

# Lane County School District 4J

200 North Monroe Street

Eugene OR 97402

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[www.4j.lane.edu](http://www.4j.lane.edu)



# Comprehensive Annual Financial Report

for the year ended June 30, 2014





**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
*Year Ended June 30, 2014*

*Prepared by: Financial Services Department*

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# Introductory Section







December 3, 2014

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, 2014 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, 2014 and consists of management's representations concerning the finances of the District together with the opinions of our independent auditor.

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, 2014 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 unmodified opinion that the District's basic financial statements for the fiscal year ended June 30, 2014 are fairly presented, in all material respects, in conformity with U.S. 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, 2014 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. As required by accounting principles generally accepted in the United States of America, all significant activities and organizations have been included in the financial statements.

The District is primarily located in Lane County, with small portions extending north into Linn County. The District's boundaries include portions of the City of Eugene, City of Springfield and City of Coburg. The largest city in the District is the City of Eugene. 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.

### ***ENROLLMENT AND PROGRAMS***

During the 2013-14 school year, the District was responsible for educating nearly 16,000 students from kindergarten through grade twelve. The District operates over 35 different schools and programs. Although students are guaranteed a place in their neighborhood school, an open enrollment policy presently allows any student to attend any school in the District as long as space is available. Moreover, the District offers enrollment to students who reside outside the District, depending upon capacity. Site councils made up of parents, teachers, support staff, administrators and students collaborate to chart each school's direction. Additionally, school, community college and business partnerships exchange facilities and services for career training or other educational benefits and support.

Elementary offerings include fourteen neighborhood schools, one K-8 school, five alternative schools and three district-sponsored charter schools. Each school reflects the uniqueness of its students, staff, and community. The alternative schools, K-8 school and charter schools reflect particular visions and education 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, one alternative school, three language immersion programs and a fourth charter school which serves students in grades 7-12. There are also four regional high schools, one alternative education high school, 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.

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

The four District sponsored charter schools – The Village School (K-8), Ridgeline Montessori Public Charter School (K-8), Network Charter School (grades 7-12), and Coburg Community Charter School (K-7) – are not considered component units of the District. Therefore, information regarding these charter schools is not presented within our financial statements. Each charter school issues their own publicly available financial report that includes financial statements and required supplementary information.

### ***ECONOMIC CONDITION***

Eugene is the second largest city in Oregon and is the seat of Lane County government. The City of Eugene and the City of Springfield form a metropolitan area that 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. Data is generally available for Lane County and the Cities.

The economy of Lane County consists of higher education, agriculture, health care, high technology, forest products, recreation, and tourism. Over the last few decades the economy of the Eugene-Springfield metropolitan area has shifted from an earlier reliance on the wood products industry to non-manufacturing industries such as retail trade, services and government and non-lumber manufacturing. Eighty-seven percent of total employment in the metropolitan area is based in three major industry sectors: services (47 percent), government (21 percent), and trade, transportation, and utilities (19 percent). Manufacturing, construction, and natural resources generate the remaining jobs (13 percent).

Eugene is home to four private colleges, one public university, and a community college. Eugene is the home of the University of Oregon, the State's public liberal arts and research institution offering bachelor and master degree programs. Lane Community College is a public community college offering associate degrees and technical programs. Northwest Christian University, New Hope Christian College, Gutenberg College and Pacific University's Eugene campus are all private colleges which offer bachelor degree programs. With the presence of the University of Oregon and a Federal courthouse, government employment helps add stability to Lane County's economy.

In the past ten years, the District's and City of Eugene's population has increased 8.4 percent and 10.6 percent, 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.

The seasonally adjusted unemployment rate for the Eugene-Springfield metropolitan statistical area (MSA) was 6.7 percent at the end of June 2014, which is lower than the rate reported by the Oregon Employment Department for the State of Oregon (6.8 percent) but it is higher than the nation's rate of 6.1 percent.

### ***LONG-TERM FINANCIAL PLANNING***

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

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

The District's General Fund balance at year end was 6.6 percent of General Fund revenues. This amount was above the budgeted amount and above the minimum percentage set by Board policy for budgetary and planning purposes (a minimum of 5.0 percent of total actual revenues). The District's 2014-15 adopted budget draws the balance down to 4.25 percent and the Board has discussed a financial plan to restore the fund balance to the minimum 5.0 percent within 3 years. The reserve is maintained to allow a more stable service system by budgeting resources to offset cyclical variations in revenues and expenditures. Specifically, it provides support for payment cycles given fluctuations in local revenues, absorbs economic downturns, state revenue-sharing reductions and other revenue shortfalls, and will be used when needed and directed by the Budget Committee and Board to provide stability for core programs and legally required activities. Additionally, some allowance is made for unexpected expenditures through a contingency. For the General Fund, the contingency target is 2 percent.

In February 2013, the Board approved the Superintendent's recommended update to the long-range facilities plan. This assessment included an evaluation of the physical condition of buildings, condition and constraints of sites, educational suitability, and readiness for technology. The average age of the District's school buildings is fifty-four years. The District is currently undertaking a program of investment in facilities, buses, technology infrastructure and instructional systems support through the support of two bond measures approved by local voters in 2011 and 2013.

## ***FINANCIAL INFORMATION***

### **Budgetary Controls**

The Board is required by State law to adopt a final annual budget no later than the close of the preceding fiscal year (Oregon Revised Statute 294.305 through 294.565). State law requires the appointment of a budget committee to review and approve the budget proposed by the administration. 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.

A summary of the approved budget, together with a notice of public hearing, is published in a newspaper having general circulation in the district. A public hearing is held to receive comments from the public concerning the approved budget. The Board of Directors adopts the budget, makes appropriations, and levies taxes after the public hearing and before the year for which the budget has been prepared. After adoption, the budget may be revised through procedures specified in State law and Board policy.

### **Accounting Policies**

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. The accounting and financial practices policies also provide financial planning guidance regarding reserves. The accrual and modified accrual basis of accounting used by the District are in accordance with U.S. generally accepted accounting principles.

## ***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

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

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 percent 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 percent voter participation requirement to March and September elections.

Local support has been a characteristic of the District. Since 1992, District voters have approved six general obligation bond levies and four local option levies. In November 2014, voters renewed a five-year option levy to assist with operations. This renewal levy extends through 2019-20. In May 2011, voters approved a \$70 million bond measure and in May 2013, voters approved a \$170 million bond measure.

### ***AWARDS AND ACKNOWLEDGMENTS***

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, 2013. This was the twenty-seventh consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both U.S. generally accepted accounting principles and applicable GFOA and legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program requirements, and we are submitting it to determine its eligibility for another certificate.

In addition to the recognition for the annual report, the District received GFOA's Distinguished Budget Presentation Award for its 2013-14 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.

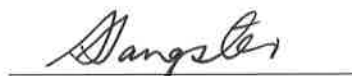
We believe these awards are representative of the District's continuing efforts to achieve excellence in the performance of public service and financial reporting.

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,



Dr. Sheldon Berman  
Superintendent



Dr. Simone Sangster  
Chief Financial Officer



Government Finance Officers Association

**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, 2013**

Executive Director/CEO



**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**LISTING OF PRINCIPAL OFFICIALS**  
**YEAR ENDED JUNE 30, 2014**

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**BOARD OF DIRECTORS**

	<u><b>Term Expires</b></u>
Mary Walston, Chair 245 Sunnyside Drive Eugene, Oregon 97404	June 30, 2015
Beth Gerot, Vice Chair 1270 River Road Eugene, Oregon 97404	June 30, 2017
Jennifer Geller 2069 Olive Street Eugene, Oregon 97405	June 30, 2017
Alicia Hays 274 Regal Court Eugene, Oregon 97401	June 30, 2015
Anne Marie Levis 32543 Mt. Baldy Lane Eugene, Oregon 97405	June 30, 2017
Craig Smith 2611 Suncrest Avenue Eugene, Oregon 97405	June 30, 2015
Jim Torrey 3393 Arlington Avenue Eugene, Oregon 97408	June 30, 2015

**ADMINISTRATION**

Administration Office  
200 North Monroe Street  
Eugene, Oregon 97402

Dr. Sheldon Berman  
Barbara Bellamy  
Simone Sangster, Ed.D.  
Andrea Belz

Superintendent and Clerk  
Deputy Clerk  
Deputy Clerk  
Deputy Clerk

**LEGAL COUNSEL**

Luvaas Cobb, P.C.

Lane County School District 4J – Organizational Chart  
2013-2014 – Eugene, Oregon

Community

Board of Directors

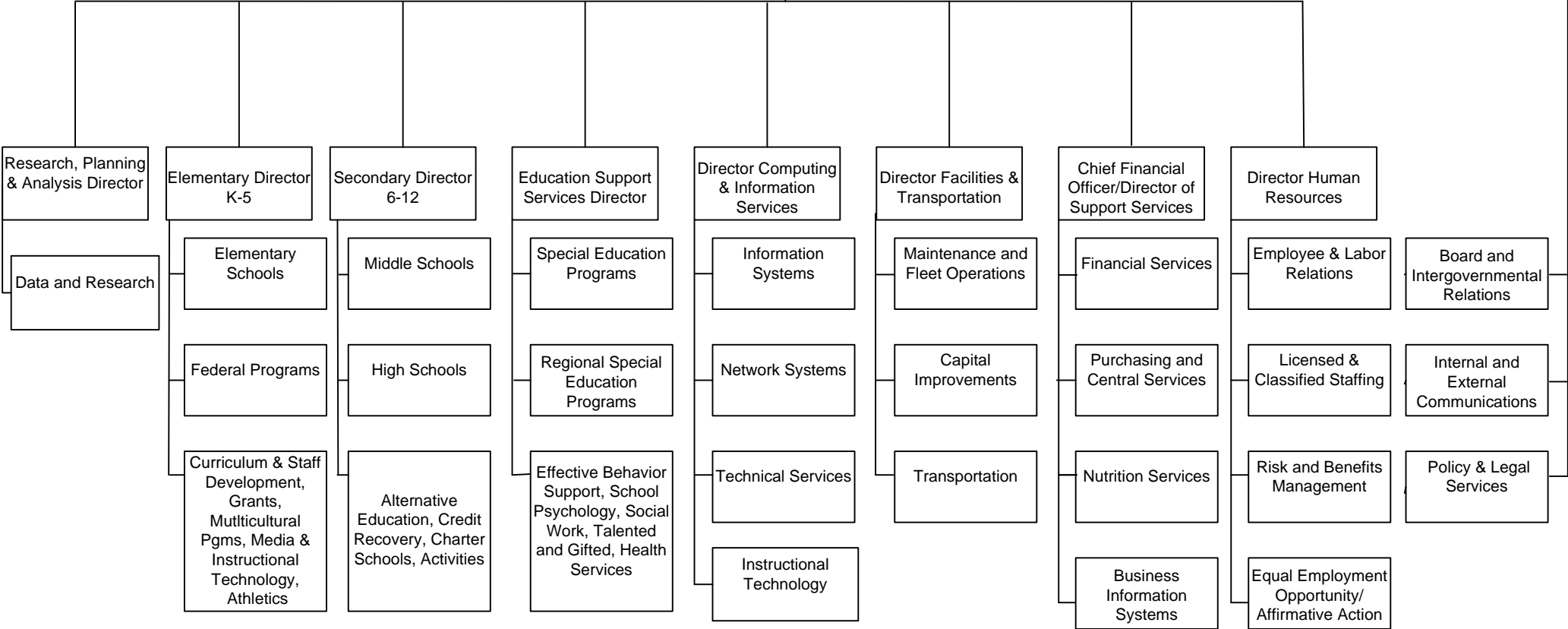
Superintendent

Principals Resource Team

Executive Assistant to Superintendent/Board Secretary

Parent, Community and Diversity Coordinator

Chief of Staff/Communications Director





**Financial Section**



***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*

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

#### *Report on the Financial Statements*

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, Lane County, Oregon (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. 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 from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Lane County School District No. 4J, Lane County, Oregon as of June 30, 2014, and the

respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Federal, State and Local Programs Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) (pages 4 through 12), and the schedule of funding progress for other postemployment benefits (page 53), 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 MD&A and schedule of funding progress for other postemployment benefits 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.

#### ***Other Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, other supplementary information and statistical section, are presented for purposes of additional analysis and are not required parts of the basic financial statements. The 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 basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic 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 them.

### ***Reports on Other Legal and Regulatory Requirements***

#### ***Other Reporting Required by Government Auditing Standards***

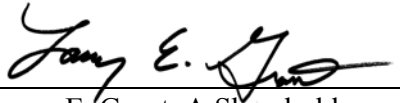
In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2014, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements 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* in considering the District's internal control over financial reporting and compliance.



*Other Reporting Required by Oregon Minimum Standards*

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 3, 2014, on our consideration of the District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

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

By:   
Larry E. Grant, A Shareholder  
December 3, 2014

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***MANAGEMENT'S DISCUSSION AND ANALYSIS***

**LANE COUNTY SCHOOL DISTRICT 4J**  
**Management's Discussion and Analysis**  
**June 30, 2014**

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, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Transmittal Letter, pages i-v of this report and with the District's financial statements, which follow.

***Financial Highlights***

The District's net position increased by \$4.6 million or 9.2% during the year ended June 30, 2014 to \$54.8 million. Of this amount, \$29.6 million was a net capital investment in capital assets, \$7.4 million was restricted for debt service, and \$17.8 million was unrestricted.

Total revenues increased by \$16.1 million primarily as a result of increased collections for property taxes (\$6.2 million), increased state aid (\$8.4 million) and an increase in local revenue due to the flow-through of funds from the Lane Education Service District (ESD - \$2.0 million). These increases were slightly offset by a decrease in program revenues (\$1.8 million).

The cost of all of the District's programs was \$187.4 million, a decrease of \$1.2 million from the prior year. This change primarily consisted of a reduction of \$1.8 million of debt service expenses, which was offset by a slight increase in expenses for services of \$0.6 million as the District adjusted staffing levels, partly to staff the programs formerly offered by the ESD.

Governmental Funds provide information that gives more insight from the overall District picture in two ways. First, the funds focus on spendable resources. Most significantly, capital outlays are expenditures and capital assets are not financial resources. The combined fund balance of the governmental funds as of June 30, 2014 was \$65.3 million, which represents an increase of \$29.5 million for the year. Second, the governmental funds financial statements show the flows and fund balances for individual governmental funds. The most significant funds are the Capital Projects Fund, with an ending balance of \$39.7 million and an increase of \$24.1 million and the General Fund, which increased by \$2.5 million to \$9.6 million.

***Overview of the Financial Statements***

The basic financial statements consist of: (1) the government-wide Statement of Net Position and Statement of Activities, which provide information about the activities of the District as a whole and present a longer-term view of the District's finances; (2) Fund financial statements which describe the District's operations in more detail than the government-wide statements, for instance how services were financed in the short-term as well as what remains for future spending; and (3) the notes to the financial statements. The financial report also presents supplementary information including budget to actual presentations for required major funds.

***1. 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. The government-wide financial statements can be found on pages 13 and 14 of this report. These statements include the following:

**Statement of Net Position**

The *Statement of Net Position* presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Net position is the remaining assets after the liabilities have been paid off or otherwise satisfied. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

**Statement of Net Position**

(in thousands)

	<b>Governmental Activities</b>		<b>Total Change 2013 to 2014</b>
	<b>2014</b>	<b>2013</b>	
Cash and other assets	\$ 96,683	\$ 63,360	\$ 33,323
Property taxes receivable	6,899	6,734	165
Pension assets	34,044	36,475	(2,431)
Capital assets	157,149	152,753	4,396
<b>Total assets</b>	<b>294,775</b>	<b>259,322</b>	<b>35,453</b>
Accrued and other liabilities	23,932	20,690	3,242
Long-term debt	216,050	188,438	27,612
<b>Total liabilities</b>	<b>239,982</b>	<b>209,128</b>	<b>30,854</b>
Net position:			
Net investment in capital assets	29,572	27,437	2,135
Restricted	7,455	6,193	1,262
Unrestricted	17,766	16,564	1,202
<b>Total net position</b>	<b>\$ 54,793</b>	<b>\$ 50,194</b>	<b>\$ 4,599</b>

The District's government-wide net position increased by 9.2% or \$4.6 million in the year ended June 30, 2014. The change reflects several factors. The most significant variation in the District's net position is the increase in cash related to receipt of bond funds. This can be seen by the \$33.3 million increase in Cash and other assets, which is offset by the \$27.6 million increase in long-term debt.

As of June 30, 2014, assets exceeded liabilities by \$54.8 million. Of this amount, \$29.6 million represents the District's investment in capital assets net of related debt, \$7.4 million is restricted for debt service and \$17.8 million is unrestricted and available to meet the District's ongoing obligations. The remaining balance in the restricted debt service represents an appropriate level of fund balance for anticipated expenditures for the ensuing year before tax revenues are received. The increase in the unrestricted net assets (\$1.2 million) is principally due to an increase in state revenue, specifically the unexpected increase in state 2012-13 closeout revenue (\$2.0 million).

**Cash and Other Assets**

In 2013-14, the cash from the August 2013 bond issue was used to finance school construction, facility improvements, technology and capital assets. Cash and other assets in the District's reserves were also used to fund District operations.

## Capital Assets

Investment in capital assets amounts to \$157.1 million (net of accumulated depreciation), which comprises 53.3% of the District's assets. This investment includes land and construction in progress, athletic field improvements, buildings and improvements, site improvements, intangibles, and vehicles and equipment, net of depreciation. The District's investment in capital assets is shown in the following table:

<b>Capital Assets</b>			
<b>(Net of Depreciation)</b>			
(in thousands)			
	<u>2014</u>	<u>2013</u>	<u>Total Change</u> <u>2013 to 2014</u>
Land	\$ 1,621	\$ 1,621	\$ -
Buildings & Improvements	138,622	143,059	(4,437)
Vehicles & Equipment	8,584	6,129	2,455
Intangibles	1,920	1,453	467
Construction in Progress	6,402	491	5,911
<b>Total</b>	<u>\$ 157,149</u>	<u>\$ 152,753</u>	<u>\$ 4,396</u>

The increase in capital assets (net of depreciation) for the current fiscal year was approximately 2.9%. Capital assets additions totaled \$16.8 million. Major capital events during the year included the following:

- Planning for new school buildings (\$2.3 million)
- Various projects related to HVAC, roofing, boiler replacement, paving and painting (\$4.0 million)
- Personal devices pilot (\$2.5 million); new student information system (\$0.5); and wireless upgrades
- Purchase of new buses (\$0.5 million)

Net investments and capital assets represents 54.0% of the District's total net position. The District uses these capital assets to provide services to students and other District residents; consequently these assets are not available for future spending. 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.

Additional information on the District's capital assets can be found in Section III, Note E on pages 38–39 of this report.

## Liabilities

Accrued liabilities, representing 10% of the District's total liabilities, consist of payables on accounts, salaries and benefits, interest charges, and unearned revenue.

Outstanding long-term liabilities represent 90% of the District's total liabilities. These include several different instruments including general obligation bonds, limited pension bonds, net OPEB obligations, and capital leases. The balances include unamortized premiums and early termination benefits.

The balance of long-term debt as of June 30, 2014 was \$216.0 million. Principal payments during the year were \$13.7 million. The District maintains an underlying "Aa2" rating from Moody's for general obligation debt. State statutes limit the amount of general obligation debt an Oregon school district may issue to 7.95% of its total assessed valuation. The current debt limitation for the District is \$1.7 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 Section III, Note G on pages 41-44 of this report.

**Statement of Activities**

The *Statement of Activities* shows how the net position of the District changed over the most recent fiscal year by tracking revenues, expenses, and other transactions that increase or reduce net position. It reports revenues and expenses under the accrual basis of accounting. All changes in net position 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 but 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.

**Changes in Net Position**

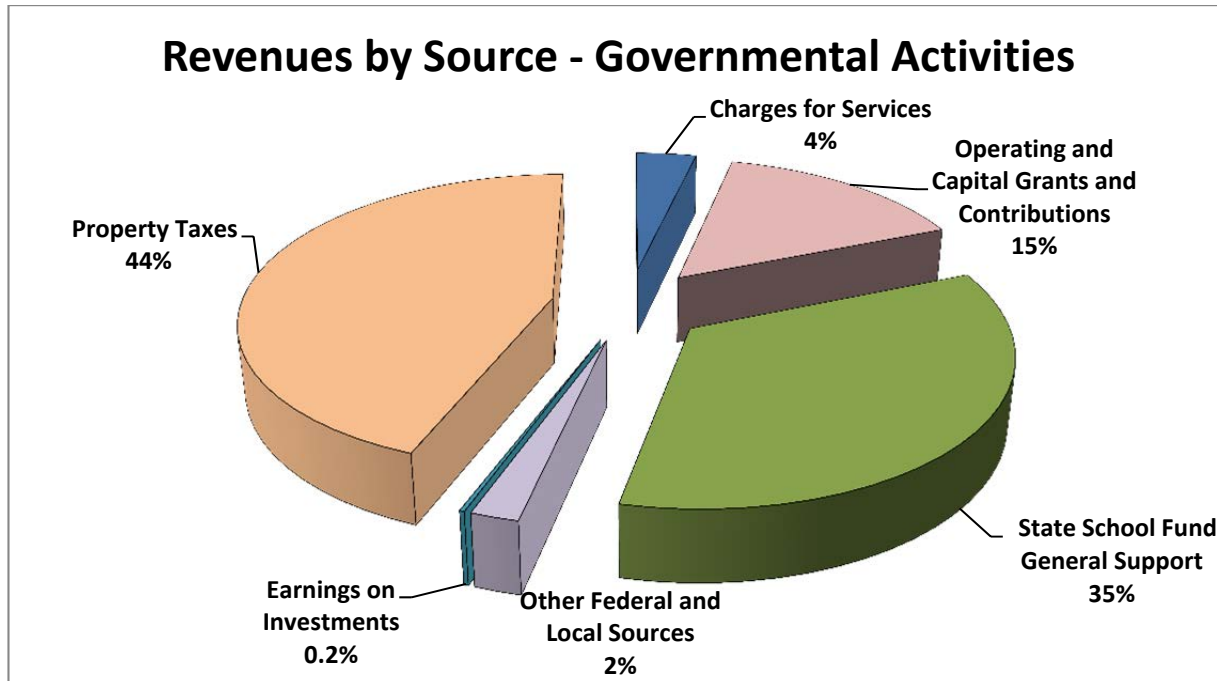
(in thousands)

	<b>Governmental Activities</b>		<b>Total Change</b>
	<b>2014</b>	<b>2013</b>	<b>2013 to 2014</b>
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 7,007	\$ 7,789	\$ (782)
Operating grants and contributions	28,718	29,698	(980)
Capital grants and contributions	592	649	(57)
Program revenues total:	36,317	38,136	(1,819)
General revenues:			
Property taxes	84,839	77,347	7,492
State school fund - general support	66,395	58,012	8,383
Other federal and local sources	4,055	2,007	2,048
Earnings on investments	413	420	(7)
General revenues total:	155,702	137,786	17,916
<b>Total revenues</b>	<b>192,019</b>	<b>175,922</b>	<b>16,097</b>
<b>Expenses (by Function):</b>			
Classroom services	132,140	131,505	635
Building support services	26,545	25,483	1,062
Central support services	15,685	17,000	(1,315)
Nutrition services	4,910	4,691	219
Interest on long-term liabilities	8,140	9,987	(1,847)
<b>Total expenses</b>	<b>187,420</b>	<b>188,666</b>	<b>(1,246)</b>
<b>Change in net position</b>	<b>4,599</b>	<b>(12,744)</b>	<b>17,343</b>
Net position - beginning	50,194	62,938	(12,744)
<b>Net position - ending</b>	<b>\$ 54,793</b>	<b>\$ 50,194</b>	<b>\$ 4,599</b>

During the year ended June 30, 2014, Government-wide net position increased \$4.6 million compared to a decrease of \$12.7 million in 2013.

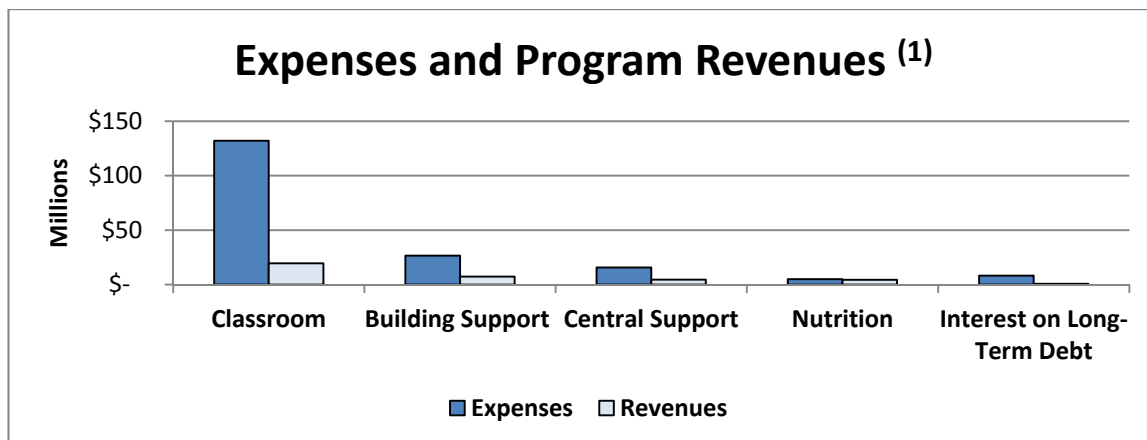
**Revenues**

Total revenues increased by \$16.1 million from the prior year. This is primarily comprised of an increase in General Revenues of \$17.9 million, offset by a drop in Program revenues of \$1.8 million. Increased General Revenues was driven by higher state school funding, additional levy collections to pay for debt service, and an increase in local revenue due to the flow through of funds from the ESD.



**Expenses**

In the year ended June 30, 2014, total expenses decreased by \$1.2 million. The two main drivers are classroom services, which comprise 70.5% of District spending, and building support, which represents 14.2% of District spending. Cost pressures such as higher PERS rates, cost of living increases for all employees, and step increases for eligible employees were offset by a reduction in working days of between seven and nine days, depending on the staff group. While direct classroom services increased by \$2.0 million as a result of additional staffing targeted to reduce class size from the budgeted ratio, this was offset by a drop in classroom support services of \$1.4 million mainly due to a reduction in extracurricular activities. Interest charges on long-term debt were \$1.8 million lower.



(1) The majority of District revenue is from property taxes and State School Funding which are not presented here.



## 2. Fund Financial Statements

The *fund financial statements* provide more detailed information about the District's funds, focusing on the 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. However, the District may also choose to report any other governmental or enterprise fund as a major fund if the District determines that the fund is particularly important to financial statement users.

### 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 – cash flow and funding for future basic services - 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. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

Ending fund balance for governmental fund types is reported in five fund balance categories in accordance with GASBS 54 Fund Balance Reporting and Governmental Fund Type Definitions. For more information on the details behind each fund balance category see Section I, Note F on page 29 of this report.

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 are reconciled to the government-wide Statement of Net Position and Statement of Activities.

The District maintains six individual governmental funds, four of which are considered major funds. Information is presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, the Debt Service Fund, the Capital Projects Fund, and the Federal, State and Local Programs Fund, all of which are considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided as Supplemental Information. Additionally, the District adopts an annual appropriated budget for all funds as required by Oregon Budget Law. Budgetary comparison statements/schedules have been provided to demonstrate compliance elsewhere in this report.

The basic governmental fund financial statements can be found on pages 15-18 and the basic proprietary fund financial statements can be found on pages 21-23 of this report.

### Combined Ending Fund Balances

At June 30, 2014, the District's governmental funds reported *combined ending fund balances* of approximately \$65.3 million, an increase of \$29.5 million in comparison with the prior year. Under GASBS 54, \$63.4 million (97.1%) of the ending fund balances constitutes *nonspendable, restricted or committed ending fund balance*, which is constrained to specific purposes, and \$1.9 million (2.9%) of the ending fund balances are assigned or

unassigned and available to fund the District's ongoing obligations. Information relative to the major governmental funds is contained in the following sections.

### **General Fund**

The General Fund is the chief operating fund of the District. As of June 30, 2014, the total ending fund balance is approximately \$9.6 million. In order to maintain minimum fund balance in accordance with Board policy, committed fund balance is \$7.2 million, and the remainder consists of non-spendable fund balance of \$0.4 million and unassigned fund balance of \$1.9 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 6.6% of total General Fund revenues.

The fund balance increased by \$2.5 million from the balance at June 30, 2013. Total General Fund revenues increased by \$11.7 million (8.8%) compared with 2012-13. Expenditures also increased by \$3.3 million (2.4%) for a net increase in revenues of \$8.5 million (net of transfers) compared to 2012-13. Transfers net to a \$0.6 million decrease to the General Fund.

Expenditures increased by a net of approximately \$3.3 million compared with 2012-13 mainly due to the following:

- Staffing increase primarily at elementary schools to help ensure class sizes remained below 30 students.
- Increases in staffing costs due to PERS rate increases, cost of living increases, and step movement for eligible employees.
- Cost for services that were formerly offered through Lane ESD and were assumed by the District during the year.
- Replenishment of district retirement fund – drawn down in prior years to fund general operations and pay for 2013 early retirement plan.

### *Budgetary Highlights*

*Original budget compared to final budget.* The District adopts an annual appropriated budget for its General Fund. The following comparison of the general fund actual to budget demonstrates compliance with this budget. During the year there was an increase of approximately \$0.3 million in original estimated revenues and a net decrease in appropriations of \$0.8 million mainly attributable to changes in operations, increases in staffing, and compensation changes resulting from settlement of employee contracts. Additionally, a supplemental budget authorized reallocation of appropriations among functions when annual expenditure patterns became clearer.

*Final budget compared to actual results.* The most significant difference between estimated revenue and actual revenue was State and Federal Sources. Actual revenue was \$3.4 million higher than anticipated partly due to an increase in state (state school fund, \$1.3 million) mainly due to a prior year adjustment in state revenue, and federal revenue sources (federal forest fees, \$0.9 million).

Actual expenditures were lower than appropriations in the final budget by \$1.7 million. This includes a decrease in expenditure for support services (\$0.8 million) and instructional costs (\$0.7 million) resulting from higher than expected staff savings from nine furlough days and a significant number of position vacancies. Additionally, an operating contingency of \$0.2 million was not utilized.

### **Debt Service Fund**

The Debt Service Fund has a total fund balance of \$8.7 million which is an increase of \$2.0 million from June 2013. This reflects the funds held for payment of debt and is therefore restricted for the payment of debt service.

### **Capital Projects Fund**

The fund balance in the Capital Projects Fund as of June 30, 2014 is \$39.7 million which is \$24.0 million greater than in 2012-13. This increase reflects the principal related to the issuance of bonds in fiscal year 2013-14. Spending on non-bond related projects was offset by the transfers in from the General Fund to the

Capital Equipment Reserve, a sub fund of the Capital Projects Fund. Of the Capital Projects Fund balance, \$34.8 million is restricted and \$4.9 million is committed for capital improvements and repairs.

