327

Elementary Enrollment - Camas Ridge 256.5 - 166.0 156.5 164.0 188.5 173.0 191.0 219.5 248.0 245.5

Elementary Enrollment - Harris - 136.0 - - - - - - - - -

Elementary Enrollment - Eastside - - - - - - - - - -

Howard (1949)

Gross Floor Area (sq ft): 47,794

Elementary Enrollment 266.5 275.0 256.5 268.0 293.5 306.0 292.0 334.0 334.5 381.0

Magnet Arts (K - 8 School: Arts & Technology Academy At Jefferson)

Elementary Enrollment NA NA NA 88.0 102.0 117.5 118.0 120.5 122.5 128.5

McCormack (1968)

Gross Floor Area (sq ft): 56,532

Elementary Enrollment 385.0 393.5 375.0 386.0 383.0 398.5 411.0 439.0 447.0 380.5

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

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Elementary Schools (Continued)										
Meadowlark (1960)										
Gross Floor Area (sq ft): 45,911										
Elementary Enrollment - Meadowlark	213.0	212.5	216.5	176.5	188.0	171.5	177.5	168.0	191.0	
Elementary Enrollment - Buena Vista	247.0	248.0	251.0	250.0	254.0	252.0	255.0	251.0	252.0	
Parker (1959)										
Gross Floor Area (sq ft): 42,625										
Elementary Enrollment - Parker	236.5	239.0	229	217.0	220.0	195.5	196.5	169.0	170.5	154.0
Elementary Enrollment - Eastside	-	-	146	147.0	145.0	143.0	144.0	144.0	144.0	148.0
Patterson (1957)										
Gross Floor Area (sq ft): 36,199										
Elementary Enrollment - Patterson	-	-	-	-	-	-	119.0	109.5	121.5	120.5
Elementary Enrollment - Family School	-	-	-	-	-	-	106.0	106.0	111.0	116.0
River Road (1953)										
Gross Floor Area (sq ft): 51,301										
Elementary Enrollment	323.5	309.0	279	295.5	280.5	295.0	277.5	268.5	276.5	163.5
Santa Clara (1931)										
Gross Floor Area (sq ft): 44,530										
Elementary Enrollment	-	-	-	-	-	-	-	-	339.0	366.0
Silver Lea (1961)										
Gross Floor Area (sq ft): 48,645										
Corridor Enrollment	232.5	237.0	243.5	249.0	247.5	242.5	245.0	243.0	243.0	242.5
Yujin Gakuen Enrollment	260.5	268.5	270	273.5	283.0	275.0	266.5	257.5	266.5	246.0
Spring Creek (1964)										
Gross Floor Area (sq ft): 41,387										
Elementary Enrollment	334.5	359.0	349	361.0	384.5	345.5	389.0	388.5	200.5	208.5
Twin Oaks (1958)										
Gross Floor Area (sq ft): 35,198										
Elementary Enrollment	183.0	211.0	221	225.0	236.0	219.5	234.0	241.0	269.0	164.0
Washington (1950)										
Gross Floor Area (sq ft): 45,561										
Elementary Enrollment	-	-	-	-	-	-	297.0	283.0	310.5	284.5
Westmoreland (1948)										
Gross Floor Area (sq ft): 47,221										
Elementary Enrollment	-	-	-	-	-	-	212.5	221.0	219.5	223.0
Whiteaker (1926)										
Gross Floor Area (sq ft): 31,257										
Elementary Enrollment	-	-	-	-	-	-	-	-	-	148.5
Willagillespie (1925)										
Gross Floor Area (sq ft): 57,500										
Elementary Enrollment	338.5	347.5	335	272.0	240.0	248.5	285.0	291.0	315.5	329.5
Willakenzie (1923)										
Gross Floor Area (sq ft): 37,491										
Elementary Enrollment	-	-	-	-	-	-	297.0	304.5	283.5	279.5
Willard (1954)										
Gross Floor Area (sq ft): 35,454 ⁽³⁾										
Elementary Enrollment	-	-	-	-	-	-	-	-	-	-

⁽³⁾Willard School square footage reduced by 10,380 due to fire which destroyed a wing of classrooms and the library.