### **Federal, State, and Local Programs Fund**

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

### ***Proprietary funds***

The District maintains one proprietary fund type, which is internal service funds. 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 funds to account for risk management insurance and other postemployment retirement benefits. Since these services benefit governmental, rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The District maintains two individual internal service funds. These funds are combined into a single, aggregated presentation in the basic financial statements. Under the GAAP basis of accounting, the Postemployment Benefits Fund had a \$1.5 million increase in fund balance in the current fiscal year. This reduced the overall fund balance from a deficit of \$3.4 million in 2012-13 to a deficit of \$1.9 million in 2013-14. This balance reflects the liability for early retirement stipends net of amounts set aside for this purpose and the set-aside for future PERS liabilities. The District operates the fund primarily on a pay-as-you-go basis. Individual fund data for the internal service funds is provided as Supplemental Information in this report.

The combining proprietary fund financial statements can be found on pages 56-58 of this report.

### **Transfers**

Transfers are made between the General Fund and other funds to support operations such as risk management and nutrition services, and from other funds to the General Fund to support General Fund resources. Interfund transfers for the year ended June 30, 2014 total \$6.0 million. See Section III, Note C on page 36 of this report for more information.

## ***3. Notes to the financial statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24-52 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. Total student enrollment in 2013-14 declined slightly from 2012-13. As in prior years, downward enrollment trends are projected to continue in future years after a slight increase in 2015-16 reflecting the first year of full-day kindergarten. This downward trend follows declines in elementary enrollment. These may be mitigated to some extent by enrollment from other districts as a result of the State allowing open enrollment across districts until 2016-17.

The Oregon State Legislature will meet in January – June 2015 to determine the State School funding level for the 2015-17 biennium. The State economic forecast reveals a slow, steady recovery and slow growth in State School funding for the District in the next few biennia. The District will implement a full-day kindergarten program in 2015-16, and the Legislature is expected to increase funding to support this statewide implementation.

The 2014-15 proposed budget was developed as the nation and state emerged from the Great Recession. It was based on a K-12 state funding level of \$6.65 billion, which is about 14% higher than the legislatively approved 2011-13 K-12 funding level.

The 2014-15 budget was adopted by the Board on June 18, 2014. The adopted budget for the General Fund for the year ending June 30, 2015 includes General Fund expenditures (excluding transfers) of \$149.8 million, 6.7% higher than the 2013-14 adopted budget. One-time funding sources allowed the District to maintain student to classroom teacher ratios at or below 2013-14 levels. In addition, a Board Priorities Reserve of \$1.1 million was created by reducing the General Fund ending fund balance to 4.25%.

The School Board has set policy that states that the District will target 2% of its annual operating budget as contingency and 5% of annual operating revenues as ending fund balance. The 2014-15 budget included a 2% operating contingency and the Board approved a 0.75% reduction in the ending fund balance target to 4.25% for the 2014-15 adopted budget.

The District's Budget Committee and School Board considered all of these factors in the preparation of the District's budget for the 2014-15 fiscal year. In addition, local voters renewed a local option levy in November 2014.

### ***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 Simone Sangster, Chief Financial Officer, at 200 North Monroe, Eugene, Oregon 97402.

***BASIC FINANCIAL STATEMENTS***

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES**  
**JUNE 30, 2014**

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**ASSETS**

Cash and investments	\$ 90,628,972
Receivables:	
Property taxes	6,898,569
Accounts and other receivables	5,489,957
Prepaid expenses	212,079
Inventories	352,855
Prepaid PERS unfunded actuarial liability	34,043,605
Capital assets not being depreciated	
Land and construction in progress	8,023,370
Capital assets, net of accumulated depreciation	
Athletic field improvements	3,631,790
Buildings and improvements	134,989,895
Machinery and equipment	3,361,005
Vehicles	5,223,272
Intangibles	1,919,852
	<hr/>
<b>TOTAL ASSETS</b>	<b>294,775,221</b>

**LIABILITIES**

Accounts payable	4,076,318
Accrued payroll and related charges	14,189,574
Accrued interest	2,332,430
Unearned revenue	3,334,338
Long-term liabilities	
Due within one year	
Bonds and capital leases	11,535,211
Early out retirement incentive	112,000
Due in more than one year	
Bonds and capital leases	199,533,758
Early termination stipend benefits	402,783
Net OPEB obligation	4,465,761
	<hr/>
<b>TOTAL LIABILITIES</b>	<b>239,982,173</b>

**NET POSITION**

Net investment in capital assets	29,572,218
Restricted for debt service	7,454,649
Unrestricted	17,766,181
	<hr/>
<b>TOTAL NET POSITION</b>	<b>\$ 54,793,048</b>

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

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES**  
**YEAR ENDED JUNE 30, 2014**

Functions	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
<b>GOVERNMENTAL ACTIVITIES</b>				
Direct classroom services				
Regular instruction	\$ 64,189,400	\$ 48,009	\$ 1,036,350	\$ (63,105,041)
Special programs	30,235,767	233,975	9,431,490	(20,570,302)
Total direct classroom services	94,425,167	281,984	10,467,840	(83,675,343)
Classroom support services				
Extracurricular activities	5,829,647	404,919	4,206,280	(1,218,448)
Student support	10,299,565	-	1,099,970	(9,199,595)
Libraries, curriculum and staff development	8,253,834	13,740	2,447,687	(5,792,407)
School administration	12,331,206	-	22,476	(12,308,730)
Community services	1,000,565	-	538,217	(462,348)
Total classroom support services	37,714,817	418,659	8,314,630	(28,981,528)
Building support services				
Facilities operation and maintenance	12,468,191	569,730	-	(11,898,461)
Student transportation	7,595,586	245,534	5,652,399	(1,105,355)
Computing and information services	5,859,909	1,306	293,005	(5,565,598)
Warehouse and purchasing	621,171	-	-	(621,171)
Total building support services	26,544,857	816,570	5,945,404	(19,190,585)
Central support services				
Executive administration	991,376	-	-	(991,376)
Financial services	2,345,317	3,571	-	(2,341,746)
Human resources/employee insurance benefits	6,947,472	4,505,428	-	(2,442,044)
District retirement	4,773,541	-	-	(4,773,541)
Communications and intergovernmental relations	627,601	-	-	(627,601)
Total central support services	15,685,307	4,508,999	-	(11,176,308)
Nutrition services	4,909,589	980,454	3,335,631	(593,504)
Interest on long-term liabilities	8,140,544	-	654,240	(7,486,304)
Total school district	\$ 187,420,281	\$ 7,006,666	\$ 28,717,745	\$ (151,103,572)
General revenues:				
Property taxes levied for:				
General purposes				64,887,649
Debt service				19,950,652
Federal aid not restricted to specific purposes				1,052,578
State aid not restricted to specific purposes				66,395,501
Earnings on investments				413,225
Other local revenue				3,002,588
Total general revenues				155,702,193
Change in net position				4,598,621
Net position- beginning				50,194,427
Net position- ending				\$ 54,793,048

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, 2014**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Special Revenue Fund Federal, State and Local Programs Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Equity in pooled cash and investments	\$ 11,639,779	\$ -	\$ 5,004,909	\$ -	\$ 3,485,459	\$ 20,130,147
Cash and investments	-	8,348,615	45,440,729	-	3,654,522	57,443,866
Receivables						
Property taxes	5,555,027	1,343,542	-	-	-	6,898,569
Accounts and other receivables	1,568,227	14,573	64,969	3,369,129	463,254	5,480,152
Due from other funds	9,323,767	239,287	-	-	157,778	9,720,832
Prepaid items	212,079	-	-	-	-	212,079
Inventories	214,107	-	-	-	138,748	352,855
<b>Total Assets</b>	<u>\$ 28,512,986</u>	<u>\$ 9,946,017</u>	<u>\$ 50,510,607</u>	<u>\$ 3,369,129</u>	<u>\$ 7,899,762</u>	<u>\$ 100,238,501</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts and interest payable	\$ 3,283,798	\$ -	\$ -	\$ 228,133	\$ 564,387	\$ 4,076,318
Accrued payroll and related charges	10,069,533	-	2,799,162	-	-	12,868,695
Due to other funds	397,064	-	7,988,081	1,335,687	-	9,720,832
Unearned revenue	8,919	-	-	1,805,309	-	1,814,228
<b>Total Liabilities</b>	13,759,314	-	10,787,243	3,369,129	564,387	28,480,073
<b>Deferred inflows of resources</b>						
Property tax revenue	5,192,959	1,246,691	-	-	-	6,439,650
<b>Fund balances</b>						
Nonspendable:						
Inventory	214,107	-	-	-	138,748	352,855
Prepaid items	212,079	-	-	-	-	212,079
Restricted for:						
Debt service	-	8,466,743	-	-	-	8,466,743
Capital projects	-	-	34,792,002	-	-	34,792,002
Committed for:						
Debt service	-	232,583	-	-	-	232,583
Capital projects	-	-	4,931,362	-	-	4,931,362
Nutrition services	-	-	-	-	74,585	74,585
School resources	-	-	-	-	7,122,042	7,122,042
Minimum fund balance	7,237,020	-	-	-	-	7,237,020
Unassigned	1,897,507	-	-	-	-	1,897,507
<b>Total Fund Balances</b>	<u>9,560,713</u>	<u>8,699,326</u>	<u>39,723,364</u>	<u>-</u>	<u>7,335,375</u>	<u>65,318,778</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 28,512,986</u>	<u>\$ 9,946,017</u>	<u>\$ 50,510,607</u>	<u>\$ 3,369,129</u>	<u>\$ 7,899,762</u>	<u>\$ 100,238,501</u>

Note: Totals may not foot due to rounding.

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



**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

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Total Governmental Fund Balances (page 15) \$ 65,318,778

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$337,806,751 and the accumulated depreciation is \$180,657,567. 157,149,184

Pension assets are not financial resources in governmental funds, but are reported in the Statement of Net Position. 34,043,605

The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position. 6,262,232

Property tax revenue is recognized in the net position 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. 6,439,650

Interest on long-term debt is accrued and reported as a liability in the Statement of Net Position while in the governmental funds it is recorded as an expenditure when due. (2,332,430)

Vested compensated absences are reported when earned as a liability in the Statement of Net Position while in the governmental funds only the unpaid balance of reimbursable unused leave is reported as a liability. (1,019,002)

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	\$ (48,700,000)	
Bonds payable	(159,344,931)	
Capital leases payable	(3,024,038)	
Total long-term liabilities		<u>(211,068,969)</u>

Total Net Position (page 13) \$ 54,793,048

*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, 2014**

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Special Revenue Fund Federal, State and Local Programs Fund</b>	<b>Other Governmental Funds</b>	<b>Totals</b>
<b>REVENUES</b>						
Local sources	\$ 68,505,093	\$ 23,920,710	\$ 331,434	\$ 3,635,193	\$ 5,512,753	\$ 101,905,183
Intermediate sources	2,394,216	-	-	322,166	-	2,716,382
State sources	72,938,927	-	592,298	1,483,447	55,032	75,069,704
Federal sources	902,155	654,240	-	8,676,412	3,104,670	13,337,477
<i>Total Revenues</i>	<u>144,740,391</u>	<u>24,574,950</u>	<u>923,732</u>	<u>14,117,218</u>	<u>8,672,455</u>	<u>193,028,746</u>
<b>EXPENDITURES</b>						
Current						
Instruction	83,825,345	-	1,061,646	8,961,217	4,333,347	98,181,555
Supporting services	57,359,333	-	1,582,569	4,600,989	286,238	63,829,129
Community services	411,550	-	-	555,012	4,634,613	5,601,175
Debt service						
Principal	-	13,692,911	832,586	-	-	14,525,497
Interest	-	8,922,658	101,439	-	-	9,024,097
Capital outlay	20,446	-	16,290,395	-	-	16,310,841
<i>Total Expenditures</i>	<u>141,616,674</u>	<u>22,615,569</u>	<u>19,868,635</u>	<u>14,117,218</u>	<u>9,254,198</u>	<u>207,472,294</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	3,123,717	1,959,381	(18,944,903)	-	(581,743)	(14,443,548)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	2,663,178	-	292,706	-	1,910,142	4,866,026
Transfers out	(3,266,052)	-	(1,000,000)	-	(374,654)	(4,640,706)
Issuance of debt	-	-	39,996,054	-	-	39,996,054
Bond premium	-	-	3,718,017	-	-	3,718,017
<i>Total Other Financing Sources (Uses)</i>	<u>(602,874)</u>	<u>-</u>	<u>43,006,777</u>	<u>-</u>	<u>1,535,488</u>	<u>43,939,391</u>
<b>NET CHANGE IN FUND BALANCES</b>	2,520,843	1,959,381	24,061,874	-	953,745	29,495,843
<b>FUND BALANCES, Beginning of year</b>	<u>7,039,870</u>	<u>6,739,945</u>	<u>15,661,490</u>	<u>-</u>	<u>6,381,630</u>	<u>35,822,935</u>
<b>FUND BALANCES, End of year</b>	<u>\$ 9,560,713</u>	<u>\$ 8,699,326</u>	<u>\$ 39,723,364</u>	<u>\$ -</u>	<u>\$ 7,335,375</u>	<u>\$ 65,318,778</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, 2014**

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Net change in fund balances - total governmental funds (page 17) \$ 29,495,843

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimate useful lives and reported as depreciation expense. This is the amount by which current year's capitalized expenditures (\$16,310,841) exceeded depreciation (\$11,914,884). 4,395,957

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

Issuance of bonds	(39,996,054)	
Bond premium	(3,718,017)	
Debt principal repaid	14,525,497	
Total long-term liabilities		(29,188,574)

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. (772,993)

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. 1,656,546

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. 138,147

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 paid of \$1,021,866 exceeded the amount earned of \$1,019,001. 2,865

The change in net position of the internal service funds are not included in the governmental funds but are reported in the Statement of Activities. 1,302,516

Change in net position of governmental activities (page 14) \$ 4,598,621

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

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***FUND FINANCIAL STATEMENTS***

***BUDGET AND ACTUAL***

***MAJOR GOVERNMENTAL FUNDS***

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

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

***FEDERAL, STATE AND LOCAL PROGRAMS FUND*** – 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, 2014**

	<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>	
<b>REVENUES</b>						
Local sources	\$ 67,800,000	\$ 67,942,574	\$ 562,519	\$ 68,505,093	\$ -	\$ 68,505,093
Intermediate sources	2,394,000	2,394,000	216	2,394,216	-	2,394,216
State sources	70,917,000	71,049,746	1,889,181	72,938,927	-	72,938,927
Federal sources	-	-	902,155	902,155	-	902,155
<i>Total Revenues</i>	<u>141,111,000</u>	<u>141,386,320</u>	<u>3,354,071</u>	<u>144,740,391</u>	<u>-</u>	<u>144,740,391</u>
<b>EXPENDITURES</b>						
Current						
Instruction	81,992,715	84,527,628	702,283	83,825,345	-	83,825,345
Supporting services	58,054,485	58,139,067	759,288	57,379,779	(20,446)	57,359,333
Community services	400,836	450,884	39,334	411,550	-	411,550
Facilities acquisition and construction	1,000	1,000	1,000	-	-	-
Operating contingency	3,679,221	215,037	215,037	-	-	-
Debt service	1,000	1,000	1,000	-	-	-
Capital outlay	-	-	-	-	20,446	20,446
<i>Total Expenditures</i>	<u>144,129,257</u>	<u>143,334,616</u>	<u>1,717,942</u>	<u>141,616,674</u>	<u>-</u>	<u>141,616,674</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(3,018,257)</u>	<u>(1,948,296)</u>	<u>5,072,013</u>	<u>3,123,717</u>	<u>-</u>	<u>3,123,717</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	1,259,000	2,676,148	(12,970)	2,663,178	-	2,663,178
Transfers out	<u>(1,145,000)</u>	<u>(3,659,223)</u>	<u>393,171</u>	<u>(3,266,052)</u>	<u>-</u>	<u>(3,266,052)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>114,000</u>	<u>(983,075)</u>	<u>380,201</u>	<u>(602,874)</u>	<u>-</u>	<u>(602,874)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(2,904,257)</u>	<u>(2,931,371)</u>	<u>5,452,214</u>	<u>2,520,843</u>	<u>-</u>	<u>2,520,843</u>
<b>FUND BALANCE, Beginning of year</b>	<u>6,742,000</u>	<u>7,039,870</u>	<u>-</u>	<u>7,039,870</u>	<u>-</u>	<u>7,039,870</u>
<b>FUND BALANCE, End of year</b>	<u>\$ 3,837,743</u>	<u>\$ 4,108,499</u>	<u>\$ 5,452,214</u>	<u>\$ 9,560,713</u>	<u>\$ -</u>	<u>\$ 9,560,713</u>

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

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - FEDERAL, STATE AND LOCAL PROGRAMS FUND**  
**YEAR ENDED JUNE 30, 2014**

	<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>	
<b>REVENUES</b>						
Local sources	\$ 4,896,639	\$ 6,055,686	\$ (2,420,493)	\$ 3,635,193	\$ -	\$ 3,635,193
Intermediate sources	16,200	16,200	305,966	322,166	-	322,166
State sources	1,467,504	2,543,866	(1,060,419)	1,483,447	-	1,483,447
Federal sources	9,453,124	10,810,767	(2,134,355)	8,676,412	-	8,676,412
<i>Total Revenues</i>	15,833,467	19,426,519	(5,309,301)	14,117,218	-	14,117,218
<b>EXPENDITURES</b>						
Current						
Instruction	10,333,251	12,249,381	3,288,164	8,961,217	-	8,961,217
Supporting services	4,917,434	6,585,698	1,984,709	4,600,989	-	4,600,989
Community services	581,782	590,440	35,428	555,012	-	555,012
Facilities acquisition and construction	1,000	1,000	1,000	-	-	-
<i>Total Expenditures</i>	15,833,467	19,426,519	5,309,301	14,117,218	-	14,117,218
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	-	-	-
<b>FUND BALANCE, Beginning of year</b>	-	-	-	-	-	-
<b>FUND BALANCE, End of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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## ***FUND FINANCIAL STATEMENTS***

### ***PROPRIETARY FUNDS***

***INTERNAL SERVICE FUNDS*** - 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.

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES**  
**PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS**  
**JUNE 30, 2014**

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**ASSETS**

Current assets:

Equity in pooled cash and investments	\$	13,054,959
Accounts and other receivables		<u>9,805</u>

*Total Assets* 13,064,764

**LIABILITIES**

Current liabilities:

Accrued payroll and related charges	301,878
Unearned revenue	<u>1,520,110</u>

Long-term liabilities:

Due within one year	
Early out retirement incentive	112,000
Due in more than one year	
Other post employment benefits obligation	<u>4,868,544</u>

*Total Liabilities* 6,802,532

**NET POSITION**

Unrestricted	<u>6,262,232</u>
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*Total Net Position* \$ 6,262,232

*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 NET POSITION -**  
**GOVERNMENTAL ACTIVITIES**  
**PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2014**

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<b>OPERATING REVENUES</b>	
Interfund charges for services	\$ 32,633,911
Other reimbursements	310,963
	<hr/>
<i>Total Operating Revenues</i>	32,944,874
<b>OPERATING EXPENSES</b>	<hr/> 31,447,368
<b>OPERATING INCOME</b>	1,497,506
<b>NONOPERATING REVENUES</b>	
Interest income	30,330
	<hr/>
<b>INCOME BEFORE TRANSFERS</b>	1,527,836
<b>TRANSFERS</b>	
Transfers in	1,092,104
Transfers out	(1,317,424)
	<hr/>
<i>Total Transfers</i>	(225,320)
<b>CHANGE IN NET POSITION</b>	1,302,516
<b>TOTAL NET POSITION, Beginning of year</b>	<hr/> 4,959,716
<b>TOTAL NET POSITION, End of year</b>	<hr/> <u>\$ 6,262,232</u>

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

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**STATEMENT OF CASH FLOWS - GOVERNMENTAL ACTIVITIES**  
**PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2014**

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers and users	\$ 310,963
Receipts from interfund services provided	32,546,209
Payments to suppliers	(27,815,143)
Payments to employees	(696,163)
Payments to retirees	<u>(2,261,850)</u>

*Net Cash Provided (Used) by Operating Activities* 2,084,016

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Transfers in from other funds	1,092,104
Transfers out to other funds	<u>(1,317,424)</u>

*Net Cash Used by Noncapital Financing Activities* (225,320)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest received	<u>30,330</u>
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*Net Increase (Decrease) in Cash and Cash Equivalents* 1,889,026

**CASH AND CASH EQUIVALENTS, Beginning of year** 11,165,933

**CASH AND CASH EQUIVALENTS, End of year** \$ 13,054,959

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:**

Operating income (loss)	\$ 1,497,506
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Decrease in accounts and other receivables	13,690
Increase in prepaid expenses	759,372
Decrease in accrued payroll and related charges	(165,165)
Increase in accrued postemployment benefits payable	80,005
Decrease in unearned revenue	<u>(101,392)</u>

Total adjustments 586,510

*Net Cash Provided (Used) by Operating Activities* \$ 2,084,016

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

***NOTES TO THE FINANCIAL STATEMENTS***

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2014**

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**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 operation of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in these financial statements.

The District has granted charters to four public charter schools, Ridgeline Montessori Public Charter School, The Village School, Network Charter School, and Coburg Community Charter School. The District does not report them as component units as these public charter schools are legally separate, tax-exempt organizations governed by their own board of directors, and their financial statements may be obtained from their administrative offices.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. 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.

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 funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**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.

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
*NOTES TO THE FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2014*

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 *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:

*Internal Service Funds* (Proprietary Funds) account for the insurance services and postemployment benefits provided to the other funds of the District.

The District reports unavailable revenue on the balance sheets of the governmental funds. Unavailable revenues arise when revenue does not meet both the measurable and available criteria for recognition in the current period. Unavailable revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. The District reports unearned revenue on the balance sheets of the governmental funds in connection with resources that have been received but not yet earned. In subsequent periods, when both recognition criteria are met or when the District has a legal claim to the resources, the liability for unavailable 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 funds are charges to other funds for insurance and postemployment retirement benefits. Operating expenses for the internal service funds include insurance premiums, salaries and benefits, supplies, materials, administrative expenses, and postemployment benefits. All revenues and

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
*NOTES TO THE FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2014*

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 plan 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, 2014. Actual results may differ from such estimates.

**E. Assets, Liabilities and Deferred Outflows/Inflows of Resources**

**1. Cash and Investments**

Oregon Revised Statutes authorize the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities of the United States. Certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers acceptances, time certificates of deposit, corporate indebtedness, and the Oregon State Treasury's Oregon Short-Term Fund, which includes the Local Government Investment pool. Further restrictions on authorized investments can be approved by the district as needed to manage portfolio risk and other investment concerns.

Investments are carried at amortized cost, which approximates fair value. During the year, the District's investments included deposits in financial institutions and the Oregon Short-Term Fund, 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 reflects amounts invested in the Oregon Short-Term Fund and is considered to be cash.

The District is required by Oregon law to insure its deposits with financial institutions through federal depository insurance funds coverage or participation in the Oregon Public Funds Collateralization Program (PFCP) administered by the Oregon State Treasury.

The 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.

**2. Interfund Receivables and Payables, Transfers and Loans**

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. Interfund loans are considered advances and are reported as an asset of the lending fund and as a liability of the borrowing fund.



**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 unavailable revenue because they are not deemed available to finance operations of the current period.

**4. Inventories**

School operating supplies, gasoline and diesel, food and cafeteria supplies are stated at average cost. Commodities received from the United States Department of Agriculture (USDA) are recorded at cost using the first-in/ first-out (FIFO) method. The cost of all inventories is recorded as expenditures when consumed rather than purchased (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, 2014. 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, intangibles, 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.

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.

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)  
 YEAR ENDED JUNE 30, 2014

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

<u>Assets</u>	<u>Years</u>
Buildings	60
Portable buildings, building improvements	20-30
Site improvements	15-20
Trucks, trailers, miscellaneous vehicles	15
Custodial, grounds equipment	15
School buses, passenger cars, vans and pickups	10
Miscellaneous equipment	10
Computer equipment	3-5
Intangibles	3-5

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 funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. 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 expensed in the period incurred.

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 Reserve Fund (a sub-fund of the Capital Projects Fund). Payments of postemployment benefit obligations are recorded in the Postemployment Benefits Fund.

**8. Deferred Inflows/Outflows of Resources**

In addition to assets, the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. The

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
*NOTES TO THE FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2014*

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**F. Governmental Fund Balances**

In the governmental financial statements, fund balances are reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental Fund type fund balances are classified as follows:

**Nonspendable** – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for resale.

**Restricted** – Amounts that can be spent only for specific purposes when the constraints placed on the use of these resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed** – Amounts that can be used only for specific purposes determined by a formal action, a formally signed resolution, of the School Board. The Board of Directors is the highest level decision making authority. The formal action may be performed at any time and consists of an affirmative vote of a majority of the Board to approve, modify or rescind a motion to commit funds.

**Assigned** – Amounts that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the School Board approves which resources should be "reserved" during the adoption of the annual budget. The District's Chief Financial Officer uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the District's Annual Financial Report.

**Unassigned** – All amounts not included in other spendable classifications. This residual classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

In governmental funds, the District's plan is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

**G. Minimum Fund Balance**

The Board has adopted a policy to maintain a minimum ending fund balance in the General Fund in order to provide stable services and employment and to offset cyclical or unforeseen variations in revenues and expenditures without borrowing. The Board established minimum fund balance is five percent of current year annual operating revenues excluding transfers between funds. When the Board decides to allow a temporary reduction in the minimum ending fund balance, the Board will adopt a plan to rebuild it to the targeted five percent level within five years.

***I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

***H. 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 unearned revenue in the balance sheet. USDA commodity inventory is recorded at the assigned value and is recognized as revenue and expenditures when used.

***I. Retirement Plans***

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement Fund (OPERF), administered by the Oregon Public Employees Retirement System (PERS). Contributions to PERS are made on a current basis as required by the plan, and are charged as expenses/expenditures.

The District also offers its employees a tax deferred annuity plan established pursuant to Section 403(b) of the Internal Revenue Code.

***J. Other Postemployment Benefits***

The District currently maintains two single-employer early retirement supplement programs which provides for payments of stipends to qualified employees. In addition, the District employees who elect retirement are entitled to participate in the District's group medical insurance plan as provided by Oregon Revised Statutes.

***K. 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.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2014

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**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, Enterprise and Community Services, Facilities Acquisition, Debt Service, Transfers, 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, 2014, additional appropriations totaling \$3,868,373 were made to allow expenditure of unexpected revenues. Final budget amounts include the original budget and approved increases and transfers.

**B. Deficit Fund Balance**

At June 30, 2014, an Internal Service Fund (Postemployment Benefits Fund) had a GAAP basis deficit fund balance of \$1,917,969. The reason for this deficit is that the District primarily operates this fund on a pay-as-you-go basis, which means that fund assets are not maintained to balance the actuarial liability.

**C. Economic Dependency**

The District received General Fund revenue of \$144,740,391. Of this amount, \$72,938,927 comes from agencies within the State of Oregon. Due to the significance of this reported revenue source, the District is considered to be economically dependent on the State of Oregon.

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2014**

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**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**D. 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.
Postemployment retirement benefits	Retirement benefits are measured by the amount of resources used and provided in the current period.	Internal service funds report the full liability associated with retirement benefits payable regardless of whether they will be liquidated with currently available resources.

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2014**

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**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, 2014:

	<b>Carrying Amount</b>
Cash and Deposits	\$ 51,882,935
Investments	38,746,037
	<u>\$ 90,628,972</u>
Equity in Pooled Cash and Investments-Governmental Funds, Balance Sheet	\$ 20,130,147
Cash and Investments-Government Funds, Balance Sheet	57,443,866
Equity in Pooled Cash and Investments-Internal Service Fund, Statement of Net Position	13,054,959
	<u>\$ 90,628,972</u>

	<b>Carrying Amount</b>	<b>Bank Balance</b>
Cash and Deposits		
As of June 30, 2014 the District held the following deposits:		
Pooled demand deposits	\$ 40,035,208	\$ 40,203,839
Capital projects fund demand deposits	2,522	2,522
Special revenue funds demand and savings deposits	3,654,522	3,808,299
Debt service	8,190,683	8,190,683
Total Deposits	<u>\$ 51,882,935</u>	<u>\$ 52,205,343</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 \$1,033,569 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 \$51,882,935 and the bank balance was \$52,205,343.

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2014**

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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash and Investments (Continued)**

*Investments*

As of June 30, 2014, the District held the following investments and maturities:

	<b>Carrying Amount</b>	<b>Weighted Average Maturity in Years</b>	<b>% of Investment Portfolio</b>
Local Government Investment Pool	<u>\$ 38,746,037</u>	<u>0.003</u>	<u>100.00%</u>

The Oregon State Treasury invests the Oregon Short Term Fund (OSTF) of which the Local Government Investment Pool (LGIP) is a part. Participation in the LGIP is voluntary for local governments. The LGIP was created to offer a short-term investment alternative for Oregon local governments and is not registered with the U.S. Securities and Exchange Commission. Pool investments are governed by the OSTF portfolio rules, which are approved by the Oregon Investment Council. The portfolio of rules are available on Oregon State Treasury's website at [www.Oregon.Gov/Treasury](http://www.Oregon.Gov/Treasury).

As of June 30, 2014, the fair value of the District's deposits with the LGIP was equal to 100.80% of the District's account balance (pool shares). Additional information related to pool investment and account is contained with the OSTF audited financial statements at [www.Oregon.Gov/Treasury](http://www.Oregon.Gov/Treasury).

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 \$46,364,262 at June 30, 2014. 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*

Custodial credit risk for investments is the risk that, in the event of a transactional counterparty failure, the District will not be able to recover the value of an investment in the possession of an outside party. The District minimizes custodial credit risk by pre-qualifying any financial institutions, broker/dealers and advisors with which the District will do business. All securities, except for the District's investment in the Local Government Investment Pool which is not evidenced by securities, are required to be held by an independent third-party safekeeping institution selected by the District, and must be evidenced by safekeeping receipts in the District's name. As of June 30, 2014 the District had finalized policy DFA "Investment of Funds" and was in the process of approving a detailed administrative rule regarding investment activities designed to minimize custodial credit risk.

*Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. State of Oregon statutes (ORS 294.035, 294.040 and 294.810) 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, corporate indebtedness, and the Oregon State Treasury's Oregon Short Term Fund (which includes the Local Government Investment Pool). As of June 30, 2014 the District had finalized policy DFA "Investment of Funds" and was in the process of approving a detailed administrative rule regarding investment activities designed to minimize credit risk.



**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)  
 YEAR ENDED JUNE 30, 2014

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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash and Investments (Continued)**

The Oregon Short Term Fund (which includes the Local Government Investment Pool) is not rated for credit risk.

*Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District minimizes interest rate risk 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 the Local Government Investment Pool (LGIP). Operating funds may be invested in the LGIP to the extent permitted by ORS 294.810. Excess amounts are invested in adherence with the portfolio maturity constraints listed below:

<u>Maturity Constraints</u>	<u>Minimum % of Operating Funds</u>
Under 3 months	25% or three months estimated operating expenditures
Under 6 months	50%
Under 1 year	75%
Under 18 months	100%

As of June 30, 2014 the District had finalized policy DFA "Investment of Funds" and was in the process of approving a detailed administrative rule regarding investment activities including liquidity and 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 losses from any one type of security or issuer will be minimized. As of June 30, 2014 the District had finalized policy DFA "Investment of Funds" and was in the process of approving a detailed administrative rule regarding investment activities including portfolio exposure limits. Specific investment types shall not exceed the percentages of the total investment portfolio as indicated below:

<u>Issue Type</u>	<u>Maximum % Holdings</u>
US Treasury Obligations	100%
US Agency Securities	100%
Per Agency (Senior Obligations Only)	33%
Oregon Short Term Fund	Maximum allowed per ORS 294.810
Time Deposits/Savings Accounts/Certificates of Deposit	50%
Per Institution	25%

*Foreign Currency Risk*

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

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2014**

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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**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, 2014 is as follows:

	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>
General Fund	\$ 397,064	\$ 9,323,767
Debt Service Fund	-	239,287
Capital Projects Fund	7,988,081	-
Federal, State and Local Programs Fund	1,335,687	-
Other Governmental Funds	-	157,778
Total	<u>\$ 9,720,832</u>	<u>\$ 9,720,832</u>

Interfund receivables and payables (Due to / Due from Other Funds) arise during normal processing of receipts and disbursements for all funds through a single checking account and do not represent interfund loans.

The interfund transfers during the year ended June 30, 2014 are as follows:

	<u>Transfer in</u>	<u>Transfer out</u>
General Fund	\$ 2,663,178	\$ 3,266,052
Capital Projects Fund	292,706	1,000,000
Other Governmental Funds	1,910,142	374,654
Internal Service Funds	1,092,104	1,317,424
Total	<u>\$ 5,958,130</u>	<u>\$ 5,958,130</u>

During the year, transfers from the General Fund to other governmental funds are made 1) in support of risk management operations, 2) as transfers to school and department reserves based on savings in the General Fund at year-end, or 3) as negotiated transfers to employee group insurance reserves. Transfers from Other Governmental Funds are from school and department reserves to support general operations. Transfers from the Internal Service Funds are negotiated transfers from the Insurance Reserve Fund to the General Fund and to the Nutrition Services Fund.

Further, during the year ended June 30, 2014, the District made the following one-time transfers:

1. A transfer of \$193,209 from the General Fund to the Nutrition Services Fund to contribute to Nutrition Services operations.
2. A transfer of \$1,000,000 from the Capital Projects Fund to the General Fund to support District General operations.
3. A transfer of \$1,030,524 from the Insurance Reserve Fund to the General Fund as negotiated by employee groups for ongoing compensation and benefit increases.

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
*NOTES TO THE FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2014*

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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Inventories**

Inventory balances at June 30, 2014 are as follows:

**General Fund**

Instructional supplies and materials	\$	125,382
Gasoline and diesel		<u>88,725</u>

<i>Total General Fund</i>		<u>214,107</u>
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**Other Governmental Funds**

Nutrition Services		
Value of commodities on hand from the U.S. Department of Agriculture		<u>138,748</u>

<i>Total Inventories</i>	\$	<u><u>352,855</u></u>
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**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2014**

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**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, 2014 is \$3,024,038.

Capital asset activity for the year ended June 30, 2014 was as follows:

	<u>Balance June 30, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2014</u>
Capital assets not being depreciated:				
Land	\$ 1,621,220	\$ -	\$ -	\$ 1,621,220
Construction in progress	491,449	6,402,150	(491,449)	6,402,150
<i>Total capital assets not being depreciated</i>	<u>2,112,669</u>	<u>6,402,150</u>	<u>(491,449)</u>	<u>8,023,370</u>
Capital assets being depreciated:				
Athletic field improvements	11,963,420	471,887	-	12,435,307
Buildings and improvements	285,459,236	4,977,162	-	290,436,398
Equipment	7,895,291	2,808,089	(9,582)	10,693,798
Vehicles	12,571,533	1,265,711	-	13,837,244
Intangibles	1,503,343	877,291	-	2,380,634
<i>Total capital assets being depreciated</i>	<u>319,392,823</u>	<u>10,400,140</u>	<u>(9,582)</u>	<u>329,783,381</u>
Accumulated depreciation for:				
Athletic field improvements	(7,994,131)	(809,386)	-	(8,803,517)
Buildings and improvements	(146,369,971)	(9,076,532)	-	(155,446,503)
Equipment	(6,559,654)	(782,721)	9,582	(7,332,793)
Vehicles	(7,778,397)	(835,575)	-	(8,613,972)
Intangibles	(50,112)	(410,670)	-	(460,782)
<i>Total accumulated depreciation</i>	<u>(168,752,265)</u>	<u>(11,914,884)</u>	<u>9,582</u>	<u>(180,657,567)</u>
<i>Total capital assets being depreciated, net</i>	<u>150,640,558</u>	<u>(1,514,744)</u>	<u>-</u>	<u>149,125,814</u>
<i>Governmental activities capital assets, net</i>	<u>\$ 152,753,227</u>	<u>\$ 4,887,406</u>	<u>\$ (491,449)</u>	<u>\$ 157,149,184</u>

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2014**

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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Capital Assets (Continued)**

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

Direct classroom services	
Regular instruction	\$ 4,518,368
Special programs	1,070,645
	<hr/>
Total direct classroom services	5,589,013
	<hr/>
Classroom support services	
Extracurricular activities	156,056
Student support	1,056,811
Libraries, curriculum and staff development	663,324
School administration	820,053
Community services	106,959
	<hr/>
Total classroom support services	2,803,203
	<hr/>
Building support services	
Facilities operation and maintenance	266,343
Student transportation	585,997
Computing and information services	1,275,488
Warehouse and purchasing	171,868
	<hr/>
Total building support services	2,299,696
	<hr/>
Central support services	
Executive administration	99,616
Financial services	317,599
Human resources/employee insurance benefits	291,213
Communications and intergovernmental relations	59,254
	<hr/>
Total central support services	767,682
	<hr/>
Nutrition services	455,290
	<hr/>
Total depreciation expense, governmental activities	<u>\$ 11,914,884</u>

*Construction Commitments*

The District has active construction projects as of June 30, 2014. As of the end of the fiscal year, the District is committed under various accepted bid agreements and contracts for approximately \$6,843,504 for goods, services, and construction of facilities.

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)  
 YEAR ENDED JUNE 30, 2014

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**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. 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 \$5,721,662, with accumulated depreciation of \$2,467,709 and a net book value of \$3,253,953 as of June 30, 2014.

Obligations of the District's governmental activities under capital leases at June 30, 2014, were as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 740,211	\$ 77,810	\$ 818,021
2016	642,075	56,994	699,069
2017	365,559	39,556	405,115
2018	305,172	28,651	333,823
2019	261,850	20,216	282,066
2020	208,885	13,664	222,549
2021	212,925	9,624	222,549
2022	217,042	5,506	222,548
2023	70,319	1,309	71,628
Total lease payments	<u>\$ 3,024,038</u>	<u>\$ 253,330</u>	<u>\$ 3,277,368</u>

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2014**

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-term Debt**

The following is a summary of long-term debt transactions of governmental activities during the year ended June 30, 2014:

	Principal Issued	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Amounts Due in One Year
General obligation bonds:						
2002 Series Refunding	\$ 21,035,000	\$ 2,905,000	\$ -	\$ (2,905,000)	\$ -	\$ -
2005 Series	46,000,000	3,605,000	-	(1,685,000)	1,920,000	1,920,000
2008 Series Refunding	47,295,000	43,615,000	-	(3,700,000)	39,915,000	7,235,000
2011 Series	34,997,258	34,302,258	-	(590,000)	33,712,258	-
2012 Series Refunding	37,405,000	36,955,000	-	(2,320,000)	34,635,000	190,000
2013 Series	39,996,054	-	39,996,054	(1,267,911)	38,728,143	-
Total G.O. bonds	226,728,312	121,382,258	39,996,054	(12,467,911)	148,910,401	9,345,000
2004 Pension bonds	53,435,000	49,925,000	-	(1,225,000)	48,700,000	1,450,000
Total bonds	280,163,312	171,307,258	39,996,054	(13,692,911)	197,610,401	10,795,000
Issuance premiums:						
2002 Series Refunding	-	10,324	-	(10,324)	-	-
2005 Series	-	13,380	-	(8,730)	4,650	-
2008 Series Refunding	-	1,615,610	-	(516,240)	1,099,370	-
2011 Series	-	636,439	-	(82,607)	553,832	-
2012 Series Refunding	-	6,097,306	-	(772,306)	5,325,000	-
2013 Series	-	-	3,718,017	(266,339)	3,451,678	-
Total issuance premiums	-	8,373,059	3,718,017	(1,656,546)	10,434,530	-
Total bonds, net of issuance premiums	280,163,312	179,680,317	43,714,071	(15,349,457)	208,044,931	10,795,000
Early termination stipend benefits	-	345,398	568,129	(510,744)	402,783	-
Early out retirement incentive	-	300,000	-	(188,000)	112,000	112,000
Net OPEB obligation	-	4,255,141	3,923,507	(3,712,887)	4,465,761	-
Capital lease obligations	6,177,352	3,856,624	-	(832,586)	3,024,038	740,211
Total	\$ 286,340,664	\$ 188,437,480	\$ 48,205,707	\$ (20,593,674)	\$ 216,049,513	\$ 11,647,211

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. Federal arbitrage restrictions apply to substantially all debt.

The early termination stipend benefits, early out retirement incentive and the net OPEB obligation will be paid from revenues in the Postemployment Benefits Fund generated by charges to other funds. The capital lease obligations for transportation equipment will be paid from the state transportation grant from the Capital Equipment Reserve 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, 2014**

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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-term Debt (Continued)**

General obligation bonds - 2005 Series, final payment of \$1,920,000 plus interest at 5.0% due on February 1, 2015.	\$ 1,920,000
General obligation bonds - 2008 Refunding Series, future payments due in annual installments of \$7,235,000 to \$11,680,000 plus interest, paid semi-annually at 3.25% to 5.0% through July 1, 2017.	39,915,000
General obligation bonds - 2011 Series, future payments due in annual installments of zero to \$15,000,000 plus interest, paid semi-annually at 3.0% to 4.75% through June 15, 2031.	33,712,258
General obligation bonds - 2012 Refunding Series, future payments due in annual installments of \$190,000 to \$5,005,000 plus interest, paid semi-annually at 3.0% to 5.0% through June 15, 2025.	34,635,000
General obligation bonds - 2013 Series, future payments due in annual installments of zero to \$3,890,000 plus interest, paid semi-annually at 2.0% to 5.0% through June 15, 2031.	38,728,143
Pension obligation bonds - 2004 Series, future payments due in annual installments of \$1,450,000 to \$6,220,000 plus interest, paid semi-annually at 4.923% to 5.528% through June 30, 2028.	48,700,000
Issuance premiums - 2005 Series bond, amortized semi-annually through February 1, 2015.	4,650
Issuance premiums - 2008 Refunding bond, amortized semi-annually through July 1, 2017.	1,099,370
Issuance premiums - 2011 Series bond, amortized semi-annually through June 15, 2023.	553,832
Issuance premiums - 2012 Refunding bond, amortized semi-annually through June 15, 2025.	5,325,000
Issuance premiums - 2013 Series bond, amortized semi-annually through June 15, 2031.	3,451,678
Stipend benefits for participants in the District's postemployment benefit program.	402,783
Early out retirement incentive.	112,000
Net other postemployment benefit (OPEB) obligation.	4,465,761
Capital lease obligations - total of minimum lease payments for all capital leases, through July 30, 2022.	<u>3,024,038</u>
<i>Total</i>	<u><u>\$ 216,049,513</u></u>



**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2014**

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-term Debt (Continued)**

Total debt service expenditures (excluding postemployment benefits) for the year ended June 30, 2014 consist of the following:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<b>Debt Service Fund</b>			
General obligation refunding bonds - 2002	\$ 2,905,000	\$ 76,256	\$ 2,981,256
General obligation serial bonds - 2005	1,685,000	180,250	1,865,250
General obligation refunding bonds - 2008	3,700,000	1,963,087	5,663,087
General obligation serial bonds - 2011	590,000	1,208,100	1,798,100
General obligation refunding bonds - 2012	2,320,000	1,525,250	3,845,250
General obligation serial bonds - 2013	<u>1,267,911</u>	<u>1,266,222</u>	<u>2,534,133</u>
Subtotal	12,467,911	6,219,165	18,687,076
Pension obligation serial bonds - 2004	<u>1,225,000</u>	<u>2,703,493</u>	<u>3,928,493</u>
<i>Total Debt Service Fund</i>	13,692,911	8,922,658	22,615,569
<b>Capital Projects Fund</b>			
Capital lease payments	<u>832,586</u>	<u>101,439</u>	<u>934,025</u>
<i>Total of All Funds</i>	<u>\$ 14,525,497</u>	<u>\$ 9,024,097</u>	<u>\$ 23,549,594</u>

No interest costs were capitalized during the year.

*Bond Issuances and Remaining Authorizations*

In May 2011, District voters authorized the issuance of general obligation bonds totaling \$70 million, \$35 million of which were issued in August 2011. Approximately \$15 million was issued in August 2013, and the remaining \$20 million is expected to be issued in 2017.

In May 2013, District voters approved the issuance of general obligation bonds totaling \$170 million, approximately \$25 million of which was issued in August 2013. An additional \$80 million was issued in September 2014 and the remaining \$65 million is expected to be issued in 2017.

*General Obligation Bonds Issued Fiscal Year 2013-14*

On August 28, 2013, the District issued \$34,035,000 in General Obligation Bonds, Series 2013A. The interest rate is fixed at rates ranging from 2.0% to 5.0%. Interest payments on the bonds are payable semiannually in June and December, beginning December 15, 2013. The bonds mature on June 15, 2031 with principal payments due annually on June 15<sup>th</sup>. The bonds were issued at a premium of \$3,718,017, which is being amortized over the life of the bonds.

On August 28, 2013, the District issued \$5,961,054 in General Obligation Bonds, Series 2013B (Deferreds). The 2013B bonds were issued as deferred interest bonds. Interest on the bonds is payable only at maturity, and is compounded semiannually. The interest rate is fixed at rates ranging from 0.7% to 4.55%. The bonds mature on June 15 of the following years: 2014, 2026, 2027, and 2028.

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2014**

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-term Debt (Continued)**

Future bond maturities and debt service to maturity are as follows:

Year Ending June 30	Bonds - 2013 Series		Bonds - 2012 Refunding		Bonds - 2011 Series		Bonds - 2008 Refunding	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ -	\$ 1,579,400	\$ 190,000	\$ 1,455,650	\$ -	\$ 1,196,300	\$ 7,235,000	\$ 1,733,663
2016	-	1,579,400	2,170,000	1,449,950	-	1,196,300	10,105,000	1,327,975
2017	-	1,579,400	2,440,000	1,363,150	-	1,196,300	10,895,000	831,850
2018	2,235,000	1,579,400	2,720,000	1,265,550	2,070,000	1,196,300	11,680,000	287,050
2019	2,435,000	1,467,650	3,010,000	1,156,750	2,180,000	1,134,200	-	-
2020	2,655,000	1,418,950	3,100,000	1,036,350	2,420,000	1,068,800	-	-
2021	2,875,000	1,286,200	3,420,000	912,350	2,540,000	996,200	-	-
2022	3,110,000	1,142,450	3,795,000	741,350	2,660,000	920,000	-	-
2023	3,355,000	986,950	4,200,000	551,600	2,715,000	813,600	-	-
2024	3,620,000	819,200	4,585,000	383,600	-	705,000	-	-
2025	3,890,000	638,200	5,005,000	200,200	-	705,000	-	-
2026	1,611,288	1,592,412	-	-	-	705,000	-	-
2027	1,563,310	1,730,390	-	-	-	705,000	-	-
2028	1,518,545	1,880,155	-	-	15,000,000	705,000	-	-
2029	3,040,000	443,700	-	-	1,430,517	1,734,483	-	-
2030	3,285,000	306,900	-	-	1,375,140	1,879,860	-	-
2031	3,535,000	159,074	-	-	1,321,601	2,033,399	-	-
<b>Total</b>	<b>\$ 38,728,143</b>	<b>\$ 20,189,831</b>	<b>\$ 34,635,000</b>	<b>\$ 10,516,500</b>	<b>\$ 33,712,258</b>	<b>\$ 18,890,742</b>	<b>\$ 39,915,000</b>	<b>\$ 4,180,538</b>

**Sinking Fund for Series 2011B**

Series B of the 2011 General Obligation Bond (Qualified School Construction Bond) requires bond principal of \$15,000,000 to be paid in-full at the end of the bond term on June 15, 2028. Beginning in 2023, levied tax revenues will be set aside in a sinking fund to meet this obligation. Principal amounts noted below include sinking fund deposits to be held until June 15, 2028 when the full principal amount is due.

**Series 2011 B levied and put  
into a sinking fund**

06/15/2023	\$ 100,000
06/15/2024	2,975,000
06/15/2025	3,020,000
06/15/2026	2,880,000
06/15/2027	2,970,000
06/15/2028	3,055,000
	<b>\$ 15,000,000</b>

**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, 2014, \$80,860,000 of general obligation bonds are considered defeased.

<i>Bonds - 2005 Series</i>		<i>Bonds - 2004 Pension</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>
\$ 1,920,000	\$ 96,000	\$ 1,450,000	\$ 2,644,779	\$ 19,500,792	\$ 10,795,000	\$ 8,705,792
-	-	1,695,000	2,573,396	22,097,021	13,970,000	8,127,021
-	-	1,960,000	2,488,256	22,753,956	15,295,000	7,458,956
-	-	2,250,000	2,387,845	27,671,145	20,955,000	6,716,145
-	-	2,565,000	2,270,328	16,218,928	10,190,000	6,028,928
-	-	2,905,000	2,133,793	16,737,893	11,080,000	5,657,893
-	-	3,275,000	1,977,707	17,282,457	12,110,000	5,172,457
-	-	3,680,000	1,800,104	17,848,904	13,245,000	4,603,904
-	-	4,110,000	1,598,698	18,330,848	14,380,000	3,950,848
-	-	4,580,000	1,371,497	16,064,297	12,785,000	3,279,297
-	-	5,085,000	1,118,314	16,641,714	13,980,000	2,661,714
-	-	5,630,000	837,216	10,375,916	7,241,288	3,134,628
-	-	6,220,000	525,989	10,744,689	7,783,310	2,961,379
-	-	3,295,000	182,148	22,580,848	19,813,545	2,767,303
-	-	-	-	6,648,700	4,470,517	2,178,183
-	-	-	-	6,846,900	4,660,140	2,186,760
-	-	-	-	7,049,074	4,856,601	2,192,473
<b>\$ 1,920,000</b>	<b>\$ 96,000</b>	<b>\$ 48,700,000</b>	<b>\$ 23,910,070</b>	<b>\$ 275,394,082</b>	<b>\$ 197,610,401</b>	<b>\$ 77,783,681</b>

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2014

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### **III. DETAILED NOTES ON ALL FUNDS (Continued)**

#### **H. Pension Plan**

Plan Description - The District contributes to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the District's contribution for qualifying employees who were hired before August 29, 2003, and is a cost sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs:

1. The Pension Program, the defined benefit portion of the plan, applies to qualifying District employees hired after August 29, 2003. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service.
2. Beginning January 1, 2004, all PERS member contributions go into the Individual Account Program (IAP), the defined contribution portion of the plan. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account.

Both PERS plans provide retirement and disability benefits, postemployment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238, which establishes the Public Employees Retirement Board (Board) as the governing body of PERS, Chapter 238A, and Internal Revenue Code Section 401(a) by the Board. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the Financial and Administrative Services Division Administrator, PERS, P.O. Box 23700, Tigard, Oregon 97281-3700 or by calling 503-598-7377.

Funding Policy – Members of PERS are required to contribute 6.00% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The District is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate for the qualifying employees under the OPSRP plan. The OPERF and OPSRP rates the District paid for the year ended June 30, 2014 were 22.92% and 20.92% respectively. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

Annual Pension Cost – Current law permits employers to pay employee contributions to the Oregon Public Employees Retirement Fund, which the District has elected to contribute. Total payroll was \$83,472,405 and covered payroll was \$77,155,912 for the year ended June 30, 2014 (2013 - \$84,922,437 and \$79,685,167, respectively). The amount contributed by the District for the years ended June 30, 2014, 2013, and 2012, which included the District's required amount and the employee's was \$22,062,175, \$20,624,995, and \$19,916,131, which equaled the required contributions for each year.

#### **I. Other Postemployment Benefits (OPEB)**

##### **1. Retirement Health Insurance Account**

Plan Description – As a member of the Oregon Public Employees Retirement System (PERS) 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 PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance for eligible retirees.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2014

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### **III. DETAILED NOTES ON ALL FUNDS (Continued)**

#### **I. Other Postemployment Benefits (Continued)**

A comprehensive annual financial report of the funds administered by PERS may be obtained by writing to the Financial and Administrative Services Division Administrator, PERS, PO Box 23700, Tigard, OR 97281-3700 or by calling 503-598-7377.

Funding Policy – Participating school districts are contractually required to contribute at a rate assessed each year by the Oregon Public Employees Retirement System (OPERS), currently 0.59% Tier 1 and Tier 2 payroll and 0.49% of OPSRP of annual covered 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 No. 45. The ARC represents a level of funding that, if paid on an outgoing 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 30 years. The District's contributions to RHIA for the years ended June 30, 2014, 2013, and 2012 were approximately \$459,933, \$445,906, and \$444,292 which equaled the required contributions each year.

#### **2. Early Out Retirement Incentive**

Plan Description – In 2012-13, the District offered a retirement incentive plan to eligible employees. The incentive was available to licensed and classified employees meeting certain eligibility requirements under OPERF or OPSRP and associated collective bargaining agreements. Participation in the program is now closed. The District does not issue a standalone report for this plan. For practical reasons, the direct effect of this program on existing OPEB plans are treated as part of the calculation of OPEB and assumed retirement rates were adjusted.

The licensed and classified employee incentive provided for a one-time cash payment of \$12,000 and \$6,000 respectively, paid out over three years. Payments are pro-rated based on employee's FTE and provide a survivor option. As of June 2014, program membership consisted of 46 licensed and 20 classified retirees. The remaining liability as of June 2014 is estimated at \$112,000. Covered payroll was \$77,155,912 for the year ended June 30, 2014 (2013 used in the actuarial report - \$79,685,167).

#### **3. Early Retirement Programs**

The District sponsors two other Postemployment Benefits with ongoing obligations: Early Termination – Stipend Benefits and Postemployment Medical and Life Insurance Benefits. Both of the plans are valued on an actuarial basis. The District has an actuarial study completed every two years. The most recent valuation date was as of July 1, 2012.

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based 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 each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. All amortization bases are spread as level percentage of projected payroll amounts over future open periods.

The projected unit credit actuarial cost method was used to determine contribution levels for the early retirement programs. Contribution levels are comprised of two components: normal cost and amortization payments. Under this method, the expected accrued benefit of each participant at benefit commencement (reflecting future expected increases in salaries and medical premiums) is allocated in

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
*NOTES TO THE FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2014*

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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Other Postemployment Benefits (Continued)**

equal proportion over the participant's years of service from hire to expected retirement. The normal cost is the present value of benefits expected to accrue in the current year.

The present value of benefits accrued as of the valuation date is called the accrued liability. The difference between the accrued liability and the actuarial value of plan assets is called the unfunded accrued liability. The unfunded accrued liability is being amortized as a level percentage of payroll, over an open period of 4 years for stipend benefits, over an open period of 6 years for explicit medical and life insurance benefits, and over an open period of 20 years for implicit medical benefits.

The most recent valuation was performed as of July 1, 2012. The assumptions included a discount rate of 4.5 percent per year; general inflation rate of 2.5 percent per year; overall payroll growth of 3.0 percent per year; and an annual premium increase rate of 7.5 percent for 2013-14 (8.0 percent for 2012-13), decreasing to an annual rate of 5.0 percent by 2030 which is consistent with expectations for long-term health care cost inflation. The demographic assumptions, such as mortality rates, disability incidence rates, retirement rates, and withdrawal rates, are the same as those used by Oregon PERS for School Districts in the 2012 PERS valuation.

A copy of the most current Actuarial Valuation Report for Lane County School District No. 4J's Early Retirement Program may be obtained by contacting the District Office.

Descriptions of the plans are as follows:

*Early Termination - Stipend Benefits*

Plan Description - The Board of Directors, through contract negotiations, previously authorized the District to offer early termination benefits as an incentive for employees to retire early. This single employer defined benefit program covers all licensed and administrative personnel of the District, who must be hired prior to the plan phase out date of July 1, 1998 or July 1, 1996, respectively. To be eligible, retirees must have ten years consecutive employment with the District and meet certain PERS requirements.

Qualifying employees are eligible to receive up to \$450 per month until age 62. Administrative employees retiring before age 58 may also be eligible for a stipend benefit in a reduced, prorated amount. Payments are made up to a maximum of seven years, but in no event past age 62. This pension-type benefit is required to be valued under GASB Statement No. 27. The District does not issue a stand-alone report for this plan. The activities of the program are reported in the Postemployment Benefits Fund. Additional funds were transferred to the Postemployment Benefits Fund to allow smoothing of General Fund retirement expenditures.

Funding Policy - There is no obligation on the part of the District to fund these benefits in advance. The District provides payments in accordance with current employee contracts primarily on a pay-as-you-go basis.

Contributions - Expenditures are recorded in the internal service fund as the termination benefits are paid. The present value of future termination benefits is recorded in the Statement of Net Position. As of the most recent actuarial valuation date, the District reported there were 134 employees receiving stipend benefits. During the year ended June 30, 2014, the cost of this benefit amounted to \$510,744.

Annual Pension Cost and Net Pension Obligation - The District's annual pension cost (expense) is

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2014**

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Other Postemployment Benefits (Continued)**

calculated on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance within the parameters of GASB Statement No. 27. The ARC is equal to the Normal Cost (the value of benefits expect to be earned in the year) plus an amortization of the unfunded liability. The amortization period can be as long as 30 years. The following table shows the components of the net pension obligation for the Early Termination – Stipend Benefits at the end of the year:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Annual Required Contribution	\$ 640,923	\$ 622,256	\$ 853,153
Interest on Net Pension Obligation	15,543	14,124	3,380
Adjustment to Annual Required Contribution	<u>(88,337)</u>	<u>(80,277)</u>	<u>(19,209)</u>
Annual Pension Cost	568,129	556,103	837,324
Contributions Made	<u>(510,744)</u>	<u>(524,587)</u>	<u>(598,550)</u>
Increase in Net Pension Obligation	57,385	31,516	238,774
Net Pension Obligation Beginning of Year	<u>345,398</u>	<u>313,882</u>	<u>75,108</u>
Net Pension Obligation – End of Year	<u>\$ 402,783</u>	<u>\$ 345,398</u>	<u>\$ 313,882</u>
Percentage Contributed	89.9%	94.3%	71.5%

The District's annual pension cost, the contribution, the percentage of annual pension cost contributed to the plan, and the net pension obligations for the Early Termination – Stipend Benefits were as follows:

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Annual</u> <u>Pension Cost</u>	<u>Contribution</u> <u>Made</u>	<u>Percentage</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2012	\$ 837,324	\$ 598,550	71.5%	\$ 313,882
2013	556,103	524,587	94.3%	345,398
2014	568,129	510,744	89.9%	402,783

Funded Status and Funding Progress – As of July 1, 2012, the most recent date for which an actuarial valuation is available for the period ended June 30, 2014, the District's actuarial accrued liability for benefits was \$2,177,421 and the actuarial value of assets was \$0 resulting in an unfunded actuarial accrued liability of \$2,177,421. Covered payroll was \$77,155,912 for the year ended June 30, 2014 (2013 covered payroll used in the actuarial report was \$79,685,167). 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 the plan assets is increasing or decreasing over time relative to the actuarial liability for benefits.

*Postemployment Medical and Life Insurance Benefits*

The District implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB) for the fiscal year ending June 30, 2008. This implementation allows the District to report its liability for other postemployment benefits consistent with established generally accepted accounting principles and to reflect an actuarially determined liability for the present value of projected future benefits for retired and active employees on the financial statements.

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Other Postemployment Benefits (Continued)**

The District's postemployment healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303. The ORS stipulates that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees.

Plan Description – The District administers a single-employer defined benefit healthcare plan per the requirements of collective bargaining agreements. The plan provides postemployment 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 postemployment medical plan does not issue a publically available financial report.

The District may pay all or a portion of a retiree's medical premium until Medicare eligibility. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. This explicit benefit is required to be valued under GASB Statement No. 45. In addition to the explicit medical benefits for certain retirees, continued medical coverage is offered to the District's eligible retirees and their spouses and dependents until Medicare eligibility. The active premium rate (whether paid by the District or by the retiree) still applies. However, in some cases the premium itself does not represent the full cost of covering these retirees (since they are older than the active population, retirees can be expected to generate higher medical claims and therefore higher premiums for the active population). This additional cost is called the implicit subsidy, and is also required to be valued under GASB Statement No. 45. District-paid life insurance benefits are provided to eligible Administrative employees at retirement, until age 65. This benefit is required to be valued under GASB Statement No. 45. As of the most recent actuarial date, there were 387 retirees receiving the postemployment healthcare benefit.

The District did not establish an irrevocable trust (or equivalent arrangement) to account for the plan. Instead, the activities of the plan are reported in the Postemployment Benefits Fund.

Funding Policy – There is no obligation on the part of the District to fund these benefits in advance. The District provides payments in accordance with current employee contracts primarily on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation - The District's annual OPEB cost (expense) is calculated on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC is equal to the Normal Cost (the value of benefits expect to be earned in the year) plus an amortization of the unfunded liability. The amortization period can be as long as 30 years.



**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2014**

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Other Postemployment Benefits (Continued)**

The following table shows the components of the net OPEB obligation for Postemployment Medical and Life Insurance Benefits at the end of the year:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Annual Required Contribution	\$ 4,238,514	\$ 4,115,062	\$ 5,065,795
Interest on Net Pension Obligation	191,480	174,300	126,020
Adjustment to Annual Required Contribution	<u>(506,487)</u>	<u>(460,006)</u>	<u>(320,367)</u>
Annual Pension Cost	3,923,507	3,829,356	4,871,448
Contributions Made	<u>(3,712,887)</u>	<u>(3,447,508)</u>	<u>(3,798,608)</u>
Increase in Net Pension Obligation	210,620	381,848	1,072,840
Net Pension Obligation Beginning of Year	<u>4,255,141</u>	<u>3,873,293</u>	<u>2,800,453</u>
Net Pension Obligation – End of Year	<u>\$ 4,465,761</u>	<u>\$ 4,255,141</u>	<u>\$ 3,873,293</u>
Percentage Contributed	94.6%	90.0%	78.0%

The District's annual OPEB cost, the contribution, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligations for Postemployment Medical and Life Insurance Benefits were as follows:

<b><i>Fiscal Year Ended June 30</i></b>	<b><i>Annual Pension Cost</i></b>	<b><i>Contribution Made</i></b>	<b><i>Percentage Contributed</i></b>	<b><i>Net Pension Obligation</i></b>
2012	\$ 4,871,448	\$ 3,798,608	78.0%	\$ 3,873,293
2013	3,829,356	3,447,508	90.0%	4,255,141
2014	3,923,507	3,712,887	94.6%	4,465,761

Funded Status and Funding Progress – As of July 1, 2012, the most recent date for which an actuarial valuation is available for the period ended June 30, 2014, the District's actuarial accrued liability for benefits was \$27,237,651 and the actuarial value of assets was \$0 resulting in an unfunded actuarial accrued liability of \$27,237,651. Covered payroll was \$77,155,912 for the year ended June 30, 2014 (2013 covered payroll used in the actuarial report was \$79,685,167). 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 the plan assets is increasing or decreasing over time relative to the actuarial liability for benefits.