K - 8 Schools Number of school programs: 1 Neighborhood/1 Alternative

Arts and Technology Academy at Jefferson (1957)

Gross Floor Area (sq ft): 100,237										
K - 8 Enrollment - Arts and Technology	372.5	326.0	281.0	NA	NA	NA	NA	NA	NA	NA
K - 7 Enrollment - Family School (4)	136.5	NA	NA	NA	NA	NA	NA	NA	NA	NA

⁽⁴⁾ Family School moved to its new co-location fall of 2009 and added kindergarten and 6th grade classes. 7th grade was added in 2010.

Middle Schools Number of school programs: 7 Neighborhood, 1 Alternative (3 Language Immersion Programs are embedded in the neighborhood schools)

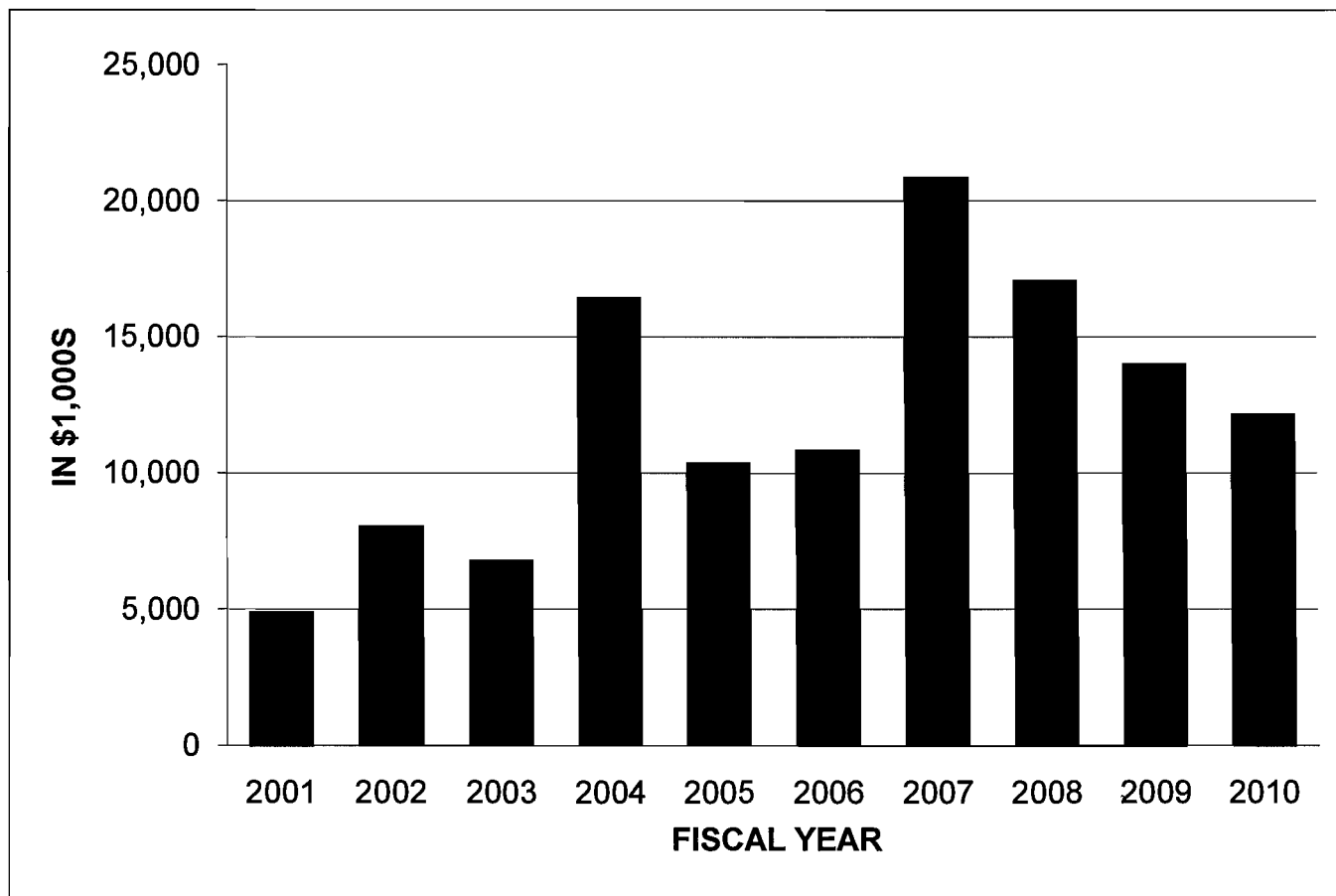
Cal Young Middle School (2006)

Gross Floor Area (sq ft): 90,341										
Middle School Enrollment	545.0	582.0	610.0	566.0	580.0	569.0	620.0	573.0	582.0	583.0

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

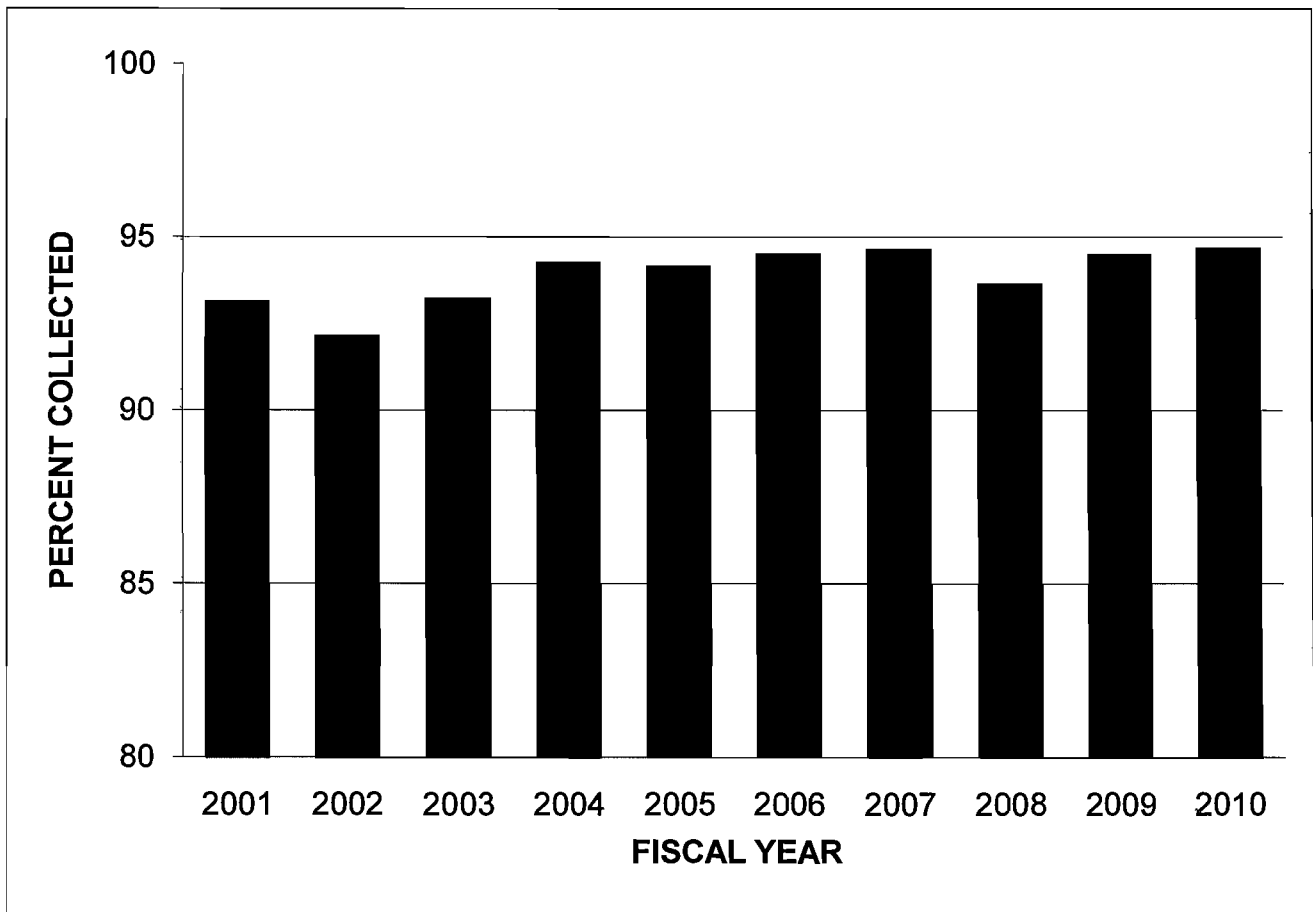
	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Middle Schools (Continued)										
Jefferson Middle School (K - 8 School: Arts & Technology Academy At Jefferson)										
Middle School Enrollment	NA	NA	NA	219.0	262.0	351.0	405.0	451.0	456.0	463.0
Kelly Middle School (1945)										
Gross Floor Area (sq ft): 112,356										
Middle School Enrollment	491.0	499.0	484.0	511.0	524.0	546.0	550.0	583.0	536.0	536.0
Kennedy Middle School (1965)										
Gross Floor Area (sq ft): 89,057										
Middle School Enrollment	494.0	507.0	498.0	496.0	489.0	547.0	570.0	570.0	545.0	554.0
Madison Middle School (2005)										
Gross Floor Area (sq ft): 86,953										
Middle School Enrollment	462.0	468.0	440.0	415.0	423.0	420.0	486.0	481.0	525.0	494.0
Monroe Middle School (1965)										
Gross Floor Area (sq ft): 87,401										
Middle School Enrollment	534.0	533.0	541.0	587.0	630.0	644.0	617.0	615.0	626.0	624.0
Roosevelt Middle School (1950)										
Gross Floor Area (sq ft): 105,770										
Middle School Enrollment	577.0	650.0	659.0	672.0	673.0	694.0	724.0	759.0	739.0	721.0
Spencer Butte Middle School (1960)										
Gross Floor Area (sq ft): 82,414										
Middle School Enrollment	402.0	422.0	420.0	449.0	443.0	430.0	414.0	433.0	432.0	434.0