**J. Risk Management**

The District is exposed to various risks of loss related to torts; theft; or damage to and destruction of assets; errors and omissions and natural disasters. 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 is a member of the Special Districts Insurance Services (SDIS) / Property & Casualty Coverage for Education (PACE). PACE is a self-insured risk pool currently operating as common risk management and insurance programs for more than 850 local government entities and more than 200 educational organizations.

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)  
 YEAR ENDED JUNE 30, 2014

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**J. Risk Management (Continued)**

As part of this risk pool, the District is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The District is also to allow the pool's agents and attorneys to represent the District in investigations, settlement, discussions and all levels of litigation arising out of any claim made against the District within the scope of loss protection furnished by the fund.

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

The District self-insures for costs up to policy deductible limits as follows:

- Business Auto (Fleet physical damage and liability) is insured after the District pays a \$25,000 deductible per occurrence.
- Building and Business Personal Property is insured after the District pays a \$150,000 deductible per occurrence, subject to certain sublimits by category of property.
- Workers' compensation claims are insured up to \$1,000,000 per claim.
- Public Entity Liability is insured after the District pays a \$150,000 deductible per occurrence, subject to certain sublimits by coverage

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

	<u><b>Unemployment</b></u>
<b>Liability, June 30, 2012</b>	\$ 358,980
Claims incurred	1,016,058
Claims paid	(180,015)
Reduction of accrual	<u>(1,037,047)</u>
<b>Liability, June 30, 2013</b>	157,976
Claims incurred	786,908
Claims paid	(96,203)
Reduction of accrual	<u>(692,067)</u>
<b>Liability, June 30, 2014</b>	<u><u>\$ 156,614</u></u>

**Liabilities recorded in the Insurance Reserve Fund at June 30, 2014 are as follows:**

<i>Accrued Liabilities</i>	
Unemployment	\$ 156,614
<i>Insurance Premiums Payable</i>	
Deferred medical	1,520,110
Other	<u>10,825</u>
<i>Total</i>	<u><u>\$ 1,687,549</u></u>

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

***K. 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.

The District, in the regular course of business, is named as a defendant in various lawsuits. The likely outcome of these lawsuits is not presently determinable.

***L. New Pronouncements***

The District will implement new GASB pronouncements in the fiscal year no later than the required effective date. Management has not yet determined the effect on the financial statements from implementing any of the following pronouncements.

GASB Statement No. 68, *“Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27.”* This Statement establishes accounting and financial reporting requirements related to pensions provided by governments. The Statement is effective for fiscal years beginning after June 15, 2014.

GASB Statement No. 69, *“Government Combinations and Disposals of Government Operations.”* The statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The statement is effective for fiscal years beginning after December 15, 2013.

GASB Statement No. 71, *“Pension Transition for Contributions Made Subsequent to the Measurement Date an amendment of GASB Statement No. 68.”* The objective of the statement is to address an issue regarding application of the transition provisions of Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government’s beginning net pension liability. The statement is required to be applied simultaneously with Statement 68, i.e., for fiscal years beginning after June 15, 2014.

***M. Subsequent Events***

Management has evaluated subsequent events through December 3, 2014, the date on which the financial statements were available to be issued. Management is not aware of any subsequent events except as noted below:

In November 2014 District voters approved a renewal of the local option levy, which was first approved in May 2000. The levy is a five-year, local option tax of \$1.50 per \$1,000 of assessed value.

The District is involved in various claims and legal matters relating to its operations which have all been tended to, and are either being adjusted by the District’s liability carrier, or are being defended by attorneys retained by the District or the District’s liability carrier. The status of these matters is uncertain at this time. Any potential loss is also uncertain.

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***REQUIRED SUPPLEMENTARY INFORMATION***

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2014**

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**Other Postemployment Benefit Obligation**

Early Termination – Stipend Benefits

The schedule of Funding Progress under GASB Statement No. 27 is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
07/01/10	\$ -	\$ 2,924,088	\$ 2,924,088	0%	\$ 84,493,731	3.5%
07/01/12	-	2,177,421	2,177,421	0%	79,685,167	2.7%

Medical and Life Insurance Benefits

The schedule of Funding Progress under GASB Statement No. 45 is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
07/01/07	\$ -	\$ 35,828,398	\$ 35,828,398	0%	\$ 88,770,108	40.4%
07/01/10	-	31,414,082	31,414,082	0%	84,493,731	37.2%
07/01/12	-	27,237,651	27,237,651	0%	79,685,167	34.2%

## **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.

*School Resources Fund* - Accounts for fund raising and student fees designated for extracurricular activities and projects and for the special reserve funds for schools and departments.

### **PROPRIETARY FUNDS**

**INTERNAL SERVICE FUNDS** – 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.

*Postemployment Benefits Fund* – Accounts for receipt and disbursement of postemployment benefits.

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2014**

	<b>Special Revenue Funds</b>		<b>Total</b>
	<b>Nutrition Services</b>	<b>School Resources</b>	
<b>ASSETS</b>			
Equity in pooled cash and investments	\$ -	\$ 3,485,459	\$ 3,485,459
Cash and investments	-	3,654,522	3,654,522
Receivables			
Accounts and other receivables	463,254	-	463,254
Due from other funds	157,778	-	157,778
Inventories	138,748	-	138,748
<i>Total Assets</i>	<u>\$ 759,780</u>	<u>\$ 7,139,982</u>	<u>\$ 7,899,762</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 546,447	\$ 17,940	\$ 564,387
<i>Total Liabilities</i>	<u>546,447</u>	<u>17,940</u>	<u>564,387</u>
<b>Fund balances</b>			
Nonspendable	138,748	-	138,748
Committed	74,585	7,122,042	7,196,627
<i>Total Fund Balances</i>	<u>213,333</u>	<u>7,122,042</u>	<u>7,335,375</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 759,780</u>	<u>\$ 7,139,982</u>	<u>\$ 7,899,762</u>

Note: Totals may not foot due to rounding.



**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, 2014

	<b>Special Revenue Funds</b>		<b>Totals</b>
	<b>Nutrition Services</b>	<b>School Resources</b>	
<b>REVENUES</b>			
Local sources	\$ 1,323,786	\$ 4,188,967	\$ 5,512,753
State sources	55,032	-	55,032
Federal sources	3,104,670	-	3,104,670
<i>Total Revenues</i>	4,483,488	4,188,967	8,672,455
<b>EXPENDITURES</b>			
Current			
Instruction	-	4,333,347	4,333,347
Supporting services	66,978	219,260	286,238
Community services	4,634,613	-	4,634,613
<i>Total Expenditures</i>	4,701,591	4,552,607	9,254,198
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(218,103)	(363,640)	(581,743)
<b>OTHER FINANCING SOURCES</b>			
Transfers in	222,109	1,688,033	1,910,142
Transfers out	-	(374,654)	(374,654)
<i>Total Other Financing Sources</i>	222,109	1,313,379	1,535,488
<b>NET CHANGE IN FUND BALANCES</b>	4,006	949,739	953,745
<b>FUND BALANCES, Beginning of year</b>	209,327	6,172,303	6,381,630
<b>FUND BALANCES, End of year</b>	\$ 213,333	\$ 7,122,042	\$ 7,335,375

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**COMBINING STATEMENT OF NET POSITION**  
**ALL INTERNAL SERVICE FUNDS**  
**JUNE 30, 2014**

	<u>Insurance Reserve Fund</u>	<u>Postemployment Benefits Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Equity in pooled cash and investments	\$ 9,992,384	\$ 3,062,575	\$ 13,054,959
Accounts and other receivables	9,805	-	9,805
Prepaid expenses	-	-	-
<i>Total Assets</i>	<u>10,002,189</u>	<u>3,062,575</u>	<u>13,064,764</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accrued payroll and related charges	301,878	-	301,878
Unearned revenue	1,520,110	-	1,520,110
Long-term liabilities:			
Due within one year			
Early out retirement incentive	-	112,000	112,000
Due in more than one year			
Other post employment benefits obligation	-	4,868,544	4,868,544
<i>Total Liabilities</i>	<u>1,821,988</u>	<u>4,980,544</u>	<u>6,802,532</u>
<b>NET POSITION</b>			
Unrestricted	<u>8,180,201</u>	<u>(1,917,969)</u>	<u>6,262,232</u>
<i>Total Net Position</i>	<u>\$ 8,180,201</u>	<u>\$ (1,917,969)</u>	<u>\$ 6,262,232</u>

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**ALL INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	<u>Insurance Reserve Fund</u>	<u>Postemployment Benefits Fund</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>			
Interfund charges for services	\$ 28,813,065	\$ 3,820,846	\$ 32,633,911
Other reimbursements	310,963	-	310,963
<i>Total Operating Revenues</i>	29,124,028	3,820,846	32,944,874
<b>OPERATING EXPENSES</b>	29,105,513	2,341,855	31,447,368
<b>OPERATING INCOME</b>	18,515	1,478,991	1,497,506
<b>NONOPERATING REVENUES</b>			
Interest income	30,330	-	30,330
<b>INCOME BEFORE TRANSFERS</b>	48,845	1,478,991	1,527,836
<b>TRANSFERS</b>			
Transfers in	1,092,104	-	1,092,104
Transfers out	(1,317,424)	-	(1,317,424)
<i>Total Transfers</i>	(225,320)	-	(225,320)
<b>CHANGE IN NET POSITION</b>	(176,475)	1,478,991	1,302,516
<b>TOTAL NET POSITION, Beginning of year</b>	8,356,676	(3,396,960)	4,959,716
<b>TOTAL NET POSITION, End of year</b>	<u>\$ 8,180,201</u>	<u>\$ (1,917,969)</u>	<u>\$ 6,262,232</u>

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ALL INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	<u>Insurance Reserve Fund</u>	<u>Postemployment Benefits Fund</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 310,963	\$ -	\$ 310,963
Receipts from interfund services provided	28,725,363	3,820,846	32,546,209
Payments to suppliers	(27,815,143)	-	(27,815,143)
Payments to employees	(696,163)	-	(696,163)
Payments to retirees	-	(2,261,850)	(2,261,850)
	<u>525,020</u>	<u>1,558,996</u>	<u>2,084,016</u>
<i>Net Cash Provided (Used) by Operating Activities</i>			
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in from other funds	1,092,104	-	1,092,104
Transfers out to other funds	(1,317,424)	-	(1,317,424)
	<u>(225,320)</u>	<u>-</u>	<u>(225,320)</u>
<i>Net Cash Used by Noncapital Financing Activities</i>			
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	30,330	-	30,330
	<u>330,030</u>	<u>1,558,996</u>	<u>1,889,026</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>			
<b>CASH AND CASH EQUIVALENTS, Beginning of year</b>	<u>9,662,354</u>	<u>1,503,579</u>	<u>11,165,933</u>
<b>CASH AND CASH EQUIVALENTS, End of year</b>	<u>\$ 9,992,384</u>	<u>\$ 3,062,575</u>	<u>\$ 13,054,959</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>			
Operating income	\$ 18,515	\$ 1,478,991	\$ 1,497,506
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Decrease in accounts and other receivables	13,690	-	13,690
Increase in prepaid expenses	759,372	-	759,372
Decrease in accrued payroll and related charges	(165,165)	-	(165,165)
Increase in accrued postemployment benefits payable	-	80,005	80,005
Increase (decrease) in unearned revenue	(101,392)	-	(101,392)
	<u>506,505</u>	<u>80,005</u>	<u>586,510</u>
Total adjustments	<u>506,505</u>	<u>80,005</u>	<u>586,510</u>
Net cash provided by operating activities	<u>\$ 525,020</u>	<u>\$ 1,558,996</u>	<u>\$ 2,084,016</u>

**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.

*School Resources Fund* - Accounts for fund raising and student fees designated for extracurricular activities and projects and for the special reserve funds for schools and departments.

**PROPRIETARY FUNDS**

**INTERNAL SERVICE FUNDS** – 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.

*Postemployment Benefits Fund* – Accounts for receipt and disbursement of postemployment benefits.

**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, 2014**

	<u>Original and Final Budget</u>	<u>Variance with Final Budget</u>	<u>Actual</u>		<u>GAAP Basis</u>
			<u>Budget Basis</u>	<u>Adjustments</u>	
<b>REVENUES</b>					
Local sources	\$ 23,944,751	\$ (24,041)	\$ 23,920,710	\$ -	\$ 23,920,710
Federal sources	669,045	(14,805)	654,240	-	654,240
<i>Total Revenues</i>	24,613,796	(38,846)	24,574,950	-	24,574,950
<b>EXPENDITURES</b>					
Debt service					
Principal	22,616,893	8,923,982	13,692,911	-	13,692,911
Interest	-	(8,922,658)	8,922,658	-	8,922,658
<i>Total Expenditures</i>	22,616,893	1,324	22,615,569	-	22,615,569
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	1,996,903	(37,522)	1,959,381	-	1,959,381
<b>NET CHANGE IN FUND BALANCE</b>	1,996,903	(37,522)	1,959,381	-	1,959,381
<b>FUND BALANCE, Beginning of year</b>	6,797,172	(57,227)	6,739,945	-	6,739,945
<b>FUND BALANCE, End of year</b>	<u>\$ 8,794,075</u>	<u>\$ (94,749)</u>	<u>\$ 8,699,326</u>	<u>\$ -</u>	<u>\$ 8,699,326</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, 2014**

	<b>Original and Final Budget</b>	<b>Variance with Final Budget</b>	<b>Actual</b>		
			<b>Budget Basis</b>	<b>Adjustments</b>	<b>GAAP Basis</b>
<b>REVENUES</b>					
Local sources	\$ 1,600	\$ 329,834	\$ 331,434	\$ -	\$ 331,434
State sources	520,000	72,298	592,298	-	592,298
<i>Total Revenues</i>	521,600	402,132	923,732	-	923,732
<b>EXPENDITURES</b>					
Current					
Instruction	2,001,000	939,354	1,061,646	-	1,061,646
Supporting services	18,905,137	10,523,910	8,381,227	(6,798,658)	1,582,569
Community services	1,000	1,000	-	-	-
Facilities acquisition and construction	22,772,521	13,280,784	9,491,737	(9,491,737)	-
Debt service					
Principal	934,600	102,014	832,586	-	832,586
Interest	-	(101,439)	101,439	-	101,439
Capital outlay	-	-	-	16,290,395	16,290,395
<i>Total Expenditures</i>	44,614,258	24,745,623	19,868,635	-	19,868,635
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(44,092,658)</b>	<b>25,147,755</b>	<b>(18,944,903)</b>	<b>-</b>	<b>(18,944,903)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	292,706	292,706	-	292,706
Transfers out	(1,000,000)	-	(1,000,000)	-	(1,000,000)
Construction bonds issued	95,000,000	(55,003,946)	39,996,054	-	39,996,054
Premium on refunding bonds issued	-	3,718,017	3,718,017	-	3,718,017
<i>Total Other Financing Sources (Uses)</i>	94,000,000	(50,993,223)	43,006,777	-	43,006,777
<b>NET CHANGE IN FUND BALANCE</b>	49,907,342	(25,845,468)	24,061,874	-	24,061,874
<b>FUND BALANCE, Beginning of year</b>	18,765,963	(3,104,473)	15,661,490	-	15,661,490
<b>FUND BALANCE, End of year</b>	<b>\$ 68,673,305</b>	<b>\$ (28,949,941)</b>	<b>\$ 39,723,364</b>	<b>\$ -</b>	<b>\$ 39,723,364</b>

**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, 2014**

	<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>	
<b>REVENUES</b>						
Local sources	\$ 1,533,196	\$ 1,533,196	\$ (209,410)	\$ 1,323,786	\$ -	\$ 1,323,786
State sources	57,500	57,500	(2,468)	55,032	-	55,032
Federal sources	3,681,800	3,681,800	(581,136)	3,100,664	4,006	3,104,670
<i>Total Revenues</i>	5,272,496	5,272,496	(793,014)	4,479,482	4,006	4,483,488
<b>EXPENDITURES</b>						
Current						
Supporting services	74,327	94,327	27,349	66,978	-	66,978
Community services	5,163,169	5,143,169	508,556	4,634,613	-	4,634,613
Operating contingency	100,000	100,000	100,000	-	-	-
<i>Total Expenditures</i>	5,337,496	5,337,496	635,905	4,701,591	-	4,701,591
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(65,000)	(65,000)	(157,109)	(222,109)	4,006	(218,103)
<b>OTHER FINANCING SOURCES</b>						
Transfers in	40,000	40,000	(182,109)	222,109	-	222,109
<b>NET CHANGE IN FUND BALANCE</b>	(25,000)	(25,000)	25,000	-	4,006	4,006
<b>FUND BALANCE, Beginning of year</b>	75,000	75,000	(416)	74,584	134,743	209,327
<b>FUND BALANCE, End of year</b>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 24,584</u>	<u>\$ 74,584</u>	<u>\$ 138,749</u>	<u>\$ 213,333</u>



**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (SCHOOL RESOURCES FUND)**  
**YEAR ENDED JUNE 30, 2014**

	<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>	
<b>REVENUES</b>						
Local sources	\$ 5,010,000	\$ 5,010,000	\$ (821,033)	\$ 4,188,967	\$ -	\$ 4,188,967
<b>EXPENDITURES</b>						
Current						
Instruction	7,969,000	7,969,000	3,635,653	4,333,347	-	4,333,347
Supporting services	1,725,000	1,350,252	1,130,992	219,260	-	219,260
Community services	1,000	1,000	1,000	-	-	-
Operating contingency	506,000	506,000	506,000	-	-	-
Capital outlay	1,000	1,000	1,000	-	-	-
<i>Total Expenditures</i>	<u>10,202,000</u>	<u>9,827,252</u>	<u>5,274,645</u>	<u>4,552,607</u>	<u>-</u>	<u>4,552,607</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(5,192,000)	(4,817,252)	4,453,612	(363,640)	-	(363,640)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	1,688,033	1,688,033	-	1,688,033
Transfers out	(1,000)	(375,748)	1,094	(374,654)	-	(374,654)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,000)</u>	<u>(375,748)</u>	<u>1,689,127</u>	<u>1,313,379</u>	<u>-</u>	<u>1,313,379</u>
<b>NET CHANGE IN FUND BALANCE</b>	(5,193,000)	(5,193,000)	6,142,739	949,739	-	949,739
<b>FUND BALANCE , Beginning of year</b>	<u>5,803,000</u>	<u>5,803,000</u>	<u>369,303</u>	<u>6,172,303</u>	<u>-</u>	<u>6,172,303</u>
<b>FUND BALANCE , End of year</b>	<u>\$ 610,000</u>	<u>\$ 610,000</u>	<u>\$ 6,512,042</u>	<u>\$ 7,122,042</u>	<u>\$ -</u>	<u>\$ 7,122,042</u>

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -**  
**BUDGET AND ACTUAL - INTERNAL SERVICE FUNDS (INSURANCE RESERVE FUND)**  
**YEAR ENDED JUNE 30, 2014**

	<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>	
<b>REVENUES</b>						
Local sources	\$ 32,517,000	\$ 32,517,000	\$ (3,673,605)	\$ 28,843,395	\$ -	\$ 28,843,395
State sources	-	100,000	210,963	310,963	-	310,963
<i>Total Revenues</i>	<u>32,517,000</u>	<u>32,617,000</u>	<u>(3,462,642)</u>	<u>29,154,358</u>	<u>-</u>	<u>29,154,358</u>
<b>EXPENSES</b>						
Current						
Instruction	1,000	1,000	1,000	-	-	-
Supporting services	35,079,676	34,037,276	4,931,763	29,105,513	-	29,105,513
Community services	1,000	1,000	1,000	-	-	-
Facilities acquisition and construction	1,000	1,000	1,000	-	-	-
Operating contingency	500,000	500,000	500,000	-	-	-
<i>Total Expenses</i>	<u>35,582,676</u>	<u>34,540,276</u>	<u>5,434,763</u>	<u>29,105,513</u>	<u>-</u>	<u>29,105,513</u>
<b>REVENUES OVER (UNDER) EXPENSES</b>	<u>(3,065,676)</u>	<u>(1,923,276)</u>	<u>1,972,121</u>	<u>48,845</u>	<u>-</u>	<u>48,845</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	1,145,000	1,145,000	(52,896)	1,092,104	-	1,092,104
Transfers out	(298,000)	(1,340,400)	22,976	(1,317,424)	-	(1,317,424)
<i>Total Other Financing Sources (Uses)</i>	<u>847,000</u>	<u>(195,400)</u>	<u>(29,920)</u>	<u>(225,320)</u>	<u>-</u>	<u>(225,320)</u>
<b>NET CHANGE IN FUND NET POSITION</b>	<u>(2,218,676)</u>	<u>(2,118,676)</u>	<u>1,942,201</u>	<u>(176,475)</u>	<u>-</u>	<u>(176,475)</u>
<b>FUND NET POSITION, Beginning of year</b>	<u>8,755,805</u>	<u>8,755,805</u>	<u>(399,129)</u>	<u>8,356,676</u>	<u>-</u>	<u>8,356,676</u>
<b>FUND NET POSITION, End of year</b>	<u>\$ 6,537,129</u>	<u>\$ 6,637,129</u>	<u>\$ 1,543,072</u>	<u>\$ 8,180,201</u>	<u>\$ -</u>	<u>\$ 8,180,201</u>

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**BUDGET AND ACTUAL - INTERNAL SERVICE FUNDS (POSTEMPLOYMENT BENEFITS FUND)**  
**YEAR ENDED JUNE 30, 2014**

	<b>Original and Final Budget</b>	<b>Variance with Final Budget</b>	<b>Budget Basis</b>	<b>Actual Adjustments</b>	<b>GAAP Basis</b>
<b>REVENUES</b>					
Local sources	\$ 3,600,000	\$ 220,846	\$ 3,820,846	\$ -	\$ 3,820,846
<b>EXPENSES</b>					
Current					
Supporting services	3,624,600	1,362,750	2,261,850	80,005	2,341,855
Operating contingency	475,400	475,400	-	-	-
Total Expenses	4,100,000	1,838,150	2,261,850	80,005	2,341,855
<b>REVENUES OVER (UNDER) EXPENSES</b>	(500,000)	2,058,996	1,558,996	(80,005)	1,478,991
<b>NET CHANGE IN FUND NET POSITION</b>	(500,000)	2,058,996	1,558,996	(80,005)	1,478,991
<b>FUND NET POSITION, Beginning of year</b>	1,500,000	3,579	1,503,579	(4,900,539)	(3,396,960)
<b>FUND NET POSITION, End of year</b>	<u>\$ 1,000,000</u>	<u>\$ 2,062,575</u>	<u>\$ 3,062,575</u>	<u>\$ (4,980,544)</u>	<u>\$ (1,917,969)</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 SCHEDULE BY SOURCE <sup>(1)</sup>**  
**JUNE 30, 2014 AND 2013**

	2014	2013
Governmental funds capital assets:		
Land	\$ 1,621,220	\$ 1,621,220
Construction in progress	6,402,150	491,449
Athletic field improvements	12,435,307	11,963,420
Buildings and improvements	290,436,398	285,459,236
Equipment	10,693,798	7,895,291
Vehicles	13,837,244	12,571,533
Intangibles	2,380,634	1,503,343
Total governmental funds capital assets	<u>\$ 337,806,751</u>	<u>\$ 321,505,492</u>

<sup>(1)</sup> 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 are included as governmental activities in the statement of net position.

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY <sup>(1)</sup>**  
**JUNE 30, 2014**

	<u>Land</u>	<u>Athletic Field Improvements</u>	<u>Buildings and Improvements</u>	<u>Equipment</u>	<u>Vehicles</u>	<u>Intangibles</u>	<u>Construction in Progress</u>	<u>Total</u>
Direct classroom services								
Regular instruction	\$ 750,548	\$ -	\$ 158,912,530	\$ 375,515	\$ -	\$ -	\$ 6,402,150	\$ 166,440,743
Special programs	177,614	-	37,606,444	142,169	-	-	-	37,926,227
Total direct classroom services	<u>928,162</u>	<u>-</u>	<u>196,518,974</u>	<u>517,684</u>	<u>-</u>	<u>-</u>	<u>6,402,150</u>	<u>204,366,970</u>
Classroom support services								
Extracurricular activities	25,741	12,435,307	5,450,209	66,985	-	-	-	17,978,242
Counselors, nurses and student support	67,838	-	18,029,692	248,887	-	-	-	18,346,417
Libraries, curriculum and staff development	23,333	-	7,959,533	131,907	-	-	-	8,114,773
School administration	132,383	-	28,029,648	441,749	-	-	-	28,603,780
Community services	5,884	-	1,245,762	619,889	-	-	-	1,871,535
Total classroom support services	<u>255,179</u>	<u>12,435,307</u>	<u>60,714,844</u>	<u>1,509,417</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,914,747</u>
Building support services								
Facilities operation and maintenance	205,225	-	7,960,436	3,062,722	2,021,769	-	-	13,250,152
Student transportation	165,100	-	3,017,499	161,749	11,418,752	-	-	14,763,100
Computing and information services	3,675	-	2,914,982	5,325,284	53,019	2,380,634	-	10,677,594
Warehouse and purchasing	1,492	-	1,183,526	-	343,704	-	-	1,528,722
Total building support services	<u>375,492</u>	<u>-</u>	<u>15,076,443</u>	<u>8,549,755</u>	<u>13,837,244</u>	<u>2,380,634</u>	<u>-</u>	<u>40,219,568</u>
Central support services								
Executive administration	931	-	739,206	21,293	-	-	-	761,430
Financial services	2,984	-	2,367,053	50,954	-	-	-	2,420,991
Human resources	2,743	-	2,175,776	17,415	-	-	-	2,195,934
Communications and intergovernmental relations	560	-	444,321	9,315	-	-	-	454,196
Total central support services	<u>7,218</u>	<u>-</u>	<u>5,726,356</u>	<u>98,977</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,832,551</u>
Nutrition Services	55,169	-	12,399,781	17,965	-	-	-	12,472,915
Total governmental funds capital assets	<u>\$ 1,621,220</u>	<u>\$ 12,435,307</u>	<u>\$ 290,436,398</u>	<u>\$ 10,693,798</u>	<u>\$ 13,837,244</u>	<u>\$ 2,380,634</u>	<u>\$ 6,402,150</u>	<u>\$ 337,806,751</u>

<sup>(1)</sup> 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 are included as governmental activities in the statement of net position.

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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, 2014 AND 2013**

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 and Linn County tax rolls as the District tax. The computation of the District tax for 2014 and 2013 follows:

	2014			2013		
	General Fund		Debt Service Fund	General Fund		Debt Service Fund
	Permanent	Local Option		Permanent	Local Option	
Tax Rate	\$ 4.75	\$ 1.50	\$ 1.60	\$ 4.75	\$ 1.50	\$ 1.13
Amount tax rate will raise	60,405,676	19,363,282	20,587,269	58,659,935	18,797,427	14,083,039
Rounding gain (loss)	785	222	954	1,012	1,016	1,467
Measure 5 compression loss	(1,447,246)	(11,356,538)	-	(1,353,734)	(10,565,888)	-
Taxes imposed for District	<u>\$ 58,959,215</u>	<u>\$ 8,006,966</u>	<u>\$ 20,588,223</u>	<u>\$ 57,307,213</u>	<u>\$ 8,232,555</u>	<u>\$ 14,084,506</u>
District tax rate per \$1,000 of TAV <sup>(1)</sup>	<u>\$ 4.63</u>	<u>\$ 0.63</u>	<u>\$ 1.60</u>	<u>\$ 4.64</u>	<u>\$ 0.67</u>	<u>\$ 1.13</u>

<sup>(1)</sup> Lane and Linn County Taxable Assessed Value (TAV):

	Lane	Linn
2014	\$ 12,710,205,217	\$ 10,796,350
2013	\$ 12,338,548,297	\$ 14,812,770

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

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**SCHEDULE OF PROPERTY TAX TRANSACTIONS**  
**YEAR ENDED JUNE 30, 2014**

	<b>Current Levy and Taxes July 1, 2014</b>	<b>Tax Collections</b>	<b>Discounts and Adjustments</b>	<b>Taxes Receivable June 30, 2014</b>		
				<b>Total</b>	<b>General Fund</b>	<b>Debt Service Fund</b>
2013-2014	\$ 87,554,404	\$ 82,354,978	\$ 2,522,888	\$ 2,676,538	\$ 2,068,284	\$ 608,254
2012-2013	2,619,927	1,028,871	164,989	1,426,067	1,178,369	247,698
2011-2012	1,562,878	498,745	36,922	1,027,211	835,759	191,452
2010-2011	1,042,421	334,611	32,649	675,161	552,594	122,567
2009-2010	725,289	247,141	22,681	455,467	368,249	87,218
2008-2009	124,579	31,526	16,901	76,152	62,011	14,141
2007-2008	70,829	16,814	9,798	44,217	36,112	8,105
Prior	587,572	9,105	60,711	517,756	453,649	64,107
<b>Totals</b>	<b>\$ 94,287,899</b>	<b>\$ 84,521,791</b>	<b>\$ 2,867,539</b>	<b>\$ 6,898,569</b>	<b>\$ 5,555,027</b>	<b>\$ 1,343,542</b>

**SUMMARY OF PROPERTY TAX REVENUE**

Tax collection shown above	\$ 84,521,791
Increase in taxes available to meet current demands, net	26,926
Interest on tax collection	417,387
Assessment of additional taxes and penalties, Lane County	34,628
Payments in lieu of tax and other adjustments	174,632
<b>Total Tax Revenue (Budgetary Basis)</b>	<b>\$ 85,175,364</b>

**GENERAL FUND**

**DEBT SERVICE FUND**

\$ 65,284,182
19,891,182
<b>\$ 85,175,364</b>

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON****DEBT INFORMATION**

YEAR ENDED JUNE 30, 2014

	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Principal Issued</u>	<u>Principal Outstanding</u>
<b>SECURED BY THE FULL FAITH &amp; CREDIT OF THE DISTRICT</b>				
2005 School Improvement	8/25/05	2/1/15	\$ 46,000,000	\$ 1,920,000
2008 Refunding	9/23/08	7/1/17	47,295,000	39,915,000
2011A School Improvement	8/11/11	6/15/23	15,870,000	14,585,000
2011B School Improvement	8/11/11	6/15/28	15,000,000	15,000,000
2011C School Improvement	8/11/11	6/15/31	4,127,258	4,127,258
2012 Refunding	10/17/12	6/15/25	37,405,000	34,635,000
2013A School improvement	8/28/13	6/15/31	34,035,000	34,035,000
2013B School improvement	8/28/13	6/15/28	5,961,054	4,693,143
<i>Total General Obligation Bonds</i>			205,693,312	148,910,401
Pension Bonds	2/19/04	6/30/28	53,435,000	48,700,000
<i>Total GO and Pension Bonds</i>			259,128,312	197,610,401
<b>CAPITAL LEASE PURCHASE AGREEMENTS</b>				
Capital One Public Funding LLC	7/29/05	7/29/15	406,115	91,731
Capital One Public Funding LLC	3/17/06	8/1/15	66,142	15,147
Capital One Public Funding LLC	9/8/06	7/28/16	581,013	197,881
SunTrust	6/13/07	7/15/17	310,575	139,593
SunTrust	7/25/07	7/25/17	104,667	47,553
SunTrust	9/30/08	7/15/18	472,302	260,917
Bank of America	4/26/10	7/26/14	552,470	115,059
Capital One Public Funding LLC	2/9/11	7/12/15	1,128,750	460,519
US Bancorp Government Leasing and Finance	7/15/11	7/15/21	1,382,438	1,107,117
US Bancorp Government Leasing and Finance	8/30/12	7/30/22	649,080	588,521
<i>Total Capital Lease Purchase Agreements</i>			5,653,552	3,024,038
<i>Total Gross Direct and Net Direct Debt</i>			<u>\$ 264,781,864</u>	<u>\$ 200,634,439</u>

**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, 2014

**DEBT MANAGEMENT**

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

**DEBT SUMMARY**

Gross and net property-tax backed debt <sup>(1)</sup>	\$ 148,910,401
Net overlapping debt	79,589,478
Total net property-tax backed plus overlapping debt	<u>\$ 228,499,879</u>

**PER CAPITA RATIOS**

		<u>Amount per Capita</u>	<u>Percentage</u>
2013-14 estimated District population	156,143		
2013-14 real market value	<u>\$ 21,797,332,616</u>	<u>\$ 139,599</u>	
Gross and net property-tax backed debt	\$ 148,910,401	\$ 954	0.68%
Net overlapping debt	<u>79,589,478</u>	<u>510</u>	<u>0.37%</u>
Total net direct plus overlapping debt	<u>\$ 228,499,879</u>	<u>\$ 1,464</u>	<u>1.05%</u>

<sup>(1)</sup> Gross property-tax backed debt is all Unlimited-tax General Obligation and Limited-tax General Obligation bonds. Net property-tax backed debt subtracts Self-supporting Unlimited-tax General Obligation and Self-supporting Limited-tax General Obligation debt, of which the District has none.