High Schools Number of school programs: 4 Neighborhood, 3 Alternative										
Churchill High School (1966)										
Gross Floor Area (sq ft): 249,982										
High School Enrollment	1,151.0	1,158.0	1,195.0	1,287.0	1,323.0	1,367.0	1,407.0	1,426.0	1,387.0	1,336.0
Alternative High School Enrollment	74.0	56.0	89.0	97.0	75.0	90.0	87.0	104.0	146.0	128.0
North Eugene High School (1957)										
Gross Floor Area (sq ft): 214,767										
High School Enrollment	1,006.0	1,006.0	1,068.0	1,159.0	1,251.0	1,276.0	1,246.0	1,163.0	1,087.0	1,103.0
Alternative High School Enrollment	32.0	45.0	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	1,561.0	1,610.0	1,662.0	1,642.0	1,563.0	1,542.0	1,553.0	1,505.0	1,487.0	1,499.0
South Eugene High School (1953)										
Gross Floor Area (sq ft): 310,831										
High School Enrollment	1,564.0	1,573.0	1,646.0	1,700.0	1,695.0	1,747.0	1,699.0	1,678.0	1,717.0	1,733.0
Dunn - Opportunity Center (1929)										
Gross Floor Area (sq ft): 38,699										
High School Enrollment	163.0	144.0	140.0	137.0	129.0	163.0	155.0	160.0	143.0	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)								
		Oldest	Median	Newest						
Elementary Schools	946,597	85	50	6						
K - 8 Schools	100,237	53	53	53						
Middle Schools	654,292	65	45	4						
High Schools	1,010,452	81	53	44						
Other Facilities	185,786	73	62	47						
Total Gross Floor Area (sq ft)	2,897,364	85	50	4						