Source: Debt Management Division, Oregon State Treasury

**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, 2014

**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 (2013-14)	\$ 21,797,332,616
General obligation debt capacity (7.95% of Real Market Value)	1,732,887,943
Outstanding obligations subject to limit	148,910,401
Less: Amount available in debt service fund	<u>8,466,743</u>
Remaining debt capacity	<u>\$ 1,592,444,285</u>
Percent of general obligation debt capacity issued	8.10%

**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	\$ 74,300,000	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	16,823	15,471	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
05/17/11	G.O. Bond	70,000,000	27,162	15,838	11,324	63.2
05/21/13	G.O. Bond	170,000,000	24,672	14,266	10,406	63.4
11/04/14	Local Option	40,000,000*****	48,036	15,344	32,692	75.8

\* Lane County voters only.

\*\* Estimated. Voters authorized a Local Option Levy of \$1.50 per \$1,000 of assessed value, that was levied for five years from 2000-2001 through 2004-2005.

\*\*\* Estimated. Voters authorized a Local Option Levy of \$1.50 per \$1,000 of assessed value, that was levied for five years from 2005-2006 through 2009-2010.

\*\*\*\* 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 through 2014-2015.

\*\*\*\*\* Voters authorized a Local Option Levy of \$1.50 per \$1,000 of assessed value, to be levied for five years beginning in 2015-2016 through 2019-2020.

Source: Lane County Elections Department

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**SUMMARY OF 2013-14 AND 2014-15 ADOPTED GENERAL FUND BUDGETS**  
**YEAR ENDED JUNE 30, 2014**

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	<b>2013-14</b>	<b>2014-15</b>
	<b>Budget</b>	<b>Budget</b>
	<i>(in thousands)</i>	
<b>RESOURCES</b>		
State School Funding		
Property taxes	\$ 55,590	\$ 57,682
Property taxes, prior years	1,890	1,698
State School Fund	69,540	74,650
Other SSF revenues	1,647	1,625
Local option property tax	7,149	7,904
Transfers	1,259	427
Other sources	5,295	5,571
	<hr/>	<hr/>
<i>Total Revenues</i>	142,370	149,557
Beginning net working capital	<hr/>	<hr/>
<i>Total Budget Resources</i>	<u>\$ 149,112</u>	<u>\$ 159,414</u>
 <b>REQUIREMENTS</b>		
Salaries	\$ 70,232	\$ 75,782
Benefits	50,544	52,258
Services	15,024	15,957
Supplies	3,675	4,824
Equipment	46	69
Other	2,074	2,067
Board Priorities Reserve	-	1,100
Contingency	3,679	2,997
	<hr/>	<hr/>
<i>Total Expenditures</i>	145,274	155,054
Unappropriated balance	<hr/>	<hr/>
<i>Total Budget Requirements</i>	<u>\$ 149,112</u>	<u>\$ 159,414</u>

Source: Lane County School District 4J

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - ALL SCHOOLS**  
**SCHOOL RESOURCES FUND**  
**YEAR ENDED JUNE 30, 2014**

	<u>Cash Balances June 30, 2013</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Cash Balances June 30, 2014</u>
<b>HIGH SCHOOLS</b>				
Churchill	\$ 189,023	\$ 450,018	\$ 422,754	\$ 216,287
Comm.Lvg.Prgm	9,300	4,371	5,149	8,522
Early Col&Career Opt	37,766	3,634	2,376	39,024
North Eugene	280,824	493,002	522,714	251,112
Sheldon	390,922	1,088,192	1,006,239	472,875
South Eugene	774,096	1,000,689	1,030,811	743,974
Transition Ed. Netwk	9,375	304	429	9,250
<i>Total High Schools</i>	1,691,306	3,040,210	2,990,472	1,741,044
<b>MIDDLE SCHOOLS</b>				
Arts & Technology	64,246	43,466	32,263	75,449
Cal Young	68,141	90,583	56,527	102,197
Colin Kelly	60,921	59,513	45,540	74,894
Kennedy	42,736	53,249	60,837	35,148
Madison	105,409	95,538	120,350	80,597
Monroe	98,999	76,536	98,814	76,721
Roosevelt	240,112	149,055	118,238	270,929
Spencer Butte	107,218	147,125	106,404	147,939
<i>Total Middle Schools</i>	787,782	715,065	638,973	863,874
<b>ELEMENTARY SCHOOLS</b>				
Adams	51,761	149,675	131,848	69,588
Awbrey Park	47,298	31,477	25,249	53,526
Bertha Holt	181,089	36,637	91,895	125,831
Buena Vista	9,049	15,713	19,450	5,312
Camas Ridge	206,551	139,142	144,131	201,562
Cesar Chavez	8,159	37,308	30,774	14,693
Corridor	23,260	45,422	44,653	24,029
Edgewood	42,817	142,809	152,057	33,569
Edgewood PGA	44,874	1,011	-	45,885
Edison	128,269	143,756	140,694	131,331
Fox Hollow	46,586	39,356	64,865	21,077
Gilham	35,059	33,217	38,647	29,629
Howard	11,306	18,424	21,296	8,434
McCornack	36,556	52,100	42,228	46,428
River Road	16,787	11,916	18,863	9,840
Spring Creek	18,656	8,539	4,947	22,248
Twin Oaks	29,129	29,207	19,171	39,165
Willagillespie	137,341	47,758	72,315	112,784
Yujin Gakuen	30,661	36,836	12,824	54,673
<i>Total Elementary Schools</i>	1,105,208	1,020,303	1,075,907	1,049,604
<b>TOTAL ALL SCHOOLS</b>	<b>\$ 3,584,296</b>	<b>\$ 4,775,578</b>	<b>\$ 4,705,352</b>	<b>\$ 3,654,522</b>



**LANE COUNTY SCHOOL DISTRICT NO. 4J, Eugene, Oregon**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2014**

	<i>Pass Through Entity Identifying Number</i>	<i>Federal CFDA Number</i>	<i>Current Year's Revenues and Expenditures</i>
<b>U.S. Department of Education</b>			
<b>Direct Programs:</b>			
Indian Education 2013-2014	S060A131100	84.060A	\$ 268,867
National Writing Project	12-OR01-CTRLSEED	84.367D	1,425
<b>Subtotal Direct Programs</b>			<b>270,292</b>
<b>Passed Through Oregon State Department of Education:</b>			
<b>Title I</b>			
Title I Disadvantaged 2012-2013	25243	84.010	1,042,823
Title I Disadvantaged 2013-2014	28123	84.010	2,779,800
Title I D Formula 2013-2014	28259	84.010	15,726
OR Reads Pri-Focus IMP Prog 4 - Formula	29358	84.010	28,309
OR Reads Pri-Focus IMP Prog 4 - Formula	29359	84.010	39,845
Priority Imp. Implementation - RiverRoad/EICamino	28360	84.010	14,167
Priority Improvement Planning - RiverRoad/EICamino	27168	84.010	8,564
Focus Improvement - Spring Creek 2012-13	26887	84.010	4,406
Focus Improvement - Spring Creek 2013-14	28361	84.010	42,466
<b>Title 1 D</b>			
Long Term Care & Treatment 2013-14	30957	84.013	7,948
<b>Title II</b>			
Title IIA/Class Size Reduction 2012-2013	25468	84.367	219,141
Title IIA/Class Size Reduction 2013-2014	28638	84.367	398,587
Title II-B- Mathematics & Science Partnerships	29570	84.366	192,121
<b>Title III A</b>			
Title III English Language Acquisition 2012-2013	25120	84.365	9,211
Title III English Language Acquisition 2013-2014	30005	84.365	42,327
<b>Career &amp; Technical Education</b>			
Carl Perkins Voc Ed 2012-2013 (Passed through Lane ESD)	NA	84.048	70,061
<b>Homeless Children and Youth</b>			
McKinney Homeless Educ. 2012-2013 (passed thru Lane ESD)	N/A	84.196	1,948
McKinney Homeless Educ. 2013-2014 (passed thru Lane ESD)	N/A	84.196	12,525
<b>Special Education and Rehabilitation Services</b>			
IDEA 2012-2013	26671	84.027	332,873
IDEA 2012-2014	28432	84.027	2,064,007
LTCT 2013-14 IDEA FUNDS	29661	84.027	6,495
SPRI&Formula	27856	84.027	7,981
IDEA Enhancement Grant 2012-2013	26460	84.027	800
IDEA Enhancement Grant 2013-2014	29764	84.027	12,731
Extended Assessment	27635	84.027	7,200
Rgnl Deaf & Hard of Hearing 2013-2014 (Lane ESD)	N/A	84.027	206,788
Rgnl Vision Impaired 2013-2014 (Lane ESD)	N/A	84.027	146,777
Rgnl Orthopedic Impaired 2013-2014 (Lane ESD)	N/A	84.027	7,392
TBI Liaison 2011-2012 - Discretionary	N/A	84.027	9,912
IDEA Part B, Section 519 2012-13	26254	84.173	2,619
IDEA Part B, Section 519 2013-14	28841	84.173	21,823
<b>Subtotal Special Education Cluster (IDEA)</b>			<b>2,827,398</b>
<b>21st Century Community Learning Centers</b>			
21st Century Community Learning Centers - Cohort 3 Year 1	28299	84.287	429,462
<b>Total U.S. Department of Education</b>			<b>8,457,125</b>
<b>U.S. Department of the Interior Bureau of Land Management</b>			
<b>Direct Programs:</b>			
McGowan Creek Environmental Education Project	L12AC20597	15.234	13,209
<b>Total U.S. Department of the Interior Bureau of Land Management</b>			<b>13,209</b>

Note: Totals may not foot due to rounding.

**LANE COUNTY SCHOOL DISTRICT NO. 4J, Eugene, Oregon**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2014**

	<i>Pass Through Entity Identifying Number</i>	<i>Federal CFDA Number</i>	<i>Current Year's Revenues and Expenditures</i>
<b>U.S. Department of Transportation</b>			
<b>Passed Through Oregon Department of Transportation:</b>			
Student Traffic Safety Program 2012-2013	2012-52	20.205	\$ 48,615
Student Traffic Safety Program 2013-2014	2012-52	20.205	21,878
<b>Subtotal Highway Planning and Construction Cluster</b>			<b>70,493</b>
<b>Total U.S. Department of Transportation</b>			<b>70,493</b>
<b>U.S. Department of Health and Human Services</b>			
<b>Passed Through Lane County, Oregon:</b>			
Family Resource Ctr 2013-2014 (Lane County CCF)	50847	93.667	9,800
Family Resource Ctr 2013-2014 (Lane County CCF)	50847	93.556	12,234
Kindergarten Readiness Assessment - ARRA	27462	93.708	1,500
<b>Passed through Oregon Employment Department - Child Care Division:</b>			
Eugene Education Options	12-027	93.575	24,111
<b>Subtotal CCDF Cluster</b>			<b>24,111</b>
<b>Total U.S. Department of Health and Human Services</b>			<b>47,645</b>
<b>U.S. Department of Justice</b>			
<b>Passed through the University of Oregon:</b>			
Project STAY OUT 2011-2013	232381C	16.548	21,227
Project STAY OUT 2014-2015	232381C	16.548	18,432
<b>Total U.S. Department of Justice</b>			<b>39,659</b>
<b>U.S. Department of Agriculture</b>			
<b>Passed through Oregon State Department of Education:</b>			
National School Breakfast Program	N/A	10.553	671,054
National School Lunch Program	N/A	10.555	2,073,636
National School Summer Food	N/A	10.559	41,933
<b>Subtotal Child Nutrition Cluster</b>			<b>2,786,623</b>
National School Child & Adult Care	N/A	10.558	87,702
Fresh Fruit & Vegetable Program - Howard	30105	10.582	15,218
Fresh Fruit & Vegetable Program - Chavez Elementary	30106	10.582	15,928
Fresh Fruit & Vegetable Program - River Road Elementary	30107	10.582	17,134
<b>Passed through the Lane County, Oregon:</b>			
Forest Service Schools and Roads	N/A	10.666	902,155
<b>Subtotal of Forest Service Schools and Roads Cluster</b>			<b>902,155</b>
<b>Total U.S. Department of Agriculture</b>			<b>3,824,761</b>
<b>Total Federal Expenditures</b>			<b>\$ 12,452,892</b>
<b>Reconciliation of Federal Expenditures to Federal Revenue</b>			
Federal revenue reported above			\$ 12,452,892
Federal revenue not required to be reported in this schedule:			
Qualified school construction bond subsidy			654,240
Commodity value received			230,345
<b>Total revenue from Federal sources</b>			<b>\$ 13,337,477</b>

Note: Totals may not foot due to rounding.

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, 2014**

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**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, 2014.

*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.

*Subrecipients*

Expenditures of CFDA Number 84.366 include amounts passed through to subrecipients totaling \$91,517.

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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 position (formerly net assets), budget and actual be displayed for each fund where legally adopted budgets are required.

In accordance with GASB Statement No. 34, the District's General Fund and any major special revenue fund (the Federal, State and Local Programs Fund) are presented as Basic Financial Statements. However, the level of detail provided in those statements is insufficient for state reporting purposes. Therefore, greater detail for the General Fund and the 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, 2014**

<b>Code</b>	<b>Function</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
<b>LOCAL REVENUE</b>				
1111	Taxes - current year's levy	\$ 55,682,289	\$ 55,650,000	\$ 32,289
1112	Taxes - prior years' levies	1,351,627	1,500,000	(148,373)
1120	Local option levy	7,865,280	7,149,000	716,280
1190	Penalties and interest on taxes	327,163	280,000	47,163
1200	Local governmental units	57,823	50,000	7,823
1310	Regular day school tuition	67,913	15,000	52,913
1500	Earnings on investments	144,580	171,000	(26,420)
1700	Extracurricular activities income	572,778	693,675	(120,897)
1800	Community service income	167,819	130,000	37,819
1910	Rentals	348,350	466,000	(117,650)
1980	Fees charged to grants	506,226	486,000	20,226
1990	Refunds and miscellaneous	1,413,245	1,351,899	61,346
1000	<i>Total Local Revenue</i>	68,505,093	67,942,574	562,519
<b>INTERMEDIATE REVENUE</b>				
2101	County school fund	2,384,811	2,384,000	811
2900	Revenue for/on behalf of the District	9,405	10,000	(595)
2000	<i>Total Intermediate Revenue</i>	2,394,216	2,394,000	216
<b>STATE REVENUE</b>				
3101	State school fund (except 3102 and 3106)	70,162,787	68,872,746	1,290,041
3103	Common school fund	1,711,668	1,347,000	364,668
3199	Other unrestricted grants-in-aid	899,480	800,000	99,480
3900	Revenue for/on behalf of the District	164,992	30,000	134,992
3000	<i>Total State Revenue</i>	72,938,927	71,049,746	1,889,181
<b>REVENUE FROM FEDERAL SOURCES</b>				
4801	Federal forest fees	902,155	-	902,155
	<i>Total Revenue</i>	144,740,391	141,386,320	3,354,071
<b>OTHER SOURCES</b>				
5200	Transfer from other funds	2,663,178	2,676,148	(12,970)
5400	<b>FUND BALANCES, Beginning</b>	7,039,870	7,039,870	-
6000	<b>TOTAL RESOURCES</b>	<u>\$ 154,443,439</u>	<u>\$ 151,102,338</u>	<u>\$ 3,341,101</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, 2014**

<b>Code</b>	<b>Function</b>	<b>100 Salaries</b>	<b>200 Employee Benefits</b>	<b>300 Purchased Services</b>	<b>400 Supplies &amp; Materials</b>
<b>INSTRUCTION</b>					
1100	Regular programs				
1111	Elementary	\$ 15,692,730	\$ 10,095,349	\$ 17,624	\$ 285,458
1113	Elementary extracurricular	1,596	281	-	-
1121	Middle/JHS	8,069,022	4,986,433	17,805	146,266
1122	Middle/JHS extracurricular	139,661	59,704	2,000	1,302
1131	High school	12,271,720	7,545,505	55,061	330,483
1132	High school extracurricular	1,413,068	582,543	173,425	88,183
1200	Special programs				
1210	Talented and gifted	33,251	12,706	249	263
1220	Restrictive programs for students with disabilities	2,813,232	2,171,142	389,083	18,227
1250	Less restrictive programs for students with disabilities	4,388,231	3,023,262	90,770	-
1260	Treatment and habilitation	62,340	39,915	54,165	3,036
1271	Remediation	-	-	-	-
1280	Early intervention/other special programs	371,270	207,563	2,250,235	83,155
1288	Charter school flow through	-	-	4,213,849	-
1290	Other special programs	803,169	568,769	12,823	17,530
1400	Summer school programs	58,524	24,973	5,420	3,481
	<i>Total Instruction</i>	46,117,814	29,318,145	7,282,509	977,384
<b>SUPPORTING SERVICES</b>					
2100	Students				
2110	Attendance and social work	430,212	300,550	347,823	-
2120	Guidance services	1,392,842	894,461	9,779	7,525
2130	Health services	653,444	428,122	25,239	11,586
2140	Psychological services	523,403	283,826	-	11,518
2150	Speech pathology and audiology services	855,484	542,697	1,270	3,832
2160	Educational services	344,390	206,934	-	2,339
2190	Service area direction, students	705,893	389,575	63,947	13,668
2200	Instructional staff and educational media	3,065,237	1,638,097	489,897	233,086
2300	General administration				
2310	Board of education	-	-	277,732	464
2320	Executive administration	383,278	169,464	35,154	7,207
2400	School administration				
2410	Principals services	6,845,692	4,304,867	121,928	465,438
2490	Other support services - school administration	3,319	1,465	1,924	-
2500	Business				
2520	Fiscal services	934,039	605,325	79,723	24,441
2540	Operation and maintenance	3,774,820	2,867,610	3,460,345	1,150,884
2550	Student transportation	2,961,075	2,481,961	416,812	930,477
2570	Internal services	216,704	155,277	28,122	63,238
2600	Central				
2630	Information services	301,740	158,309	93,421	2,782
2640	Staff services	909,646	523,830	154,245	54,607
2660	Technology services	1,905,866	1,171,834	1,003,893	77,586
2700	District retirement	-	3,500,000	-	-
	<i>Total Supporting Services</i>	26,207,084	20,624,204	6,611,254	3,060,678
<b>ENTERPRISE AND COMMUNITY SERVICES</b>					
3300	Community services				
3320	Community recreation services	-	-	25,692	-
3500	Custody and care of children services	231,601	154,257	-	-
	<i>Total Enterprise and Community Services</i>	231,601	154,257	25,692	-
<b>FACILITIES ACQUISITION AND CONSTRUCTION</b>					
	<i>Total Facilities Acquisition and Construction</i>	-	-	-	-
<b>DEBT SERVICE</b>					
5100	Debt Service	-	-	-	-
<b>OTHER USES</b>					
5200	Interfund Transfers	-	-	-	-
6110	<b>OPERATING CONTINGENCY</b>	-	-	-	-
7000	<b>ENDING BALANCE</b>	-	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	\$ 72,556,499	\$ 50,096,606	\$ 13,919,455	\$ 4,038,062



<u>500</u> <u>Capital</u> <u>Outlay</u>	<u>600</u> <u>Other</u> <u>Objects</u>	<u>700</u> <u>Transfers &amp; Flow-</u> <u>through Payments</u>	<u>Actual Fund Total</u>	<u>Appropriations</u>	<u>Variance</u>
\$ -	\$ -	\$ -	\$ 26,091,161		
-	-	-	1,877		
-	-	-	13,219,526		
-	-	-	202,667		
-	26,851	-	20,229,620		
-	19,347	-	2,276,566		
-	-	-	46,469		
-	-	-	5,391,684		
-	-	-	7,502,263		
-	-	-	159,456		
-	-	-	-		
-	26,493	-	2,938,716		
-	-	56,802	4,270,651		
-	-	-	1,402,291		
-	-	-	92,398		
-	72,691	56,802	83,825,345	\$ 84,527,628	\$ 702,283
-	-	-	1,078,585		
-	-	-	2,304,607		
-	1,220	-	1,119,611		
-	-	-	818,747		
-	-	-	1,403,283		
-	-	-	553,663		
-	-	-	1,173,083		
-	13,058	-	5,439,375		
-	15,244	-	293,440		
-	3,595	-	598,698		
-	5,821	-	11,743,746		
-	-	-	6,708		
-	3,546	-	1,647,074		
10,132	747,601	-	12,011,392		
15,977	55,500	-	6,861,802		
-	693	-	464,034		
-	775	-	557,027		
-	1,384	-	1,643,712		
-	2,013	-	4,161,192		
-	-	-	3,500,000		
26,109	850,450	-	57,379,779	58,139,067	759,288
-	-	-	25,692		
-	-	-	385,858		
-	-	-	411,550	450,884	39,334
-	-	-	-	1,000	1,000
-	-	-	-	1,000	1,000
-	-	3,266,052	3,266,052	3,659,223	393,171
-	-	-	-	215,037	215,037
-	-	9,560,713	9,560,713	4,108,499	(5,452,214)
<u>\$ 26,109</u>	<u>\$ 923,141</u>	<u>\$ 12,883,567</u>	<u>\$ 154,443,439</u>	<u>\$ 151,102,338</u>	<u>\$ (3,341,101)</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, 2014**

<u>Code</u>	<u>Function</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<b>LOCAL REVENUE</b>			
1111	Taxes - current year's levy	\$ 19,443,492	\$ 19,509,257	\$ (65,765)
1112	Taxes - prior years' levies	357,466	398,000	(40,534)
1190	Penalties and interest on taxes	90,224	80,000	10,224
1500	Earnings on investments	55,351	34,000	21,351
1900	Charges to other funds	3,974,177	3,923,494	50,683
1000	<i>Total Local Revenue</i>	23,920,710	23,944,751	(24,041)
	<b>REVENUE FROM FEDERAL SOURCES</b>			
4990	Other revenue from Federal sources	654,240	669,045	(14,805)
	<i>Total Revenue</i>	24,574,950	24,613,796	(38,846)
5400	<b>FUND BALANCES, Beginning</b>	6,739,945	6,797,172	(57,227)
6000	<b>TOTAL RESOURCES</b>	<u>\$ 31,314,895</u>	<u>\$ 31,410,968</u>	<u>\$ (96,073)</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, 2014

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

<u>500</u> <u>Capital</u> <u>Outlay</u>	<u>600</u> <u>Other</u> <u>Objects</u>	<u>700</u> <u>Transfers &amp; Flow-</u> <u>through Payments</u>	<u>Actual Fund Total</u>	<u>Appropriations</u>	<u>Variance</u>
\$ -	\$ 13,692,911	\$ -	\$ 13,692,911		
-	8,922,658	-	8,922,658		
-	22,615,569	-	22,615,569	\$ 22,616,893	\$ 1,324
-	-	8,699,326	8,699,326	8,794,075	94,749
<u>\$ -</u>	<u>\$ 22,615,569</u>	<u>\$ 8,699,326</u>	<u>\$ 31,314,895</u>	<u>\$ 31,410,968</u>	<u>\$ 96,073</u>

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**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**(BUDGETARY BASIS) - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND**  
**YEAR ENDED JUNE 30, 2014**

<b>Code</b>	<b>Function</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
<b>LOCAL REVENUE</b>				
1200	Local governmental units other than District	\$ 58,766	\$ -	\$ 58,766
1500	Earnings on investments	92,740	-	92,740
1990	Refunds and miscellaneous	179,928	1,600	178,328
1000	<i>Total Local Revenue</i>	331,434	1,600	329,834
<b>STATE REVENUE</b>				
3222	SSF Transportation	592,298	520,000	72,298
	<i>Total Revenue</i>	923,732	521,600	402,132
<b>OTHER FINANCING SOURCES</b>				
5110	Construction bonds issued	39,996,054	95,000,000	(55,003,946)
5120	Bond premium	3,718,017	-	3,718,017
5200	Interfund transfers	292,706	-	292,706
	<i>Total Other Sources</i>	44,006,777	95,000,000	(50,993,223)
5400	<b>FUND BALANCES, Beginning</b>	15,661,490	18,765,963	(3,104,473)
6000	<b>TOTAL RESOURCES</b>	<u>\$ 60,591,999</u>	<u>\$ 114,287,563</u>	<u>\$ (53,695,564)</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, 2014**

<b>Code</b>	<b>Function</b>	<b>100 Salaries</b>	<b>200 Employee Benefits</b>	<b>300 Purchased Services</b>	<b>400 Supplies &amp; Materials</b>
<b>INSTRUCTION</b>					
1100	Regular programs				
1111	Elementary (curricular)	\$ -	\$ -	\$ -	\$ 527,390
1121	Middle/JHS	-	-	-	299,808
1131	High school	2,233	562	-	231,653
	<i>Total Instruction</i>	2,233	562	-	1,058,851
<b>SUPPORTING SERVICES</b>					
2100	Students				
2190	Service area direction, students	881	670	-	216,680
2200	Instructional staff and educational media	-	-	-	70,719
2500	Business				
2520	Fiscal services	-	-	435,478	-
2540	Operation and maintenance	1,392,865	912,923	357,270	217,305
2550	Student transportation	-	-	-	-
2660	Technology services	326,982	200,058	312,093	2,708,377
2700	District retirement	-	25,845	-	-
	<i>Total Supporting Services</i>	1,720,728	1,139,496	1,104,841	3,213,081
<b>ENTERPRISE AND COMMUNITY SERVICES</b>					
	<i>Total Enterprise and Community Services</i>	-	-	-	-
<b>FACILITIES ACQUISITION AND CONSTRUCTION</b>					
4110	Service area direction	-	-	359	4,781
4120	Site acquisition and development services	-	-	491,804	134,824
4150	Building acquisition, construction and improvement services	19,065	12,054	3,600,912	665,972
	<i>Total Facilities Acquisition and Construction</i>	19,065	12,054	4,093,075	805,577
<b>DEBT SERVICE</b>					
5100	Principal	-	-	-	-
5100	Interest	-	-	-	-
	<i>Total Debt Service</i>	-	-	-	-
<b>OTHER USES</b>					
5200	Interfund Transfers	-	-	-	-
7000	<b>ENDING BALANCE</b>	-	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 1,742,026</u>	<u>\$ 1,152,112</u>	<u>\$ 5,197,916</u>	<u>\$ 5,077,509</u>



<u>500</u> <u>Capital</u> <u>Outlay</u>	<u>600</u> <u>Other</u> <u>Objects</u>	<u>700</u> <u>Transfers &amp; Flow-</u> <u>through Payments</u>	<u>Actual Fund Total</u>	<u>Appropriations</u>	<u>Variance</u>
\$ -	\$ -	\$ -	\$ 527,390		
-	-	-	299,808		
-	-	-	234,448		
-	-	-	1,061,646	\$ 2,001,000	\$ 939,354
14,900	-	-	233,131		
-	-	-	70,719		
-	-	-	435,478		
296,801	50	-	3,177,214		
831,894	-	-	831,894		
59,267	169	-	3,606,946		
-	-	-	25,845		
1,202,862	219	-	8,381,227	18,905,137	10,523,910
-	-	-	-	1,000	1,000
-	-	-	5,140		
1,082,516	-	-	1,709,144		
3,479,450	-	-	7,777,453		
4,561,966	-	-	9,491,737	22,772,521	13,280,784
-	832,586	-	832,586		
-	101,439	-	101,439		
-	934,025	-	934,025	934,600	575
-	-	1,000,000	1,000,000	1,000,000	-
-	-	39,723,364	39,723,364	68,673,305	28,949,941
<u>\$ 5,764,828</u>	<u>\$ 934,244</u>	<u>\$ 40,723,364</u>	<u>\$ 60,591,999</u>	<u>\$ 114,287,563</u>	<u>\$ 53,695,564</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, 2014**

<b>Code</b>	<b>Function</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
<b>LOCAL REVENUE</b>				
1310	Regular day school tuition	\$ 112,850	\$ 578,810	\$ (465,960)
1500	Earnings on investments	24	-	24
1910	Rentals	45,607	49,000	(3,393)
1920	Private contributions	502,748	776,170	(273,422)
1940	Services provided to other local education agency	-	598,647	(598,647)
1990	Refunds and miscellaneous	2,973,964	4,053,059	(1,079,095)
1000	<i>Total Local Revenue</i>	3,635,193	6,055,686	(2,420,493)
<b>INTERMEDIATE REVENUE</b>				
2101	County school funds	301,915	-	301,915
2199	Regular day school tuition	20,251	16,200	4,051
2000	<i>Total Intermediate Revenue</i>	322,166	16,200	305,966
<b>STATE REVENUE</b>				
3101	State School Fund	224,938	1,076,362	(851,424)
3204	Drivers education	40,085	79,001	(38,916)
3990	Other revenue from State sources	1,218,424	1,388,503	(170,079)
3000	<i>Total State Revenue</i>	1,483,447	2,543,866	(1,060,419)
<b>REVENUE FROM FEDERAL SOURCES</b>				
4300	Restricted grants-in-aid; direct	268,867	282,922	(14,055)
4500	Restricted grants-in-aid; through State	8,394,336	10,513,845	(2,119,509)
4990	Other revenue from Federal sources	13,209	14,000	(791)
4000	<i>Total Federal Revenue</i>	8,676,412	10,810,767	(2,134,355)
	<i>Total Revenue</i>	14,117,218	19,426,519	(5,309,301)
5400	<b>FUND BALANCES, Beginning</b>	-	-	-
6000	<b>TOTAL RESOURCES</b>	<u>\$ 14,117,218</u>	<u>\$ 19,426,519</u>	<u>\$ (5,309,301)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(BUDGETARY BASIS) BUDGET AND ACTUAL - FEDERAL, STATE AND LOCAL PROGRAMS FUND (Continued)