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



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

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



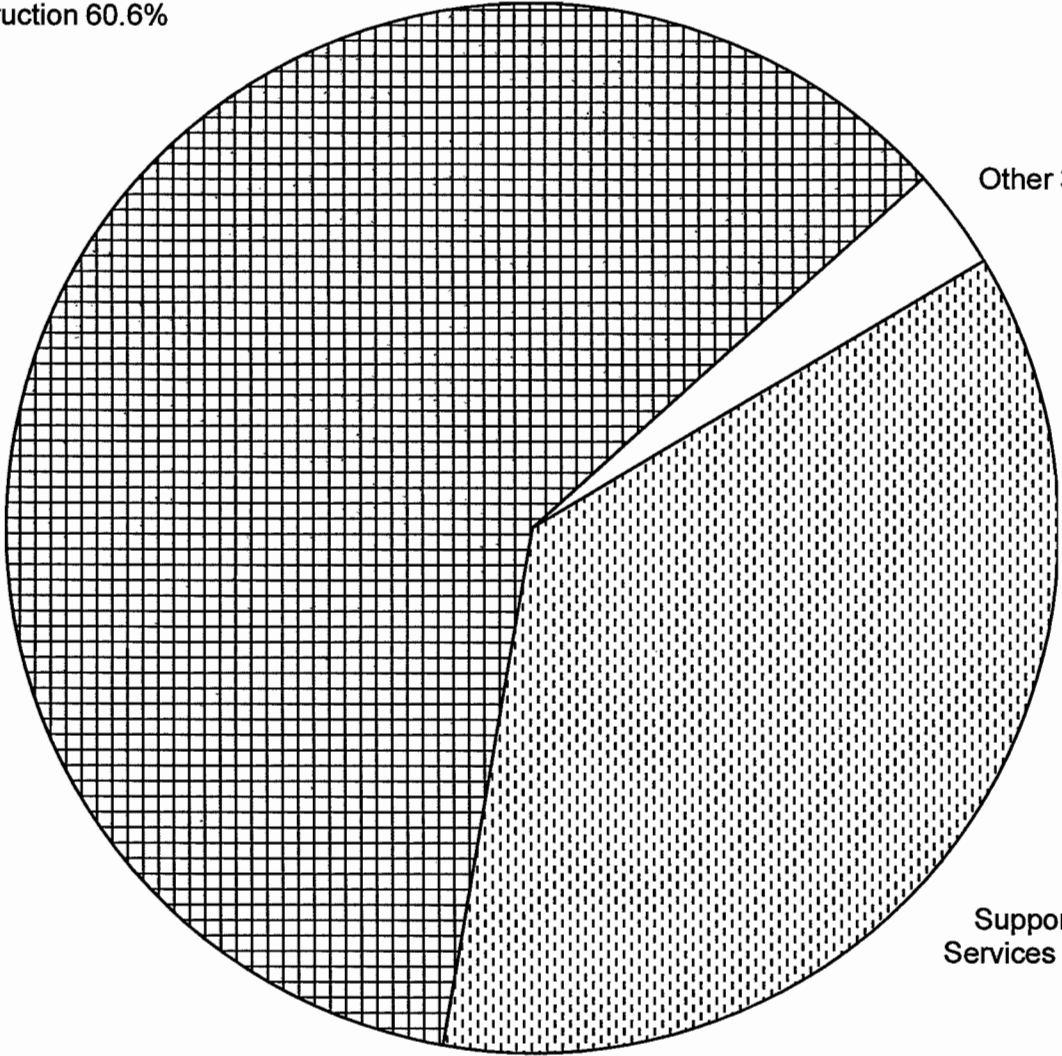
Source: Property Tax Levies and Collections

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
GENERAL FUND EXPENDITURES
YEAR ENDED JUNE 30, 2010

Instruction 60.6%

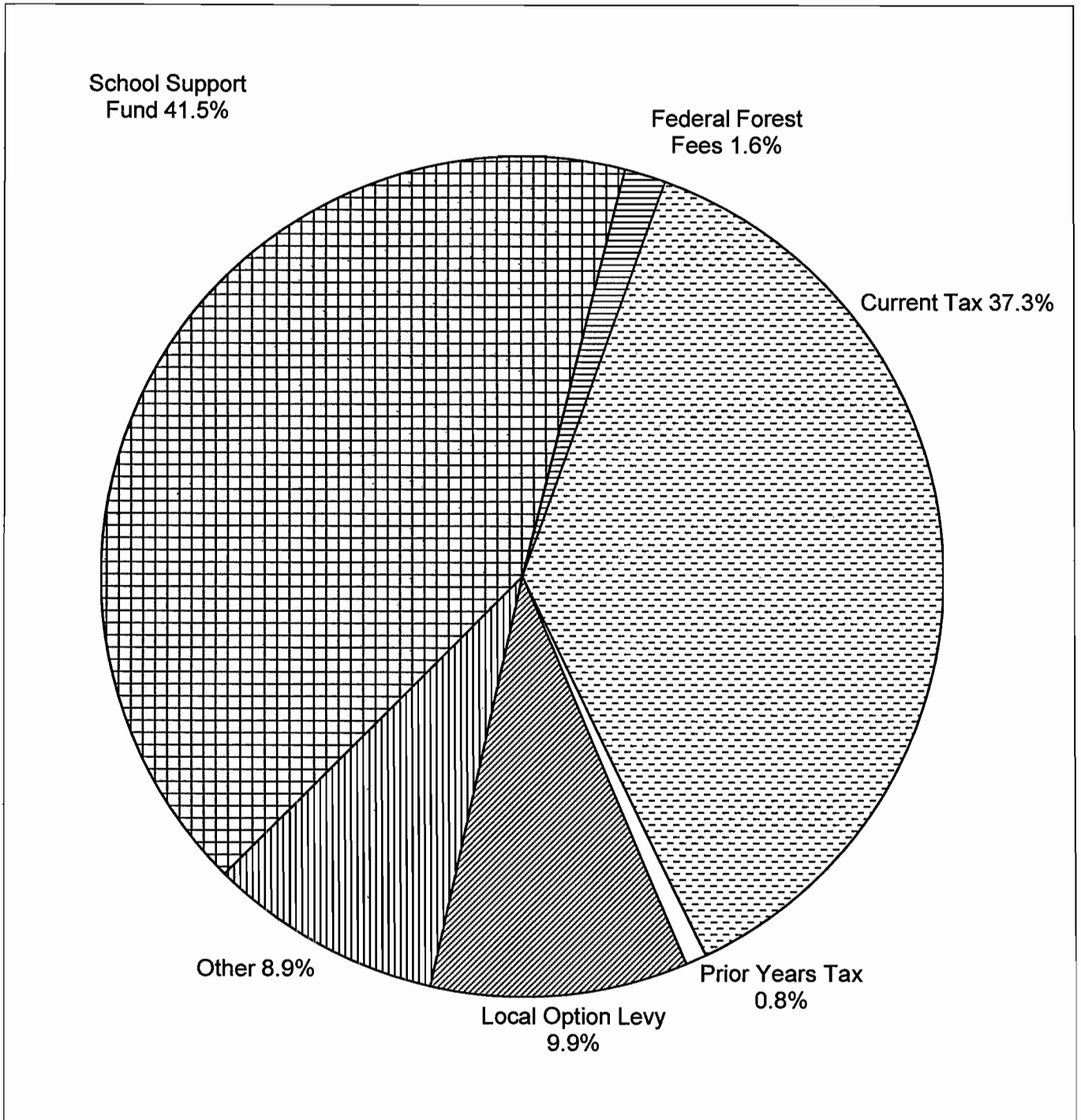
Other 3.1%

Supporting
Services 36.3%



Source: Schedule of Revenues, Expenditures and Changes in Fund Balance

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
GENERAL FUND RESOURCES
YEAR ENDED JUNE 30, 2010



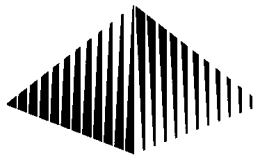
Source: Schedule of Revenues, Expenditures and Changes in Fund Balance

Audit Comments



*Investing in Students
Creating the Future*

**Lane County
School District 4J**



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 REQUIRED BY OREGON STATE REGULATIONS

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

We have audited the basic financial statements of Lane County School District No. 4J, Eugene, Oregon (the District) as of and for the year ended June 30, 2010, and have issued our report thereon dated December 28, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial 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.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

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

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

OAR 162-10-0230 Internal Control


In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2010 in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

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

This report is intended solely for the information and use of management, the Audit Committee and School Board, and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these specified parties.