YEAR ENDED JUNE 30, 2014

<b>Code</b>	<b>Function</b>	<b>100 Salaries</b>	<b>200 Employee Benefits</b>	<b>300 Purchased Services</b>	<b>400 Supplies &amp; Materials</b>
<b>INSTRUCTION</b>					
1100	Regular programs				
1111	Elementary	\$ 133,465	\$ 79,351	\$ 18,973	\$ 55,555
1113	Elementary extracurricular	-	-	3,000	-
1121	Middle/JHS	102,341	60,419	14,711	23,007
1122	Middle/JHS extracurricular	-	-	2,388	-
1131	High school	122,815	77,995	152,910	59,719
1132	High school extracurricular	-	-	5,044	461
1200	Special programs				
1210	Talented and gifted	-	-	3,384	1,667
1220	Restrictive programs for students with disabilities	1,499,393	1,052,765	87,115	32,193
1250	Less restrictive programs for students with disabilities	800,452	635,396	9,749	15,841
1260	Early intervention	71,304	41,524	-	165
1270	Educationally disadvantaged	1,655,072	1,126,902	145,422	63,502
1280	Early intervention/other special programs	146,986	104,536	282,318	395
1290	Other special programs	56,502	34,761	2,250	1,486
1400	Summer school programs	108,416	40,796	3,739	13,853
	<i>Total Instruction</i>	<u>4,696,746</u>	<u>3,254,445</u>	<u>731,003</u>	<u>267,844</u>
<b>SUPPORTING SERVICES</b>					
2100	Students				
2110	Attendance and social work	89,062	61,927	35,988	12,596
2120	Guidance services	21,385	15,508	197	483
2130	Health services	164,390	98,319	17,728	4,008
2140	Psychological services	89,544	53,979	-	-
2150	Speech pathology and audiology services	97,596	57,872	-	1,120
2160	Educational services	41,368	29,078	-	-
2190	Service area direction, students	80,839	55,771	6,858	239
2200	Instructional staff and educational media	1,017,754	514,163	574,433	203,662
2400	School administration				
2410	Principals services	7,944	7,261	2,038	3,930
2500	Business				
2520	Fiscal services	-	-	-	-
2550	Student transportation	35,310	-	2,368	8,201
2600	Central				
2640	Staff services	23,148	11,495	4,373	2,122
2660	Technology services	89,297	55,074	199,277	8,288
2700	District retirement	-	264,209	78	242
	<i>Total Supporting Services</i>	<u>1,757,637</u>	<u>1,224,656</u>	<u>843,338</u>	<u>244,891</u>
<b>ENTERPRISE AND COMMUNITY SERVICES</b>					
3100	Food services	2,978	1,959	-	43,041
3300	Community services				
3320	Community recreation services	-	-	1,535	1,015
3390	Other community services	225,476	133,770	133,248	11,556
	<i>Total Enterprise and Community Services</i>	<u>228,454</u>	<u>135,729</u>	<u>134,783</u>	<u>55,612</u>
<b>FACILITIES ACQUISITION AND CONSTRUCTION</b>					
	<i>Total Facilities Acquisition and Construction</i>	-	-	-	-
7000	<b>ENDING BALANCE</b>	-	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 6,682,837</u>	<u>\$ 4,614,830</u>	<u>\$ 1,709,124</u>	<u>\$ 568,347</u>

<u>500</u> <u>Capital</u> <u>Outlay</u>	<u>600</u> <u>Other</u> <u>Objects</u>	<u>700</u> <u>Transfers and Flow-</u> <u>through Payments</u>	<u>Actual Fund Total</u>	<u>Appropriations</u>	<u>Variance</u>
\$ -	\$ -	\$ -	\$ 287,344		
-	-	-	3,000		
-	-	-	200,478		
-	-	-	2,388		
6,377	-	-	419,816		
-	4,683	-	10,188		
-	-	-	5,051		
-	119	-	2,671,585		
-	-	-	1,461,438		
-	-	-	112,993		
-	-	-	2,990,898		
-	-	-	534,235		
-	-	-	94,999		
-	-	-	166,804		
6,377	4,802	-	8,961,217	\$ 12,249,381	\$ 3,288,164
-	305	-	199,878		
-	-	-	37,573		
-	80	-	284,525		
-	-	-	143,523		
-	-	-	156,588		
-	-	-	70,446		
-	-	-	143,707		
-	111	-	2,310,123		
-	-	-	21,173		
-	505,899	-	505,899		
-	-	-	45,879		
-	-	-	41,138		
-	24,072	-	376,008		
-	-	-	264,529		
-	530,467	-	4,600,989	6,585,698	1,984,709
-	-	-	47,978		
-	-	-	2,550		
-	434	-	504,484		
-	434	-	555,012	590,440	35,428
-	-	-	-	1,000	1,000
-	-	-	-	-	-
<u>\$ 6,377</u>	<u>\$ 535,703</u>	<u>\$ -</u>	<u>\$ 14,117,218</u>	<u>\$ 19,426,519</u>	<u>\$ 5,309,301</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, 2014**

<b>Code</b>	<b>Function</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
<b>LOCAL REVENUE</b>				
1600	Food service sales	\$ 1,198,786	\$ 1,503,700	\$ (304,914)
1990	Refunds and miscellaneous	125,000	29,496	95,504
1000	<i>Total Local Revenue</i>	1,323,786	1,533,196	(209,410)
<b>STATE REVENUE</b>				
3102	State school fund - school lunch match	43,292	45,000	(1,708)
3299	Other restricted grants-in-aid	11,740	12,500	(760)
3000	<i>Total State Revenue</i>	55,032	57,500	(2,468)
<b>REVENUE FROM FEDERAL SOURCES</b>				
4500	Restricted grants-in-aid through the State - school nutrition	2,874,326	3,421,800	(547,474)
4900	Revenue for/on behalf of the District	226,338	260,000	(33,662)
4000	<i>Total Federal Revenue</i>	3,100,664	3,681,800	(581,136)
	<i>Total Revenue</i>	4,479,482	5,272,496	(793,014)
<b>OTHER SOURCES</b>				
5200	Interfund transfers	222,109	40,000	182,109
5400	<b>FUND BALANCES, Beginning</b>	74,584	75,000	(416)
6000	<b>TOTAL RESOURCES</b>	<u>\$ 4,776,175</u>	<u>\$ 5,387,496</u>	<u>\$ (611,321)</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 (Continued)**  
**YEAR ENDED JUNE 30, 2014**

<b>Code</b>	<b>Function</b>	<b>100 Salaries</b>	<b>200 Employee Benefits</b>	<b>300 Purchased Services</b>	<b>400 Supplies &amp; Materials</b>
<b>SUPPORTING SERVICES</b>					
2500	Business				
2520	Fiscal services	\$ 26,882	\$ 17,593	\$ 2,836	\$ -
2700	District retirement	-	19,667	-	-
	<i>Total Supporting Services</i>	26,882	37,260	2,836	-
<b>ENTERPRISE AND COMMUNITY SERVICES</b>					
3100	Food services				
3120	Food preparation and dispensing services	1,231,680	1,079,747	61,520	2,241,556
	<i>Total Enterprise and Community Services</i>	1,231,680	1,079,747	61,520	2,241,556
6000	<b>OPERATING CONTINGENCY</b>	-	-	-	-
7000	<b>ENDING BALANCE</b>	-	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 1,258,562</u>	<u>\$ 1,117,007</u>	<u>\$ 64,356</u>	<u>\$ 2,241,556</u>



<i>500 Capital Outlay</i>	<i>600 Other Objects</i>	<i>700 Transfers &amp; Flow- through Payments</i>	<i>Actual Fund Total</i>	<i>Appropriations</i>	<i>Variance</i>
\$ -	\$ -	\$ -	\$ 47,311		
-	-	-	19,667		
-	-	-	66,978	\$ 94,327	\$ 27,349
-	20,110	-	4,634,613		
-	20,110	-	4,634,613	5,143,169	508,556
-	-	-	-	100,000	100,000
-	-	74,584	74,584	50,000	(24,584)
<u>\$ -</u>	<u>\$ 20,110</u>	<u>\$ 74,584</u>	<u>\$ 4,776,175</u>	<u>\$ 5,387,496</u>	<u>\$ 611,321</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 - SCHOOL RESOURCES FUND**  
**YEAR ENDED JUNE 30, 2014**

<b>Code</b>	<b>Function</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
	<b>LOCAL REVENUE</b>			
1700	Extracurricular activities income	\$ 4,188,967	\$ 5,000,000	\$ (811,033)
1990	Refunds and miscellaneous	-	10,000	(10,000)
1000	<i>Total Local Revenue</i>	4,188,967	5,010,000	(821,033)
	<b>OTHER FINANCING SOURCES</b>			
5200	Interfund transfers	1,688,033	-	1,688,033
	<i>Total Revenue</i>	5,877,000	5,010,000	867,000
5400	<b>FUND BALANCES, Beginning</b>	6,172,303	5,803,000	369,303
6000	<b>TOTAL RESOURCES</b>	<u>\$ 12,049,303</u>	<u>\$ 10,813,000</u>	<u>\$ 1,236,303</u>

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**(BUDGETARY BASIS) - BUDGET AND ACTUAL - SCHOOL RESOURCES FUND (Continued)**  
**YEAR ENDED JUNE 30, 2014**

<b>Code</b>	<b>Function</b>	<b>100 Salaries</b>	<b>200 Employee Benefits</b>	<b>300 Purchased Services</b>	<b>400 Supplies &amp; Materials</b>
<b>INSTRUCTION</b>					
1100	Regular programs				
1111	Elementary	\$ -	\$ -	\$ -	\$ 51,983
1113	Elementary extracurricular	-	-	524,619	461,137
1121	Middle/JHS	-	-	-	33,545
1122	Middle/JHS extracurricular	-	-	224,992	265,482
1131	High school	-	-	-	53,755
1132	High school extracurricular	-	-	944,246	1,038,905
1280	Alternative Education	-	-	-	325
	<i>Total Instruction</i>	-	-	1,693,857	1,905,132
<b>SUPPORTING SERVICES</b>					
2100	Students				
2190	Service area direction, students	-	-	-	376
2200	Instructional staff and educational media	-	-	-	94,511
2300	General administration				
2320	Office of the superintendent	-	-	-	3,527
2400	School administration				
2410	Principals services	-	-	2,758	93,734
2600	Central				
2630	Information services	-	-	8,825	15,513
2660	Technology services	-	-	16	-
	<i>Total Supporting Services</i>	-	-	11,599	207,661
<b>ENTERPRISE AND COMMUNITY SERVICES</b>					
	<i>Total Enterprise and Community Services</i>	-	-	-	-
<b>FACILITIES ACQUISITION AND CONSTRUCTION</b>					
4150	Site acquisition and development services	-	-	-	-
<b>OTHER USES</b>					
5200	Interfund Transfers	-	-	-	-
6110	<b>OPERATING CONTINGENCY</b>	-	-	-	-
7000	<b>ENDING BALANCE</b>	-	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,705,456</u>	<u>\$ 2,112,793</u>

<u>500</u> <u>Capital</u> <u>Outlay</u>	<u>600</u> <u>Other</u> <u>Objects</u>	<u>700</u> <u>Transfers &amp; Flow-</u> <u>through Payments</u>	<u>Actual Fund Total</u>	<u>Appropriations</u>	<u>Variance</u>
\$ -	\$ -	\$ -	\$ 51,983		
-	43,331	-	1,029,087		
-	-	-	33,545		
-	58,107	-	548,581		
-	-	-	53,755		
-	632,920	-	2,616,071		
-	-	-	325		
-	734,358	-	4,333,347	\$ 7,969,000	\$ 3,635,653
-	-	-	376		
-	-	-	94,511		
-	-	-	3,527		
-	-	-	96,492		
-	-	-	24,338		
-	-	-	16		
-	-	-	219,260	1,350,252	1,130,992
-	-	-	-	1,000	1,000
-	-	-	-	1,000	1,000
-	-	374,654	374,654	375,748	1,094
-	-	-	-	506,000	506,000
-	-	7,122,042	7,122,042	610,000	(6,512,042)
<u>\$ -</u>	<u>\$ 734,358</u>	<u>\$ 7,122,042</u>	<u>\$ 12,049,303</u>	<u>\$ 10,813,000</u>	<u>\$ (1,236,303)</u>

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**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION**  
**(BUDGETARY BASIS) - BUDGET AND ACTUAL - INSURANCE RESERVE FUND**  
**YEAR ENDED JUNE 30, 2014**

---

<u>Code</u>	<u>Function</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<b>LOCAL REVENUE</b>			
1500	Earnings on investments	\$ 30,330	\$ -	\$ 30,330
1990	Refunds and miscellaneous	28,813,065	32,517,000	(3,703,935)
1000	<i>Total Local Revenue</i>	28,843,395	32,517,000	(3,673,605)
	<b>STATE REVENUE</b>			
3990	Other revenue from State sources	310,963	100,000	210,963
	<i>Total Revenue</i>	29,154,358	32,617,000	(3,462,642)
	<b>OTHER SOURCES</b>			
5200	Interfund transfers	1,092,104	1,145,000	(52,896)
5400	<b>FUND NET POSITION, Beginning</b>	8,356,676	8,755,805	(399,129)
6000	<b>TOTAL RESOURCES</b>	<u>\$ 38,603,138</u>	<u>\$ 42,517,805</u>	<u>\$ (3,914,667)</u>

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION**  
**(BUDGETARY BASIS) - BUDGET AND ACTUAL - INSURANCE RESERVE FUND (Continued)**  
**YEAR ENDED JUNE 30, 2014**

<i>Function</i>		<b>100</b>	<b>200</b>	<b>300</b>	<b>400</b>
		<b>Salaries</b>	<b>Employee Benefits</b>	<b>Purchased Services</b>	<b>Supplies &amp; Materials</b>
<b>INSTRUCTION</b>					
	<i>Total Instruction</i>	\$ -	\$ -	\$ -	\$ -
<b>SUPPORTING SERVICES</b>					
2300	General administration				
2310	Board of directors	-	-	7,648	-
2500	Business				
2520	Fiscal services	1,148	27,230,409	743,502	213,021
2540	Operation and maintenance	9,243	7,865	728	-
2550	Student transportation	-	-	-	-
2600	Central				
2640	Staff services	437,124	229,658	51,364	36,203
2690	Claims	-	-	250	15,015
2700	District retirement	-	11,125	-	-
	<i>Total Supporting Services</i>	447,515	27,479,057	803,492	264,239
<b>ENTERPRISE AND COMMUNITY SERVICES</b>					
	<i>Total Enterprise and Community Services</i>	-	-	-	-
<b>OTHER USES</b>					
5200	Interfund transfers	-	-	-	-
<b>FACILITIES ACQUISITION AND CONSTRUCTION</b>					
	<i>Total Facilities Acquisition and Construction</i>	-	-	-	-
6000	<b>CONTINGENCY</b>	-	-	-	-
7000	<b>ENDING FUND NET POSITION</b>	-	-	-	-
8000	<i>Total Expenditures and Ending Fund Net Position:</i>	<u>\$ 447,515</u>	<u>\$ 27,479,057</u>	<u>\$ 803,492</u>	<u>\$ 264,239</u>



<u>500</u> <u>Capital</u> <u>Outlay</u>	<u>600</u> <u>Other</u> <u>Objects</u>	<u>700</u> <u>Transfers &amp; Flow-</u> <u>through Payments</u>	<u>Actual Fund Total</u>	<u>Appropriations</u>	<u>Variance</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000
-	-	-	7,648		
-	-	-	28,188,080		
-	-	-	17,836		
-	22,096	-	22,096		
33,470	425	-	788,244		
13,337	41,882	-	70,484		
-	-	-	11,125		
46,807	64,403	-	29,105,513	34,037,276	4,931,763
-	-	-	-	1,000	1,000
-	-	1,317,424	1,317,424	1,340,400	22,976
-	-	-	-	1,000	1,000
-	-	-	-	500,000	500,000
-	-	8,180,201	8,180,201	6,637,129	(1,543,072)
<u>\$ 46,807</u>	<u>\$ 64,403</u>	<u>\$ 9,497,625</u>	<u>\$ 38,603,138</u>	<u>\$ 42,517,805</u>	<u>\$ 3,914,667</u>

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**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION**  
**(BUDGETARY BASIS) - BUDGET AND ACTUAL - POSTEMPLOYMENT BENEFITS FUND**  
**YEAR ENDED JUNE 30, 2014**

---

<b>Code</b>	<b>Function</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
	<b>LOCAL REVENUE</b>			
1990	Refunds and miscellaneous	\$ 3,820,846	\$ 3,600,000	\$ 220,846
5400	<b>FUND NET POSITION, Beginning</b>	1,503,579	1,500,000	3,579
6000	<b>TOTAL RESOURCES</b>	<u>\$ 5,324,425</u>	<u>\$ 5,100,000</u>	<u>\$ 224,425</u>

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION**

**(BUDGETARY BASIS) - BUDGET AND ACTUAL - POSTEMPLOYMENT BENEFITS FUND (Continued)**

**YEAR ENDED JUNE 30, 2014**

<b>Code</b>	<b>Function</b>	<b>100 Salaries</b>	<b>200 Employee Benefits</b>	<b>300 Purchased Services</b>	<b>400 Supplies &amp; Materials</b>
	<b>SUPPORTING SERVICES</b>				
2700	District retirement	\$ 784,998	\$ 1,476,852	\$ -	\$ -
	<i>Total Supporting Services</i>	784,998	1,476,852	-	-
6000	<b>OPERATING CONTINGENCY</b>	-	-	-	-
7000	<b>ENDING FUND NET POSITION</b>	-	-	-	-
8000	<i>Total Expenditures and Ending Fund Net Position</i>	<u>\$ 784,998</u>	<u>\$ 1,476,852</u>	<u>\$ -</u>	<u>\$ -</u>

<b>500 Capital Outlay</b>	<b>600 Other Objects</b>	<b>700 Transfers &amp; Flow- through Payments</b>	<b>Actual Fund Total</b>	<b>Appropriations</b>	<b>Variance</b>
\$ -	\$ -	\$ -	\$ 2,261,850		
-	-	-	2,261,850	\$ 3,624,600	\$ 1,362,750
-	-	-	-	475,400	475,400
-	-	3,062,575	3,062,575	1,000,000	(2,062,575)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,062,575</u>	<u>\$ 5,324,425</u>	<u>\$ 5,100,000</u>	<u>\$ (224,425)</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, 2014**

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**A. ENERGY BILLS FOR HEATING – ALL FUNDS**

Expenditures for Electricity and Heating Fuel:

Function 2540	\$	<u>1,927,951</u>
Function 2550		27,824

Objects 325 and 326

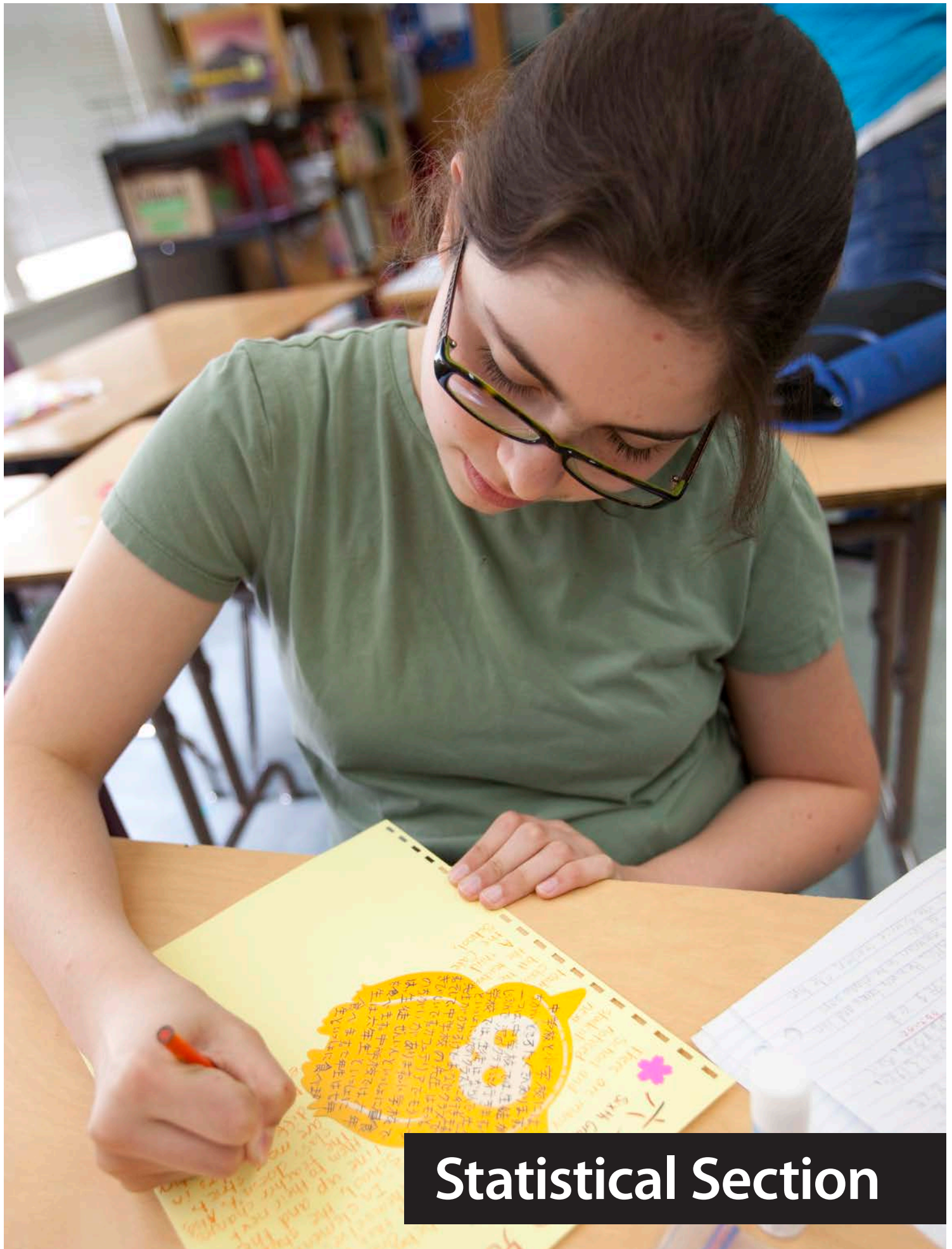
**B. REPLACEMENT OF EQUIPMENT - GENERAL FUND**

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

Exclude these functions:

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

	\$	<u>15,459</u>
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## **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.

<b>Contents</b>	<b>Page</b>
Financial Trends	95
<p>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</p>	
Revenue Capacity	102
<p>These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.</p>	
Debt Capacity	108
<p>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.</p>	
Demographic and Economic Information	113
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.</p>	
Operating Information	119
<p>These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.</p>	

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

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

	<i>Fiscal Year</i>									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>										
Cash and investments	\$ 90,628,972	\$ 57,151,244	\$ 87,816,627	\$ 66,608,066	\$ 73,961,174	\$ 81,077,923	\$ 95,736,164	\$ 104,463,528	\$ 108,043,786	\$ 84,820,548
Receivables and inventories	12,953,460	12,942,271	12,322,747	12,208,476	12,728,951	15,573,558	11,995,589	13,483,019	2,029,802	2,129,262
Pension assets	34,043,605	36,475,291	38,906,977	41,338,663	43,770,349	46,202,035	48,633,721	51,065,407	51,065,407	51,065,407
Capital assets (net)	157,149,184	152,753,227	145,382,865	143,035,930	147,911,767	151,192,272	149,666,372	148,961,252	143,239,398	125,787,550
<i>Total Assets</i>	<u>294,775,221</u>	<u>259,322,033</u>	<u>284,429,216</u>	<u>263,191,135</u>	<u>278,372,241</u>	<u>294,045,788</u>	<u>306,031,846</u>	<u>317,973,206</u>	<u>304,378,393</u>	<u>263,802,767</u>
<b>LIABILITIES</b>										
Debt due within one year	35,579,871	34,135,712	36,389,855	37,792,910	34,373,469	34,872,936	38,688,227	35,122,093	35,930,410	39,192,814
Debt due in more than one year	204,402,302	174,991,894	185,100,823	160,092,755	172,893,813	185,142,146	192,576,026	199,961,017	213,064,818	174,645,214
<i>Total Liabilities</i>	<u>239,982,173</u>	<u>209,127,606</u>	<u>221,490,678</u>	<u>197,885,665</u>	<u>207,267,282</u>	<u>220,015,082</u>	<u>231,264,253</u>	<u>235,083,110</u>	<u>248,995,228</u>	<u>213,838,028</u>
<b>NET POSITION</b>										
Net investment in capital assets	29,572,218	27,437,763	27,635,523	23,742,183	20,443,719	17,581,497	15,987,837	14,772,028	11,441,729	11,118,522
Restricted for debt service	7,454,649	6,192,930	7,683,373	-	1,045,402	2,790,498	2,933,884	4,033,374	2,353,395	1,689,281
Unrestricted	17,766,181	16,563,734	27,619,642	41,563,287	49,615,838	53,658,711	55,845,872	64,084,694	41,588,041	37,156,936
<i>Total Net Position</i>	<u>\$ 54,793,048</u>	<u>\$ 50,194,427</u>	<u>\$ 62,938,538</u>	<u>\$ 65,305,470</u>	<u>\$ 71,104,959</u>	<u>\$ 74,030,706</u>	<u>\$ 74,767,593</u>	<u>\$ 82,890,096</u>	<u>\$ 55,383,165</u>	<u>\$ 49,964,739</u>

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**CHANGES IN NET POSITION - LAST TEN FISCAL YEARS**  
*(accrual basis of accounting)*

Governmental Activities	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Expenses</b>										
Direct classroom services	\$ 94,425,167	\$ 92,380,039	\$ 94,330,605	\$ 99,263,091	\$ 101,930,051	\$ 103,102,339	\$ 102,821,704	\$ 93,067,887	\$ 90,369,299	\$ 80,955,925
Classroom support services	37,714,817	39,124,612	36,420,795	37,963,462	38,800,754	40,233,622	40,533,869	39,324,976	37,389,343	32,342,640
Building support services	26,544,857	25,483,305	23,909,245	25,925,334	25,179,039	24,324,614	25,394,584	23,093,650	21,355,531	19,412,622
Central support services	15,685,307	17,000,343	17,995,190	16,436,854	16,357,891	16,621,013	16,896,055	11,162,296	10,469,404	8,767,139
Nutrition services	4,909,589	4,690,700	4,783,293	5,009,082	5,091,489	5,156,642	5,424,214	4,945,942	4,684,654	4,545,052
Interest on long-term liabilities	8,140,544	9,987,557	7,924,330	7,288,427	7,679,671	10,374,493	9,025,104	9,179,263	9,309,771	7,697,004
Total expenses	<u>187,420,281</u>	<u>188,666,556</u>	<u>185,363,458</u>	<u>191,886,250</u>	<u>195,038,895</u>	<u>199,812,723</u>	<u>200,095,530</u>	<u>180,774,014</u>	<u>173,578,002</u>	<u>153,720,382</u>
<b>Program revenues</b>										
Charges for services										
Direct classroom services	281,984	183,655	354,821	458,433	469,124	515,627	720,467	1,006,531	1,238,072	1,084,038
Classroom support services	418,659	617,248	593,553	475,901	644,200	518,340	531,340	809,070	870,167	662,762
Building support services	816,570	1,226,758	1,915,050	1,461,292	991,381	1,112,279	1,154,312	1,542,812	1,240,764	760,202
Central support services	4,508,999	4,800,590	5,375,567	5,284,580	5,460,632	4,933,327	3,678,507	3,658,494	3,640,068	3,219,590
Nutrition services	980,454	961,096	999,910	1,176,124	1,369,409	1,543,431	1,970,201	1,861,178	1,875,180	1,892,476
Operating grants and contributions										
Direct classroom services	10,467,840	10,942,103	15,104,827	17,152,693	18,223,047	19,817,404	14,327,127	11,926,625	10,895,347	10,995,298
Classroom support services	8,314,630	9,138,806	9,692,232	10,277,140	10,714,126	10,062,775	10,747,607	15,142,838	15,315,990	13,691,325
Building support services	5,945,404	5,459,160	4,571,336	4,749,581	5,741,338	4,609,784	4,530,411	4,739,184	4,145,315	3,531,705
Central support services	-	6,691	-	-	-	-	93,171	38,375	83,074	184,548
Nutrition services	3,335,631	3,477,011	3,188,796	3,294,144	3,353,276	3,014,490	2,729,384	2,634,819	2,239,429	2,300,888
Interest on long-term liabilities	654,240	674,332	595,333	-	-	-	-	-	-	-
Capital grants and contributions										
Building support services	592,298	649,316	411,213	485,786	656,760	2,678,012	434,949	502,258	2,022,694	1,819,079
Total program revenues	<u>36,316,709</u>	<u>38,136,766</u>	<u>42,802,638</u>	<u>44,815,674</u>	<u>47,623,293</u>	<u>48,805,469</u>	<u>40,917,476</u>	<u>43,862,184</u>	<u>43,566,100</u>	<u>40,141,911</u>
Total governmental activities net expense	<u>(151,103,572)</u>	<u>(150,529,790)</u>	<u>(142,560,820)</u>	<u>(147,070,576)</u>	<u>(147,415,602)</u>	<u>(151,007,254)</u>	<u>(159,178,054)</u>	<u>(136,911,830)</u>	<u>(130,011,902)</u>	<u>(113,578,471)</u>
<b>General revenues</b>										
Property taxes	84,838,301	77,346,672	80,467,457	80,181,322	83,267,030	82,545,519	76,571,114	75,243,972	69,204,217	60,626,025
Federal aid not restricted to specific purposes	1,052,578	1,091,624	1,151,636	2,168,267	2,234,228	2,488,977	2,777,437	2,633,094	2,588,498	2,540,427
State aid not restricted to specific purposes	66,395,501	58,012,428	57,150,875	55,599,589	55,263,995	62,864,883	66,810,401	68,077,308	59,374,071	52,681,908
Earnings on investments	413,225	420,123	586,127	481,152	620,487	2,035,193	4,649,939	5,165,714	4,115,453	1,794,235
Other federal and local sources	3,002,588	914,832	837,793	1,114,166	3,104,115	335,795	246,660	5,794,817	148,089	3,369,149
Total general revenues	<u>155,702,193</u>	<u>137,785,679</u>	<u>140,193,888</u>	<u>139,544,495</u>	<u>144,489,855</u>	<u>150,270,367</u>	<u>151,055,551</u>	<u>156,914,905</u>	<u>135,430,328</u>	<u>121,011,744</u>
Change in net position	<u>\$ 4,598,621</u>	<u>\$ (12,744,111)</u>	<u>\$ (2,366,932)</u>	<u>\$ (7,526,081)</u>	<u>\$ (2,925,747)</u>	<u>\$ (736,887)</u>	<u>\$ (8,122,503)</u>	<u>\$ 20,003,075</u>	<u>\$ 5,418,426</u>	<u>\$ 7,433,273</u>

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

FUND BALANCES	Fiscal Year									
	2014	2013	2012	2011 <sup>(1)</sup>	2010	2009	2008	2007	2006	2005
General Fund										
Unreserved	\$ -	\$ -	\$ -	\$ -	\$ 12,125,084	\$ 13,990,673	\$ 17,053,588	\$ 20,845,607	\$ 10,815,344	\$ 6,165,685
Nonspendable for:										
Inventory	214,107	234,160	222,655	226,905	-	-	-	-	-	-
Prepaid Items	212,079	-	-	-	-	-	-	-	-	-
Committed	7,237,020	6,650,236	6,814,951	6,794,000	-	-	-	-	-	-
Unassigned	1,897,507	155,474	1,075,869	966,325	-	-	-	-	-	-
Total General Fund	<u>\$ 9,560,713</u>	<u>\$ 7,039,870</u>	<u>\$ 8,113,475</u>	<u>\$ 7,987,230</u>	<u>\$ 12,125,084</u>	<u>\$ 13,990,673</u>	<u>\$ 17,053,588</u>	<u>\$ 20,845,607</u>	<u>\$ 10,815,344</u>	<u>\$ 6,165,685</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 12,751,242	\$ 16,689,036	\$ 21,081,040	\$ 28,019,482	\$ 37,226,200	\$ 12,097,145
Unreserved, reported in :										
Capital Projects Fund	-	-	-	-	10,968,084	10,811,559	12,531,376	13,782,621	8,127,796	7,108,271
Special Revenue Funds <sup>(2)</sup>	-	-	-	-	17,935,636	19,503,208	19,664,365	20,297,170	21,398,516	23,552,024
Nonspendable:										
Inventory	138,748	134,743	102,676	107,993	-	-	-	-	-	-
Restricted for:										
Debt Service	8,466,743	6,559,522	8,855,882	10,524,726	-	-	-	-	-	-
Capital Projects	34,792,002	8,296,477	24,708,508	-	-	-	-	-	-	-
Committed for:										
Debt Service	232,583	180,423	60,588	-	-	-	-	-	-	-
Capital Projects	4,931,362	7,365,013	7,310,331	6,942,919	-	-	-	-	-	-
Capital Equipment	-	-	6,849,181	7,213,401	-	-	-	-	-	-
Nutrition Services	74,585	74,584	74,584	74,584	-	-	-	-	-	-
Student Body	-	-	3,865,762	3,684,988	-	-	-	-	-	-
School Resources <sup>(3)</sup>	7,122,042	6,172,303	-	-	-	-	-	-	-	-
Total all Other Governmental Funds	<u>\$ 55,758,065</u>	<u>\$ 28,783,065</u>	<u>\$ 51,827,512</u>	<u>\$ 28,548,611</u>	<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>

<sup>(1)</sup> In 2011, the District adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement changed the categories for reporting fund balance in governmental funds. Accordingly, beginning in 2011 the fund balances are reported in this manner for statistical purposes.