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

By: 

Charles A. Swank, A Shareholder
December 28, 2010



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

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, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 28, 2010. 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 the District'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*.

We noted certain matters that we reported to management of the District in a separate letter on control deficiencies dated December 28, 2010.

This report is intended solely for the information and use of management, the School Board, 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 28, 2010



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 ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of Lane County School District No. 4J, Eugene, Oregon (the District) 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, 2010. 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, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2010-1.

Internal Control over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing 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 and to test and report on internal

control over compliance in accordance with OMB Circular A-133, 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 deficiency in 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on the responses.

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 28, 2010

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
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 OMB Circular A-133?	No

Identification of major program:

CFDA Numbers

Name of Federal Program or Cluster

10.558	National School Child and Adult Care
84.010 & 84.389	Title I, Part A Cluster (ARRA)
84.027 & 84.391	Special Education Cluster-Grants to States (IDEA/ARRA)
84.215	Funds for the Improvement of Education
84.287	Twenty-First Century Community Learning Centers
84.318 & 84.386	Educational Technology State Grants Cluster (ARRA)
84.394	State Fiscal Stabilization Fund Cluster (ARRA)

Dollar threshold used to distinguish between type A and type B programs:	\$710,490
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District qualified as low-risk auditee?	Yes
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FINANCIAL STATEMENT FINDINGS

Finding 2009-1: Reconciliation of Bank Accounts on a Timely Basis

Condition: Payroll bank accounts were not reconciled on a timely basis.

Criteria: The preparation of payroll account bank reconciliations were completed up to 6 months after the statement date.

Effect: Not reconciling bank accounts on a timely basis may result in not quickly recognizing and resolving errors or other issues.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

FINANCIAL STATEMENT FINDINGS (Continued)

Finding 2009-1 (Continued)

Cause: The process to reconcile payroll bank statements is more complex with the new accounting system. Staff was unable to determine the cause of reconciling items in a timely manner, and management did not effectively monitor the status of the bank reconciliations.

Recommendation: We recommend that management communicate and monitor to ensure that bank accounts are reconciled on a timely basis, by the last day of the month following the statement date, and in no case later than 60 days following the statement date.

Response: Management has agreed with the finding and implemented a new procedure to ensure that all bank reconciliations are completed on a timely basis.

Current Year Update: Management implemented new procedures and payroll bank account reconciliations are completed on a timely basis.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2010-1: Title I, Part A Cluster (CFDA #84.010 and 84.389), Special Education Cluster (CFDA #84.027 and 84.391) and Educational Technology State Grant Cluster (CFDA #84.318 and 84.386) - Noncompliance with required certified payroll records

Statement of Condition: For the fiscal year 2009-2010, grant charges for some payroll hours were based on scheduled hours rather than documented and approved hours. Some hours documented and approved were not approved timely.

Criteria: OMB Circular A-87 requires employee payroll hours charged to the above grants to be approved by management semi-annually for those working 100% on the grant and monthly for those working less than 100% on the grant.

Cause: The District uses a timesheet format according to 2 CFR 225 (OMB Circular A-87) that has been communicated to schools and departments. The grants for which this finding is written were not documenting employee's time or were not approved timely.

Effect: There are no questioned costs, only documentation issues.

Recommendation: We recommend that the District strengthen current procedures for documenting and approving payroll expenditures which meet the requirements of OMB Circular A-87.

Corrective Action Response: Management has agreed with the finding and will implement additional procedures to strengthen the documentation of the approval process.