<sup>(2)</sup> The Postemployment Benefits Fund, previously reported as a Special Revenue Fund, is reported as an Internal Service Fund beginning in 2011 and no longer included here.

<sup>(3)</sup> In fiscal year 2013, the Capital Equipment Fund was discontinued through resolution by the Board and the remaining balances were distributed to the General Fund. A Capital Equipment Reserve Fund was established for special reserves for financing the cost of projects, property and equipment and a Special Purpose Reserve Fund was established for accumulating unexpended department and school budgets in the General Fund to be applied against future service, projects, property and equipment. The Special Purpose Reserve Fund and the Student Body Fund together create the School Resources Fund. The Capital Equipment Reserve Fund is now a part of the Capital Projects Fund.

**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)*

	<i>Fiscal Year</i>									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>REVENUES</b>										
Local sources	\$ 101,905,183	\$ 95,234,343	\$ 98,061,425	\$ 97,614,083	\$ 104,651,423	\$ 104,911,703	\$ 101,126,216	\$ 107,757,019	\$ 101,240,156	\$ 88,649,140
Intermediate sources	2,716,382	420,836	510,307	261,882	213,036	244,349	159,545	445,910	610,468	1,056,643
State sources	75,069,704	67,060,471	67,955,560	63,655,198	63,501,859	74,432,133	77,778,621	74,562,394	64,936,210	58,487,376
Federal sources	13,337,477	13,832,200	15,408,956	22,142,062	24,229,048	20,508,435	16,140,160	16,873,156	15,882,855	14,515,572
<i>Total Revenues</i>	<u>193,028,746</u>	<u>176,547,850</u>	<u>181,936,248</u>	<u>183,673,225</u>	<u>192,595,366</u>	<u>200,096,620</u>	<u>195,204,542</u>	<u>199,638,479</u>	<u>182,669,689</u>	<u>162,708,731</u>
<b>EXPENDITURES</b>										
Current										
Instruction	98,181,555	97,008,990	98,140,757	102,831,117	105,671,797	107,441,707	106,988,926	98,248,573	94,408,695	85,235,899
Supporting services	63,829,129	61,909,939	59,607,935	62,319,729	64,516,801	67,457,790	67,933,961	64,577,675	60,775,241	53,970,390
Community services	5,601,175	5,530,107	5,568,348	5,863,722	5,747,364	5,913,925	6,047,451	5,620,404	5,263,602	5,108,995
Facilities acquisition and construction	-	-	122,895	47,017	36,579	-	-	2,931	-	-
Debt service										
Principal	14,525,497	12,932,202	13,127,957	11,781,728	10,792,290	9,425,158	7,689,789	7,048,490	7,016,990	6,670,381
Interest	9,024,097	8,828,737	8,835,509	8,305,629	8,766,255	8,703,658	10,767,967	11,251,596	8,853,157	8,488,767
Refunding bonds issuance costs	-	-	-	-	-	223,320	-	-	-	-
Capital outlay	16,310,841	17,578,418	11,749,800	5,363,344	7,217,973	11,743,236	9,890,891	14,287,800	26,797,974	33,283,020
<i>Total Expenditures</i>	<u>207,472,294</u>	<u>203,588,393</u>	<u>197,153,201</u>	<u>196,512,286</u>	<u>202,749,059</u>	<u>210,908,794</u>	<u>209,318,985</u>	<u>201,037,469</u>	<u>203,115,659</u>	<u>192,757,452</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(14,443,548)	(27,040,543)	(15,216,953)	(12,839,061)	(10,153,693)	(10,812,174)	(14,114,443)	(1,398,990)	(20,445,970)	(30,048,721)
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	4,866,026	14,315,899	4,731,208	4,118,948	2,097,401	3,246,510	6,018,811	8,828,064	6,795,051	8,705,438
Transfers out	(4,640,706)	(12,329,537)	(3,284,876)	(4,393,584)	(2,131,079)	(3,311,453)	(5,298,514)	(8,551,078)	(7,113,099)	(8,884,487)
Construction bonds issued	39,996,054	-	34,997,258	-	-	-	-	-	46,000,000	-
Bond premium (discount)	3,718,017	-	792,356	-	-	-	-	-	964,027	-
Refunding bonds issued	-	37,405,000	-	-	-	51,247,038	-	-	-	-
Premium on refunding bonds issued	-	6,610,899	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	(43,734,050)	-	-	-	(51,018,536)	-	-	-	-
Capital leases	-	649,080	1,382,438	1,128,750	645,136	1,312,720	779,635	1,179,526	1,241,633	-
Sale of capital assets	-	5,200	3,715	17,500	1,380,450	-	-	5,271,907	30,000	3,072,323
Insurance recoveries	-	-	-	-	947,357	-	-	47,595	1,173,089	-
<i>Total Other Financing Sources (Uses)</i>	<u>43,939,391</u>	<u>2,922,491</u>	<u>38,622,099</u>	<u>871,614</u>	<u>2,939,265</u>	<u>1,476,279</u>	<u>1,499,932</u>	<u>6,776,014</u>	<u>49,090,701</u>	<u>2,893,274</u>
<b>NET CHANGE IN FUND BALANCES</b>	29,495,843	(24,118,052)	23,405,146	(11,967,447)	(7,214,428)	(9,335,895)	(12,614,511)	5,377,024	28,644,731	(27,155,447)
<b>FUND BALANCES, Beginning of year</b>	<u>35,822,935</u>	<u>59,940,987</u>	<u>36,535,841</u>	<u>48,503,288</u> <sup>(1)</sup>	<u>60,994,474</u>	<u>70,330,369</u>	<u>82,944,880</u>	<u>77,567,856</u>	<u>48,923,125</u>	<u>76,078,572</u>
<b>FUND BALANCES, End of year</b>	<u>\$ 65,318,778</u>	<u>\$ 35,822,935</u>	<u>\$ 59,940,987</u>	<u>\$ 36,535,841</u>	<u>\$ 53,780,046</u>	<u>\$ 60,994,474</u>	<u>\$ 70,330,369</u>	<u>\$ 82,944,880</u>	<u>\$ 77,567,856</u>	<u>\$ 48,923,125</u>
Debt service as a percentage of noncapital expenditures	12.3%	11.6%	11.8%	10.5%	10.0%	9.1%	9.3%	9.8%	8.7%	9.2%

<sup>(1)</sup> As restated

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

Year Ended June 30	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
2014	\$ 187,420,281	\$ 64,189,400	\$ 30,235,767	\$ 5,829,647	\$ 10,299,565	\$ 8,253,834	\$ 12,331,206	\$ 1,000,565
2013	188,666,556	63,348,652	29,031,387	7,275,913	10,006,071	8,579,710	12,255,609	1,007,309
2012	185,363,458	64,023,884	30,306,721	6,241,786	10,043,450	6,893,162	12,276,326	966,071
2011	191,886,250	68,213,481	31,049,610	6,865,932	10,061,735	7,383,178	12,519,186	1,133,431
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

<sup>(1)</sup> Beginning in the year ended June 30, 2008, District Retirement includes OPEB obligation.

Source: Statement of Activities

<i>Building Support Services</i>				<i>Central Support Services</i>						
<i>Facilities Operation and Maint- enance</i>	<i>Student Transpor- tation</i>	<i>Computing and Information Services</i>	<i>Warehouse and Purchasing</i>	<i>Executive Adminis- tration</i>	<i>Financial Services</i>	<i>Human Resources/ Employee Insurance Benefits</i>	<i>District Retirement <sup>(1)</sup></i>	<i>Communi- cations and Intergov- ernmental Relations</i>	<i>Nutrition Services</i>	<i>Interest on Long-term Liabilities</i>
\$ 12,468,191	\$ 7,595,586	\$ 5,859,909	\$ 621,171	\$ 991,376	\$ 2,345,317	\$ 6,947,472	\$ 4,773,541	\$ 627,601	\$ 4,909,589	\$ 8,140,544
11,017,164	8,082,570	5,947,733	435,838	884,850	1,941,182	7,555,742	6,069,155	549,414	4,690,700	9,987,557
9,756,182	7,272,494	6,414,653	465,916	888,302	2,020,861	7,764,944	6,873,535	447,548	4,783,293	7,924,330
14,355,067	6,554,478	4,573,349	442,440	875,254	1,524,798	6,847,567	6,682,136	507,099	5,009,082	7,288,427
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

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

<b>Year Ended June 30</b>	<b>Local Sources</b>			
	<b>Total</b>	<b>Property Taxes</b>	<b>Investment Income</b>	<b>Other</b>
2014	\$ 147,403,569	\$ 65,284,182	\$ 144,580	\$ 3,076,331
2013	142,570,357	63,883,326	148,247	3,641,290
2012	139,229,505	64,659,069	272,795	3,880,336
2011	139,888,020	65,721,797	318,373	3,208,192
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

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



<b>State Sources</b>						
<b>School Support Fund</b>	<b>Common School Fund</b>	<b>Transportation Grant</b>	<b>Other</b>	<b>Intermediate Sources</b>	<b>Federal Sources</b>	<b>Other Sources</b>
\$ 64,510,388	\$ 1,711,668	\$ 5,652,399	\$ 1,064,472	\$ 2,394,216	\$ 902,155	\$ 2,663,178
56,155,502	1,796,838	5,277,207	768,342	419,483	914,482	9,565,640
55,435,585	1,656,562	4,405,647	4,474,297	494,795	1,019,943	2,930,476
53,918,632	1,602,589	4,674,092	1,132,910	261,882	7,175,493	1,874,060
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	-

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

<b>Year Ended June 30</b>	<b>Total</b>	<b>Instruction</b>	<b>Support Services</b>			
			<b>Student Services</b>	<b>Instructional Staff</b>	<b>General Adminis- tration</b>	<b>School Adminis- tration</b>
2014	\$ 144,882,726	\$ 83,825,345	\$ 8,451,579	\$ 5,439,375	\$ 892,138	\$ 11,750,454
2013	143,643,962	82,476,559	8,551,306	5,999,816	845,158	11,663,704
2012	139,103,260	83,228,479	8,337,518	4,101,914	839,900	11,640,815
2011	144,025,874	85,997,215	8,397,741	3,921,940	837,694	11,810,625
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

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

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**Support Services**

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<b><i>Business Services</i></b>	<b><i>Central Services</i></b>	<b><i>District Retirement</i></b>	<b><i>Community Services</i></b>	<b><i>Interfund Transfers</i></b>
\$ 20,984,302	\$ 6,361,931	\$ 3,500,000	\$ 411,550	\$ 3,266,052
20,551,729	6,162,311	1,700,000	409,895	5,283,484
19,738,602	5,950,309	2,500,000	387,021	2,378,702
20,515,684	6,132,475	3,097,108	467,108	2,848,284
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

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

Year Ended June 30 <sup>(1)</sup>	Taxable Assessed Value <sup>(2)</sup>	Percent Change	Total Levy <sup>(3)</sup>	Percent Change	Tax Rate per \$1,000 <sup>(4)</sup>	Collected and Adjusted within the Fiscal Year of the Levy		Collections and Adjustments in Subsequent Years	Total Collections and Adjustments to Date	
						Amount	Percent Collected Year of Levy <sup>(4)</sup>		Amount	Percent Collected 06/30/2014 <sup>(4)</sup>
2014	\$ 12,721,001,567	2.98 %	\$ 87,554,404	9.96 %	\$ 6.8829	\$ 84,967,664	97.04 %	\$ -	\$ 84,967,664	97.04 %
2013	12,353,361,067	2.35	79,624,274	(3.46)	6.4461	77,091,961	96.82	1,131,903	78,223,864	98.24
2012	12,070,171,533	2.30	82,474,939	(0.35)	6.8329	79,774,601	96.73	1,691,673	81,466,274	98.78
2011	11,798,847,376	1.06	82,763,217	(3.15)	7.0142	80,370,202	97.11	1,738,101	82,108,303	99.21
2010	11,674,870,928	4.30	85,457,917	3.02	7.3196	82,595,077	96.65	2,407,852	85,002,929	99.47
2009	11,193,424,874	3.14	82,950,341	3.87	7.4105	80,320,815	96.83	2,553,932	82,874,747	99.91
2008	10,852,594,702	5.55	79,859,440	3.20	7.3584	74,777,925	93.64	5,037,375	79,815,300	99.94
2007	10,281,818,660	4.28	77,379,818	8.56	7.5257	73,242,886	94.65	4,099,001	77,341,887	99.95
2006	9,859,887,317	3.97	71,281,365	13.93	7.2295	67,364,563	94.51	3,882,101	71,246,664	99.95
2005	9,483,125,975	4.49	62,568,429	8.03	6.5871	58,765,673	93.92	3,770,373	62,536,046	99.95

<sup>(1)</sup> Includes Local Option Levy.

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

<sup>(3)</sup> 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.

<sup>(4)</sup> 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 Boundaries on page 105.

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

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

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**District Direct Rates**

<b>Fiscal Year</b>	<b>General Tax Permanent Rate <sup>(1)</sup></b>	<b>Local Option <sup>(1)</sup></b>	<b>General Obligation Debt Service Bonds</b>	<b>Total Direct Tax Rate</b>
2014	\$ 4.7485	\$ 1.5000	\$ 1.5951	\$ 7.8436
2013	4.7485	1.5000	1.1299	7.3784
2012	4.7485	1.5000	1.2866	7.5351
2011	4.7485	1.5000	1.3024	7.5509
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

<sup>(1)</sup> Tax rates do not reflect post Measure 5 compression loss.

Source: Lane County Department of Assessment and Taxation

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

	<u>2013-2014</u>	<u>2012-2013</u>	<u>2011-2012</u>	<u>2010-2011</u>	<u>2009-2010</u>
<b>GENERAL FUND</b>					
Levy extended by Assessor	\$ 66,966,181	\$ 65,539,768	\$ 66,820,808	\$ 67,274,768	\$ 69,076,852
Tax rate per \$1,000 assessed value	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25
Reduction of taxes receivable <sup>(1)</sup>					
Current year	\$ 64,897,897	\$ 64,268,147	\$ 65,519,719	\$ 65,216,364	\$ 66,621,682
1st year prior	993,655	1,000,693	757,315	1,357,575	2,792,548
2nd year prior	435,862	450,597	155,897	466,929	382,922
3rd year prior	297,898	350,687	311,377	249,304	187,743
4th year prior	222,762	157,729	138,524	105,986	96,573
5th and prior years	120,292	33,600	92,174	26,304	108,877
<i>Total Prior</i>	<u>2,070,469</u>	<u>1,993,306</u>	<u>1,455,287</u>	<u>2,206,098</u>	<u>3,568,663</u>
<i>Total General Fund</i>	<u>\$ 66,968,366</u>	<u>\$ 66,261,453</u>	<u>\$ 66,975,006</u>	<u>\$ 67,422,462</u>	<u>\$ 70,190,345</u>
<b>DEBT SERVICE FUND</b>					
Levy extended by Assessor	\$ 20,588,223	\$ 14,084,506	\$ 15,654,130	\$ 15,488,449	\$ 16,381,066
Tax rate per \$1,000 assessed value	\$ 1.60	\$ 1.13	\$ 1.29	\$ 1.30	\$ 1.39
Reduction of taxes receivable <sup>(1)</sup>					
Current year	\$ 19,979,969	\$ 13,793,249	\$ 15,359,306	\$ 15,040,596	\$ 15,819,130
1st year prior	200,205	221,285	153,029	306,272	624,800
2nd year prior	99,805	102,895	37,233	102,664	83,727
3rd year prior	69,362	84,153	73,530	57,792	51,017
4th year prior	47,060	31,651	26,918	22,753	19,526
5th and prior years	24,563	8,121	12,962	5,151	6,290
<i>Total prior</i>	<u>440,995</u>	<u>448,105</u>	<u>303,672</u>	<u>494,632</u>	<u>785,360</u>
<i>Total Debt Service Fund</i>	<u>\$ 20,420,964</u>	<u>\$ 14,241,354</u>	<u>\$ 15,662,978</u>	<u>\$ 15,535,228</u>	<u>\$ 16,604,490</u>

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

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

<u>2008-2009</u>	<u>2007-2008</u>	<u>2006-2007</u>	<u>2005-2006</u>	<u>2004-2005</u>
<u>\$ 67,433,941</u>	<u>\$ 65,196,549</u>	<u>\$ 60,855,183</u>	<u>\$ 57,369,015</u>	<u>\$ 52,650,371</u>
<u>\$ 6.25</u>	<u>\$ 6.25</u>	<u>\$ 6.25</u>	<u>\$ 6.25</u>	<u>\$ 6.25</u>
\$ 63,603,885	\$ 63,256,929	\$ 59,279,706	\$ 55,897,134	\$ 52,016,649
1,093,583	828,632	899,896	999,151	960,780
311,836	241,694	243,724	338,955	389,730
168,833	147,589	161,223	235,825	201,048
88,995	69,845	89,160	100,120	112,178
33,051	64,278	23,009	35,452	21,885
<u>1,696,298</u>	<u>1,352,038</u>	<u>1,417,012</u>	<u>1,709,503</u>	<u>1,685,621</u>
<u>\$ 65,300,183</u>	<u>\$ 64,608,967</u>	<u>\$ 60,696,718</u>	<u>\$ 57,606,637</u>	<u>\$ 53,702,270</u>
<u>\$ 15,516,400</u>	<u>\$ 14,662,891</u>	<u>\$ 16,524,635</u>	<u>\$ 13,912,350</u>	<u>\$ 9,918,059</u>
<u>\$ 1.38</u>	<u>\$ 1.34</u>	<u>\$ 1.61</u>	<u>\$ 1.40</u>	<u>\$ 1.05</u>
\$ 14,660,649	\$ 14,251,334	\$ 16,125,607	\$ 13,577,001	\$ 9,799,749
226,194	225,016	201,849	166,311	166,173
82,947	58,612	45,362	62,445	104,723
42,515	27,804	31,126	65,048	28,011
14,037	13,671	23,544	13,948	23,041
6,896	5,520	3,840	6,958	4,212
<u>372,589</u>	<u>330,623</u>	<u>305,721</u>	<u>314,710</u>	<u>326,160</u>
<u>\$ 15,033,238</u>	<u>\$ 14,581,957</u>	<u>\$ 16,431,328</u>	<u>\$ 13,891,711</u>	<u>\$ 10,125,909</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)				Total Assessed Value	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								
2014	\$ 12,343,192	\$ 333,175	\$ 45,233	\$ 257,841	\$ 12,979,441	\$ 9,898	\$ 268,337	\$ 12,721,002	\$ 7.8436	\$ 100,358	\$ 12,804	\$ 87,554
2013	11,969,991	339,939	45,882	242,091	12,597,903	9,610	254,151	12,353,362	7.3784	91,544	11,920	79,624
2012	11,625,292	348,882	46,020	267,448	12,287,642	9,329	226,803	12,070,168	7.5351	91,307	8,832	82,475
2011	11,347,527	365,658	44,148	248,961	12,006,294	9,058	216,506	11,798,846	7.5509	89,438	6,675	82,763
2010	11,171,805	395,347	53,663	247,360	11,868,175	8,794	211,395	11,665,574	7.6414	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	7.6242	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	7.5889	82,707	2,847	79,859
2007	9,870,799	352,297	55,105	183,130	10,461,331	8,235	187,747	10,281,819	7.8557	80,974	3,594	77,380
2006	9,447,834	339,879	55,101	190,251	10,033,065	7,995	181,196	9,859,864	7.6460	75,716	4,434	71,281
2005	9,048,355	325,527	51,890	242,801	9,668,573	7,763	193,237	9,483,099	7.2819	69,174	6,606	62,568

**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.

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



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

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<u>Year Ended June 30</u>	<u>General Fund Budget</u>	<u>General Fund Levy</u>	<u>Percentage of Levy to Budget</u>
2014	\$ 149,112,000	\$ 66,966,181	44.91 %
2013	143,270,100	65,539,768	45.75
2012	142,262,000	66,820,808	46.97
2011	149,301,760	67,274,768	45.06
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

Source: Lane County Department of Assessment and Taxation  
Linn County Department of Assessment and Taxation  
Lane County School District 4J

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

	<b>% within School District<sup>(2)</sup></b>	<b>2013-2014</b>	<b>2012-2013</b>	<b>2011-2012</b>	<b>2010-2011</b>
Bailey-Spencer RFPD	100.00 %	\$ 2.39	\$ 2.39	\$ 2.39	\$ 2.39
City of Coburg	100.00	4.93	5.28	5.32	5.36
City of Eugene	81.60	8.01	8.03	8.04	8.33
City of Springfield	10.51	7.15	6.94	6.99	7.06
Coburg RFPD	91.90	1.41	1.36	1.37	1.37
Eugene Urban Renewal Downtown	81.60	0.27	0.25	0.26	0.25
Emerald PUD	8.46	-	-	-	-
Eugene RFPD #1	99.63	2.35	2.10	1.85	1.85
Glenwood Water	99.96	3.41	3.48	3.54	3.69
Goshen RFPD	14.58	2.22	2.22	1.72	1.72
Junction City Water Control	2.52	0.25	0.25	0.28	0.29
Lane Rural Fire/Rescue	3.35	2.12	2.12	2.12	2.12
Lane County	46.46	1.39	1.39	1.39	1.39
Lane County Fire District 1	22.41	1.98	1.98	1.98	1.98
Lane ESD	46.62	0.22	0.22	0.22	0.22
Lane Community College	46.54	0.86	0.86	0.88	0.86
LeBleu Road	100.00	-	-	-	-
Linn County	0.13	7.84	7.38	7.54	7.55
Mohawk Valley RFPD	1.85	1.91	1.91	1.91	1.91
Rainbow Water & Fire District	2.26	3.67	3.72	3.76	3.58
River Road Park & Recreation	98.09	3.86	3.87	3.88	3.89
River Road Water Subdistrict #1	2.37	0.28	0.28	0.28	0.28
River Road Water	98.02	1.97	1.97	1.97	1.97
Santa Clara RFPD	98.53	1.64	1.64	1.04	1.04
Santa Clara Water District	84.94	-	-	-	-
South Lane County Fire & Rescue	0.03	1.50	1.03	1.03	1.03
Springfield Economic Development Agency	11.73	0.64	0.67	0.31	0.30
Willakenzie RFPD	52.85	3.07	3.07	3.07	3.07
Willamalane Park & Rec	11.89	2.45	2.01	2.01	2.01
Zumwalt Fire	81.79	2.34	2.34	2.34	2.34

<sup>(1)</sup> Gross tax rate before Measure 5 limitations applied.

<sup>(2)</sup> 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 Department of Assessment and Taxation

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<u>2009-2010</u>	<u>2008-2009</u>	<u>2007-2008</u>	<u>2006-2007</u>	<u>2005-2006</u>	<u>2004-2005</u>
\$ 2.39	\$ 2.39	\$ 2.39	\$ 2.39	\$ 2.39	\$ 2.39
5.50	5.48	5.49	5.38	5.54	5.48
8.32	7.73	7.89	8.79	8.90	9.28
7.13	7.19	6.13	6.12	6.10	6.15
1.37	1.37	1.39	1.65	1.73	1.78
0.24	0.25	0.26	0.26	0.26	-
-	-	-	-	-	-
2.00	2.00	2.54	2.54	2.54	1.72
3.85	3.85	3.89	4.14	4.14	4.14
1.72	1.72	1.72	1.72	1.72	1.72
0.29	0.30	0.31	0.31	0.29	0.32
2.12	2.12	2.12	2.12	2.12	2.12
1.40	1.40	1.40	1.41	1.41	1.41
1.98	1.98	1.98	1.98	1.98	1.98
0.22	0.22	0.22	0.22	0.22	0.22
0.85	0.87	0.83	0.85	0.88	0.89
-	-	-	-	-	-
7.64	7.62	7.59	7.84	7.65	7.28
1.91	2.41	2.41	2.48	2.55	2.51
3.62	3.73	3.73	3.15	3.18	3.21
3.90	3.46	3.48	3.48	3.50	3.06
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	1.03	1.03	1.03
0.31	0.43	0.41	0.33	0.18	-
3.07	3.07	3.07	3.07	3.07	3.07
2.01	2.15	2.15	2.18	2.33	2.33
2.34	2.34	2.34	2.34	2.34	2.34

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**JUNE 30, 2014**

<b>Overlapping Issuer</b>	<b>Net Property-tax Backed Debt <sup>(1)</sup></b>	<b>Percentage Within School District <sup>(2)</sup></b>	<b>Overlapping Debt <sup>(3)</sup></b>
River Road Park & Rec District	\$ 225,000	98.16 %	\$ 220,855
Coburg RFPD	306,667	92.16	282,613
City Of Eugene	20,795,000	83.32	17,326,914
Lane ESD	7,285,000	49.39	3,598,360
Lane County	39,625,000	49.23	19,508,338
Lane Community College	62,290,000	48.55	30,240,611
Willamalane Park & Recreation District	18,915,000	21.29	4,026,114
City Of Springfield	21,410,000	20.46	4,380,593
Harrisburg RFPD 6	155,000	3.28	5,080
Total			79,589,478
District direct debt <sup>(4)</sup>			208,044,931
Total direct and overlapping debt			<u>\$ 287,634,409</u>

(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.

(4) District direct debt is net of unamortized premiums and discounts of \$10,434,530.

Source: *Municipal Debt Advisory Commission, State of Oregon*  
*Lane County School District 4J*

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS (in thousands of dollars)**

**Legal Debt Margin Calculation as of June 30, 2014**

Real Market Value	\$ 21,797,333
Debt Limit (7.95%) <sup>(1)</sup>	\$ 1,732,888
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonded Debt	148,910
Less: Amount Available in Debt Service Fund	8,466
Total Net Debt Applicable to Debt Limit	140,444
Legal Debt Margin	\$ 1,592,444

	<b>Fiscal Year</b>									
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Debt Limit	\$ 1,732,888	\$ 1,710,211	\$ 1,775,897	\$ 1,782,950	\$ 1,889,683	\$ 1,692,305	\$ 1,591,775	\$ 1,402,753	\$ 1,149,304	\$ 1,020,733
Total Net Debt Applicable to Debt Limit	140,444	114,823	125,991	100,828	110,624	121,131	130,576	137,027	153,165	113,294
Legal Debt Margin	\$ 1,592,444	\$ 1,595,388	\$ 1,649,906	\$ 1,682,122	\$ 1,779,059	\$ 1,571,174	\$ 1,461,199	\$ 1,265,726	\$ 996,139	\$ 907,439
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	8.10%	6.71%	7.09%	5.66%	5.85%	7.16%	8.20%	9.77%	13.33%	11.10%

<sup>(1)</sup> 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	7.95%

Source: Lane County Department of Assessment and Taxation  
Linn County Department of Assessment and Taxation  
Lane County School District 4J

**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**

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<b>Year Ended June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Bonded Debt Service</b>	<b>Total General Fund Expenditures and Transfers</b>	<b>Ratio</b>
2014	\$ 12,467,911	\$ 6,219,165	\$ 18,687,076	\$ 144,882,726	0.1290
2013	10,985,000	5,781,450	16,766,450	143,643,962	0.1167
2012	11,485,000	5,931,405	17,416,405	139,103,260	0.1252
2011	10,360,000	5,365,756	15,725,756	144,025,874	0.1092
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

Source: Statement of Revenues, Expenditures and Changes in Fund Balance  
Long-term Debt Note

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

<b>Year Ended June 30</b>	<b>District Population (Estimated)</b>	<b>Average Daily Membership (Resident) K-12<sup>(1)</sup></b>	<b>Assessed Valuation</b>	<b>Bonded Debt</b>	<b>Ratio of Bonded Debt to Assessed Valuation</b>	<b>Bonded Debt Per Capita</b>	<b>Bonded Debt Per Student</b>
2014	156,143	15,214	\$ 12,721,001,567	\$ 148,910,402	0.0117	\$ 954	\$ 9,788
2013	154,905	15,184	12,353,361,067	121,382,258	0.0098	784	7,994
2012	153,667	15,248	12,070,171,533	134,847,258	0.0112	878	8,844
2011	152,428	15,762	11,798,847,376	111,335,000	0.0094	730	7,064
2010	150,188	16,027	11,674,870,928	121,695,000	0.0104	810	7,593
2009	149,160	16,104	11,193,424,874	131,255,000	0.0117	880	8,150
2008	148,132	16,192	10,852,594,702	139,829,999	0.0129	944	8,636
2007	147,105	16,476	10,281,818,660	146,638,929	0.0143	997	8,900
2006	146,077	16,746	9,859,887,317	153,164,719	0.0155	1,049	9,146
2005	145,049	16,984	9,483,125,975	113,294,150	0.0119	781	6,671

<sup>(1)</sup> Excludes District sponsored public charter schools and alternative education providers.  
940 ADM were excluded from the 2014 count.

Source: State of Oregon Department of Education  
Lane County Department of Assessment and Taxation  
Linn 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**

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<i>Fiscal Year</i>	<i>Governmental Activities</i>			<i>Total Primary Government</i>	<i>Percentage of Personal Income <sup>(1)</sup></i>	<i>Per Capita <sup>(1)</sup></i>	<i>Per Student <sup>(2)</sup></i>
	<i>General Obligation Bonds</i>	<i>Pension Bonds</i>	<i>Capital Leases</i>				
2014	\$ 148,910,401	\$ 48,700,000	\$ 3,024,038	\$ 200,634,439	N/A <sup>(4)</sup>	\$ 1,285	\$ 13,188
2013	121,382,258	49,925,000	3,856,623	175,163,881	1.375% <sup>(3)</sup>	1,131	11,536
2012	134,847,258	50,940,000	4,139,746	189,927,004	1.552% <sup>(3)</sup>	1,236	12,456
2011	111,335,000	51,765,000	3,528,428	166,628,428	1.428% <sup>(3)</sup>	1,093	10,572
2010	121,695,000	52,410,000	3,223,243	177,328,243	1.532% <sup>(3)</sup>	1,181	11,064 <sup>(3)</sup>
2009	131,255,000	52,895,000	3,325,396	187,475,396	1.582% <sup>(3)</sup>	1,257	11,642
2008	139,830,000	53,235,000	2,582,834	195,647,834	1.709% <sup>(3)</sup>	1,321	12,083
2007	146,638,929	53,435,000	2,484,059	202,557,988	1.827% <sup>(3)</sup>	1,377	12,294
2006	153,164,719	53,435,000	1,827,233	208,426,952	2.045% <sup>(3)</sup>	1,427	12,446
2005	113,294,150	53,435,000	1,473,159	168,202,309	1.743% <sup>(3)</sup>	1,160	9,904

<sup>(1)</sup> See page 111 for estimated District population data and 114 for personal income data. These ratios are calculated using personal income for the prior calendar year.

<sup>(2)</sup> See page 111 for average daily membership data.

<sup>(3)</sup> Revised.

<sup>(4)</sup> Information not available at time of printing.

Source: Lane County School District 4J



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

<b>Year Ended June 30</b>	<b>City of Eugene</b>				<b>Lane County</b>		<b>State of Oregon</b>	
	<b>Estimated Population</b>	<b>Percent Change</b>	<b>Area (Square Miles)</b>	<b>Average Density Persons/Square Mile</b>	<b>Estimated Population</b>	<b>Percent Change</b>	<b>Estimated Population</b>	<b>Percent Change</b>
2014	160,775	<sup>(1)</sup> 0.75 %	43.7	3,679	358,805	<sup>(1)</sup> 0.75 %	3,962,565	<sup>(1)</sup> 1.11 %
2013	159,580	0.79	43.7	<sup>(2)</sup> 3,652	<sup>(2)</sup> 356,125	0.54	3,919,020	0.91
2012	158,335	0.84	43.7	<sup>(2)</sup> 3,623	<sup>(2)</sup> 354,200	0.30	3,883,735	0.68
2011	157,010	0.46	43.7	<sup>(2)</sup> 3,593	<sup>(2)</sup> 353,155	0.33	3,857,625	0.53
2010	156,295	1.08	40.5	3,859	352,010	1.24	3,837,300	0.36
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

<sup>(1)</sup> Based on preliminary estimates by Population Research Center as of November 15, 2014.

<sup>(2)</sup> Revised.

Source: Portland State University Center for Population Research and Census

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

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<b>Year Ended December 31</b>	<b>Estimated County Population <sup>(1)</sup></b>	<b>County Personal Income (thousands of dollars)</b>	<b>County Per Capita Personal Income</b>	<b>County Unemployment Rate</b>	
2013	358,805 <sup>(3)</sup>	N/A <sup>(4)</sup>	N/A <sup>(4)</sup>	7.6	%
2012	356,125	12,742,734 <sup>(2)</sup>	35,941 <sup>(2)</sup>	8.7	<sup>(2)</sup>
2011	354,200	12,235,553 <sup>(2)</sup>	34,614 <sup>(2)</sup>	9.7	<sup>(2)</sup>
2010	353,155	11,669,824 <sup>(2)</sup>	33,160 <sup>(2)</sup>	11.1	<sup>(2)</sup>
2009	352,010	11,572,848 <sup>(2)</sup>	32,985 <sup>(2)</sup>	12.1	
2008	347,690	11,848,249 <sup>(2)</sup>	34,029 <sup>(2)</sup>	6.7	
2007	345,880	11,449,995 <sup>(2)</sup>	33,203 <sup>(2)</sup>	5.2	
2006	339,740	11,085,431 <sup>(2)</sup>	32,611 <sup>(2)</sup>	5.4	
2005	336,085	10,191,534 <sup>(2)</sup>	30,347 <sup>(2)</sup>	6.2	
2004	333,350	9,648,966 <sup>(2)</sup>	29,035 <sup>(2)</sup>	7.3	

<sup>(1)</sup> Mid-year population estimates.

<sup>(2)</sup> Revised.

<sup>(3)</sup> Based on preliminary estimates by Population Research Center as of November 15, 2014.

<sup>(4)</sup> Information not available at time of printing.

*Source: Population information: Portland State University Center for Population Research and Census  
 Personal income: US Department of Commerce, Bureau of Economic Analysis  
 Unemployment: State of Oregon Employment Department, Local Area Employment Statistics*

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**MAJOR TAXPAYERS - CURRENT YEAR AND NINE YEARS AGO**  
**JUNE 30, 2014**

<u>Name</u>	<u>2014</u>			<u>2005</u>		
	<u>2013-14 Assessed Valuation</u>	<u>Rank <sup>(1)</sup></u>	<u>Percentage of District Total Assessed Value</u>	<u>2004-05 Assessed Valuation</u>	<u>Rank <sup>(1)</sup></u>	<u>Percentage of District Total Assessed Value</u>
Comcast Corporation	\$ 117,277,300	1	0.92 %			
Valley River Center	107,296,874	2	0.84	\$ 79,443,480	3	0.84 %
Symantec Corporation	91,918,795	3	0.72			
PeaceHealth	557,934,798	4	4.39	49,156,127	4	0.52
McKay Investment Company	54,052,797	5	0.43	19,865,760	10	0.21
CenturyLink <sup>(2)</sup>	46,993,600	6	0.37	145,492,900	2	1.53
Shepard Investment Group LLC	39,740,299	7	0.31			
Hynix Semiconductor Mfg	42,406,611	8	0.33	570,780,961	1	6.02
Chase Village LLC	36,491,182	9	0.29	27,940,386	6	0.29
United States Bakery	37,917,091	10	0.30			
NW Natural Gas Co				37,245,000	5	0.39
Guard Publishing Co				29,131,712	7	0.31
Monaco Coach Corp				32,934,917	8	0.35
Shorewood Packaging Corp				23,313,095	9	0.25
<i>Total Major Taxpayers</i>	1,132,029,347		8.90	1,015,304,338		10.71
<i>Other</i>	11,578,175,870		91.10	8,430,648,692		89.29
<i>Total All Taxpayers</i>	<u>\$ 12,710,205,217</u>		<u>100.00 %</u>	<u>\$ 9,445,953,030</u>		<u>100.00 %</u>

<sup>(1)</sup> Ranking is based on amount of tax and not assessed valuation.

<sup>(2)</sup> Formerly Qwest Corp.

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, 2014**

<b>Company</b>	<b>2014</b>			<b>2005</b>		
	<b>Number of Employees</b> <sup>(1)</sup>	<b>Rank</b>	<b>Percentage of Total Employment</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment</b>
University of Oregon	4,847	1	3.33 %	3,676	2	2.45 %
PeaceHealth Oregon	4,212	2	2.90	4,300 <sup>(4)</sup>	1	2.87
State of Oregon	2,200	3	1.51	1,100	9	0.73
Lane County Government	2,029	4	1.40	1,786	6	1.19
Lane County School District 4J	1,900 <sup>(2)</sup>	5	1.31	2,025	4	1.35
U.S. Government	1,667	6	1.15	1,800	5	1.20
Springfield School District	1,500	7	1.03	1,162	8	0.78
City of Eugene	1,427	8	0.98	1,452	7	0.97
Lane Community College	1,151	9	0.79	2,531	3	1.69
Wal-Mart	1,050	10	0.72			
McKenzie-Willamette Hospital				750	10	0.50
<i>Total Major Employers</i>	21,983		15.12	20,582		13.73
<i>Other</i>	123,417		84.88	129,318		86.27
<i>Total All Employers</i>	145,400 <sup>(3)</sup>		100.00 %	149,900 <sup>(5)</sup>		100.00 %

<sup>(1)</sup> Updated information not available at time of printing; as of June 2013.

<sup>(2)</sup> Includes part-time employees.

<sup>(3)</sup> July 2014 total.

<sup>(4)</sup> Includes PeaceHealth Medical Group, Sacred Heart Medical, Cottage Grove Hospital.

<sup>(5)</sup> Annual average for 2005.

Source: Lane County Department of Budget and Financial Planning, Fiscal Year 2014-2015 Adopted Budget  
Oregon Employment Department, Current Employment Statistics

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

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<b>Year Ending December 31</b>	<b>Eugene MSA</b>	<b>State of Oregon</b>	<b>United States</b>
2013	7.6 %	7.7 %	7.4 %
2012	8.7 <sup>(1)</sup>	8.8 <sup>(1)</sup>	8.1
2011	9.7 <sup>(1)</sup>	9.7 <sup>(1)</sup>	8.9
2010	11.1 <sup>(1)</sup>	10.8 <sup>(1)</sup>	9.6
2009	12.1	11.1	9.3
2008	6.7	6.5	5.8
2007	5.2	5.2	4.6
2006	5.4	5.3	4.6
2005	6.2	6.2	5.1
2004	7.3	7.3	5.5

<sup>(1)</sup> Revised.

Source: State of Oregon Employment Department, Local Area Employment Statistics

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON****PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS FOR THE CITY OF EUGENE  
LAST TEN FISCAL YEARS**

<b>Year Ended June 30</b>	<b>Assessed Property Value <sup>(1)</sup> (in thousands)</b>	<b>Commercial Permits</b>	<b>Construction Value (in thousands)</b>	<b>Residential Permits</b>	<b>Construction Value (in thousands)</b>	<b>Bank Deposits (in thousands)</b>
2014	12,710,205	590	\$ 105,207	835	\$ 167,157	\$ 3,034,969
2013	12,338,548	605	91,934	786	87,902	2,847,031
2012	12,059,996	606	68,953	734	64,516	2,827,768
2011	11,789,130	553	48,881	744	57,200	2,852,086
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

<sup>(1)</sup> Assessed property value from Lane County only.

Source: City of Eugene, Department of Public Works  
Federal Deposit Insurance Corporation  
Lane County Department of Assessment and Taxation

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

<b>Year Ended June 30</b>	<b>Average Daily Membership (Resident) K-12 <sup>(1)</sup></b>	<b>Total Government- wide Expenses</b>	<b>Government- wide Expenses Per Pupil (ADMr)</b>	<b>Total General Fund Expenditures <sup>(3)</sup></b>	<b>General Fund Per Pupil (ADMr)</b>	<b>General Fund Instruction Expenditures <sup>(3)</sup></b>	<b>General Fund Instruction Per Pupil (ADMr)</b>	<b>General Fund Other Expenditures <sup>(3)</sup></b>	<b>General Fund Other Per Pupil (ADMr)</b>	<b>Average Daily Membership (Weighted) K-12 <sup>(4)</sup></b>
2014	16,105	\$ 187,420,281	11,637	\$ 141,616,674	8,793	\$ 83,825,345	5,205	\$ 57,791,329	3,588	18,822
2013	16,116 <sup>(2)</sup>	188,666,556	11,707 <sup>(2)</sup>	138,360,478	8,585 <sup>(2)</sup>	82,476,559	5,118 <sup>(2)</sup>	55,883,919	3,468 <sup>(2)</sup>	18,827
2012	16,165	185,363,458	11,467	136,724,558	8,458	83,228,479	5,149	53,496,079	3,309	18,906
2011	16,546	191,886,250	11,597	141,177,590	8,532	85,997,215	5,197	55,180,375	3,335	19,364
2010	16,705	195,038,895	11,675	142,400,797	8,524	87,340,570	5,228	55,060,227	3,296	19,572
2009	16,812	199,812,723	11,885	149,214,979	8,876	91,212,826	5,425	58,002,153	3,450	19,694
2008	16,998	200,095,530	11,772	147,208,921	8,660	89,703,733	5,277	57,505,188	3,383	19,916
2007	17,282	180,774,014	10,460	127,625,737	7,385	77,881,307	4,506	49,744,430	2,878	20,168
2006	17,563	173,578,002	9,883	121,263,357	6,904	74,996,549	4,270	46,266,808	2,634	20,524
2005	17,570	153,720,382	8,749	117,947,267	6,713	67,787,367	3,858	50,159,900	2,855	20,454

<sup>(1)</sup> Average daily membership of students who live within District boundaries, with kindergarten students included as half-time. Includes District sponsored public charter schools and alternative education providers.

<sup>(2)</sup> Revised in 2014 to reflect final numbers for fiscal year.

<sup>(3)</sup> Budgetary basis.

<sup>(4)</sup> Average daily membership of daily student enrollment increased by a variety of weighting factors. Includes District sponsored public charter schools and alternative education providers.

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

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**FULL TIME EQUIVALENT EMPLOYEES BY ACTIVITY/FUNCTION**  
**LAST TEN FISCAL YEARS**

Activity/Function	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Direct classroom services</b>										
Regular instruction	655.8	652.0	661.6	730.6	767.2	789.2	792.6	776.1	775.6	778.6
Special programs	325.4	309.3	321.0	360.5	380.1	350.6	347.0	345.3	338.6	317.9
Total direct classroom services	981.2	961.3	982.6	1,091.1	1,147.3	1,139.8	1,139.6	1,121.4	1,114.2	1,096.5
<b>Classroom support services</b>										
Extracurricular activities	6.3	6.6	6.6	6.6	5.9	6.2	7.5	6.0	6.4	5.4
Student support	100.4	102.5	101.4	107.7	110.1	122.7	122.2	122.9	120.7	107.6
Libraries, curriculum and staff development	49.5	63.5	48.0	55.7	59.5	62.6	68.5	65.5	60.1	57.3
School administration	124.2	125.0	124.1	130.7	134.2	143.0	139.8	150.3	152.1	143.8
Community services	11.6	11.9	10.3	13.2	10.0	9.9	11.5	12.3	10.7	9.6
Total classroom support services	292.0	309.5	290.4	313.9	319.7	344.4	349.5	357.0	350.0	323.7
<b>Building support services</b>										
Facilities operation and maintenance	131.2	132.0	126.6	145.1	154.1	159.2	152.8	145.2	158.5	150.5
Student transportation	77.1	80.0	76.4	77.5	79.4	85.1	71.1	63.3	59.6	62.6
Computing and information services	39.0	40.7	38.7	38.8	41.5	33.6	30.4	20.7	21.2	21.2
Warehouse and purchasing	3.8	4.6	4.6	4.7	5.7	6.0	7.3	6.3	6.5	5.5
Total building support services	251.1	257.3	246.3	266.1	280.7	283.9	261.6	235.5	245.8	239.8
<b>Central support services</b>										
Executive administration	4.0	4.0	4.2	3.2	4.3	7.8	7.2	6.1	4.7	2.5
Financial services	16.3	17.4	15.4	14.4	15.9	15.9	13.9	14.8	14.8	14.4
Human resources/employee insurance benefits	19.4	17.1	20.0	18.6	17.6	18.2	18.9	25.0	19.6	19.3
Communications and intergovernmental relations	3.3	3.0	2.5	3.0	3.2	3.1	3.0	3.0	3.2	3.2
Total central support services	43.0	41.5	42.1	39.2	41.0	45.0	43.0	48.9	42.3	39.4
<b>Nutrition services</b>										
	56.5	58.3	63.4	68.1	72.1	68.0	71.6	72.1	73.7	75.1
<b>Total employees</b>	<b>1,623.8</b>	<b>1,627.9</b>	<b>1,624.8</b>	<b>1,778.4</b>	<b>1,860.8</b>	<b>1,881.1</b>	<b>1,865.3</b>	<b>1,834.9</b>	<b>1,826.0</b>	<b>1,774.5</b>
<b>Licensed staff</b>										
	829.2	841.8	834.6	922.5	962.9	976.4	969.4	951.5	959.3	931.1
<b>Classified staff</b>										
	677.2	668.8	687.2	752.2	791.5	789.8	784.3	772.3	754.7	735.5
<b>Professional staff</b>										
	35.3	33.4	27.0	19.6	24.3	26.3	25.2	23.2	22.5	21.0
Total classified and professional	712.5	702.2	714.2	771.8	815.8	816.1	809.5	795.5	777.2	756.5
<b>Administrative staff</b>										
	71.1	70.9	64.7	73.1	71.1	77.6	75.4	76.9	78.1	76.4
<b>Supervisory staff</b>										
	11.0	13.0	11.3	11.0	11.0	11.0	11.0	11.0	11.4	10.5
Total administrators and supervisors	82.1	83.9	76.0	84.1	82.1	88.6	86.4	87.9	89.5	86.9
<b>Total employees</b>	<b>1,623.8</b>	<b>1,627.9</b>	<b>1,624.8</b>	<b>1,778.4</b>	<b>1,860.8</b>	<b>1,881.1</b>	<b>1,865.3</b>	<b>1,834.9</b>	<b>1,826.0</b>	<b>1,774.5</b>

Note: FTE as of June.

Source: Lane County School District 4J



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

<u>Year Ended June 30</u>	<u>Licensed</u>	<u>Classified and Professional<sup>(3)</sup></u>	<u>Administrative and Supervisory<sup>(4)</sup></u>	<u>Total</u>	<u>Average Daily Membership (Resident) K-12<sup>(2)</sup></u>	<u>Licensed Staffing Ratio</u>
2014	754.3	519.3	76.1	1,349.7	15,214	20.2
2013	778.2	521.7	78.0	1,377.9	15,184	19.5
2012	750.8	540.3	70.3	1,361.4	15,248	20.3
2011	833.0	585.0	77.5	1,495.5	15,762	18.9
2010	839.0	608.1	72.5	1,519.6	16,027	19.1
2009	882.8	598.5	79.2	1,560.5	16,104	18.2
2008 <sup>(1)</sup>	885.2	611.5	79.1	1,575.8	16,192	18.3
2007	818.3	572.1	77.4	1,467.9	16,476	20.1
2006	822.4	564.1	76.1	1,462.6	16,746	20.4
2005	831.4	555.7	66.0	1,453.1	16,943	20.4

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

<sup>(2)</sup> Excludes District sponsored public charter schools and alternative education providers.

<sup>(3)</sup> Beginning 2006 includes Professional.

<sup>(4)</sup> Beginning 2006 includes Supervisors.

Note: FTE as of June.

**EUGENE SCHOOL DISTRICT NO. 4J**  
 BARGAINING UNITS & CONTRACT STATUS  
 JUNE 30, 2014

<u>Collective Bargaining Unit</u>	<u>No. of Employees</u>	<u>Termination Date of Current Contract</u>
Oregon Education Association/ Eugene Education Association	870	06/30/2017
Oregon School Employees Association	798	06/30/2018

Source: Lane County School District 4J

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**LICENSED PROFESSIONAL SALARY PLAN**  
**JUNE 30, 2014**

<u>LEVEL</u>	<u>BACHELORS</u>	<u>BACHELORS + 23</u>	<u>BACHELORS + 45</u>	<u>BACHELORS + 60 MASTERS</u>	<u>BACHELORS + 83 B+68 W/ MASTERS MASTERS + 23</u>	<u>BACHELORS + 105 B+90 W/ MASTERS MASTERS + 45</u>	<u>DOCTORATE MASTERS + 90</u>
1	\$33,593	\$34,836	\$36,125	\$37,462	\$38,848	\$40,285	\$41,776
2	34,836	36,125	37,462	38,848	40,285	41,776	43,322
3	36,125	37,462	38,848	40,285	41,776	43,322	44,925
4	36,793	38,154	39,566	41,030	42,548	44,122	45,755
5	37,474	38,861	40,299	41,790	43,336	44,939	46,602
6	38,861	40,299	41,790	43,336	44,939	46,602	48,326
7	40,299	41,790	43,336	44,939	46,602	48,326	50,114
8	41,790	43,336	44,939	46,602	48,326	50,114	51,968
9	43,336	44,939	46,602	48,326	50,114	51,968	53,891
10	44,939	46,602	48,326	50,114	51,968	53,891	55,885
11	46,602	48,326	50,114	51,968	53,891	55,885	57,953
12	48,326	50,114	51,968	53,891	55,885	57,953	60,097
13	50,114	51,968	53,891	55,885	57,953	60,097	62,321
Longevity (16)	51,968	53,891	55,885	57,953	60,097	62,321	64,627
Longevity (16+)	53,891	55,885	57,953	60,097	62,321	64,627	67,018
Longevity (17)	NA	NA	NA	NA	NA	66,566	69,029

\* Highest entry level.

**LICENSED STAFFING PER LEVEL AND EDUCATION IN FULL-TIME EQUIVALENT EMPLOYEES—JUNE 2014**

<u>LEVEL</u>	<u>BACHELORS</u>	<u>BACHELORS + 23</u>	<u>BACHELORS + 45</u>	<u>BACHELORS + 60 MASTERS</u>	<u>BACHELORS + 83 B+68 W/ MASTERS MASTERS + 23</u>	<u>BACHELORS + 105 B+90 W/ MASTERS MASTERS + 45</u>	<u>DOCTORATE MASTERS + 90</u>	<u>TOTAL</u>
1	3.8	0.8	0.0	2.5	14.4	6.1	0.5	28.1
2	1.8	0.0	0.0	7.3	13.5	3.7	1.3	27.6
3	1.0	0.0	0.0	3.8	5.6	3.0	1.1	14.5
4	1.0	0.0	0.0	4.5	8.3	4.5	1.0	19.3
5	1.0	0.0	0.0	3.9	4.8	6.6	0.5	16.8
6	0.0	0.0	0.0	4.0	13.9	7.0	1.0	25.9
7	0.0	0.0	3.5	13.2	19.4	13.0	0.0	49.1
8	2.5	1.0	0.0	10.3	11.8	13.1	3.4	42.1
9	2.0	0.5	1.0	12.3	14.5	20.2	3.3	53.8
10	3.0	0.0	0.0	14.0	12.6	12.4	4.7	46.7
11	1.9	0.0	1.0	15.1	20.7	16.2	1.0	55.9
12	0.0	1.0	0.0	6.7	9.0	16.8	2.0	35.5
13	0.0	0.0	0.0	13.0	9.0	14.6	3.5	40.1
Longevity (16)	2.0	2.0	0.0	9.8	8.8	18.3	7.4	48.3
Longevity (16+)	17.6	9.0	8.0	63.2	58.4	16.6	4.0	176.8
Longevity (17)	0.0	0.0	0.0	0.0	0.0	106.5	42.2	148.7
<b>Total</b>	<b>37.6</b>	<b>14.3</b>	<b>13.5</b>	<b>183.6</b>	<b>224.7</b>	<b>278.6</b>	<b>76.9</b>	<b>829.2</b>

Average Education: Bachelors + 68 with Masters  
Average Salary: \$51,248

Note: FTE as of June. This data includes licensed employees on paid full-time leave.

Source: Eugene Education Association Collective Bargaining Agreement  
Lane County School District 4J

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Breakfast Program:										
Paid Breakfasts Served	59,889	66,895	69,079	80,617	75,466	86,906	99,441	80,683	67,338	60,583
Free Breakfasts Served	318,389	330,169	347,884	337,179	352,510	325,119	300,421	268,803	242,860	239,964
Reduced Breakfasts Served	39,337	40,900	38,655	39,383	50,529	46,936	46,696	34,128	33,403	31,374
Lunch Program:										
Paid Lunches Served	233,571	251,017	285,617	372,168	425,932	478,193	497,358	504,989	479,532	459,032
Free Lunches Served	600,996	628,675	641,936	650,842	676,620	615,451	569,180	554,097	538,406	541,274
Reduced Lunches Served	80,117	87,096	82,432	93,648	117,056	116,851	117,973	104,879	109,223	103,591
Supper/Snack Program:										
Paid Suppers/Snacks Served										
Free Suppers/Snacks Served	27,732	20,662	17,617	28,913	40,831	35,068	28,840	26,419	18,436	21,449
Reduced Suppers/Snacks Served										
A la Carte Sales	\$ 163,624	\$ 144,369	\$ 153,006	\$ 186,274	\$ 230,736	\$ 315,740	\$ 574,353	\$ 605,771	\$ 712,648	\$ 787,917
Percentage of Students Eligible to Receive Free or Reduced-Price Meals	42.33%	42.35%	42.37%	40.01%	38.79%	35.60%	32.70%	32.50%	30.70%	33.10%
Pupil transportation statistics:										
Number of Buses	111	107	95	92	93	93	88	87	83	83
Number of Vans	18	12	12	12	12	12	10	10	10	10
Total Miles Traveled <sup>(1)</sup>	1,426,870	1,412,378	1,409,582	1,302,505	1,326,201	1,391,374	1,447,550	1,267,489	1,317,538	1,265,765
Number of students transported daily	4,460	4,830	5,042	5,197	4,985	4,832	5,056	4,855	4,407	4,567

<sup>(1)</sup> While District enrollment has decreased over the last ten fiscal years, total miles traveled increased due to school consolidations.

Source: Lane County School District 4J

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

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Enrollment Summary: <sup>(1)</sup></b>										
Elementary Schools	6,270.0	6,166.5	6,153.5	6,392.0	6,470.5	6,684.0	6,665.0	6,763.5	6,837.0	6,786.0
K - 8 Schools	175.0	543.5	545.0	525.5	509.0	326.0	281.0	NA	NA	NA
Middle Schools	3,725.0	3,538.0	3,490.0	3,478.0	3,505.0	3,661.0	3,652.0	3,915.0	4,024.0	4,201.0
High Schools	5,253.0	5,226.0	5,336.0	5,547.0	5,584.0	5,592.0	5,839.0	6,056.0	6,073.0	6,227.0
<b>Total Enrollment</b>	<b>15,423.0</b>	<b>15,474.0</b>	<b>15,524.5</b>	<b>15,942.5</b>	<b>16,068.5</b>	<b>16,263.0</b>	<b>16,437.0</b>	<b>16,734.5</b>	<b>16,934.0</b>	<b>17,214.0</b>

<sup>(1)</sup> Excludes District sponsored public charter schools and alternative education providers. Kindergarten reported at 0.5 FTE.

**Elementary Schools (K=0.5)**

**Adams (1949)**

Gross Floor Area (sq ft): 47,660										
Elementary Enrollment - Adams	388.0	361.5	361.5	173.0	165.0	179.0	172.5	180.0	167.0	162.0
Elementary Enrollment - Hillside	-	-	-	-	-	-	83.0	115.0	111.5	122.0

**Awbrey Park (1967)**

Gross Floor Area (sq ft): 58,375										
Elementary Enrollment	367.0	389.5	430.5	424.5	456.5	449.5	422.5	436.5	437.0	413.0

**Bailey Hill (1949)**

Gross Floor Area (sq ft): 36,442										
Elementary Enrollment	-	-	-	-	-	-	-	-	-	-

**Bertha Holt (2004)**

Gross Floor Area (sq ft): 67,389										
Elementary Enrollment	517.0	499.5	474.0	470.0	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	409.5	418.0	402.5	419.0	415.5	368.5	328.0	332.0	324.5	323.0
Elementary Enrollment - Family <sup>(2)</sup>	-	-	-	-	-	124.0	123.0	121.0	123.0	110.0

<sup>(2)</sup> 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 and 8th grade in 2011.

**Charlemagne at Fox Hollow (1967)**

Gross Floor Area (sq ft): 29,621										
Elementary Enrollment	286.5	276.5	265.0	261.0	271.0	267.5	267.5	270.0	276.0	280.0

**Coburg (1950)**

Gross Floor Area (sq ft): 27,537										
Elementary Enrollment	-	-	-	110.0	123.5	135.0	139.5	143.0	137.0	119.0

**Crest Drive (1963)**

Gross Floor Area (sq ft): 27,441										
Elementary Enrollment	-	-	-	242.0	244.0	242.5	237.0	201.0	215.5	180.0

**Edgewood (1962)**

Gross Floor Area (sq ft): 36,719										
Elementary Enrollment - Edgewood	371.0	364.0	404.0	291.0	286.0	280.5	293.5	267.5	224.5	229.0
Elementary Enrollment - Evergreen	-	-	-	-	-	-	-	-	76.0	98.0

**Edison (1926)**

Gross Floor Area (sq ft): 42,195										
Elementary Enrollment	327.5	315.0	303.0	283.0	295.5	275.0	302.5	286.0	265.5	281.5

**Gilham (1966)**

Gross Floor Area (sq ft): 74,500										
Elementary Enrollment	450.5	472.0	466.0	454.5	463.5	475.0	479.0	476.5	498.5	511.5

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

Gross Floor Area (sq ft): 41,327										
Elementary Enrollment - Camas Ridge	368.0	392.0	384.0	271.5	256.5	-	-	-	-	-
Elementary Enrollment - Harris	-	-	-	-	-	166.0	156.5	164.0	188.5	173.0
Elementary Enrollment - Eastside <sup>(3)</sup>	-	-	-	-	-	136.0	-	-	-	-

<sup>(3)</sup> Eastside was moved from Parker Elementary to this new co-location with Harris fall of 2009.

**Howard (1949)**

Gross Floor Area (sq ft): 45,794										
Elementary Enrollment	311.5	274.5	282.0	239.5	266.5	275.0	256.5	268.0	293.5	306.0

**Magnet Arts (K - 8 School: Jefferson)**

Elementary Enrollment	-	-	-	-	-	-	-	88.0	102.0	117.5
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**McCornack (1968)**

Gross Floor Area (sq ft): 56,532										
Elementary Enrollment	313.5	310.0	365.0	375.0	385.0	393.5	375.0	386.0	383.0	398.5

Source: State of Oregon Department of Education  
Lane County School District 4J

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

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Elementary Schools (Continued)</b>										
<b>Meadowlark (1960)</b>										
Gross Floor Area (sq ft): 45,911										
Elementary Enrollment - Meadowlark	-	-	-	182.5	213.0	212.5	216.5	207.0	176.5	188.0
Elementary Enrollment - Buena Vista	345.5	297.5	270.5	270.0	247.0	248.0	251.0	251.0	250.0	254.0
<b>Parker (1959) <sup>(4)</sup></b>										
Gross Floor Area (sq ft): 42,625										
Elementary Enrollment - Parker	-	-	-	240.5	236.5	239.0	229.0	217.0	220.0	195.5
Elementary Enrollment - Eastside	-	-	-	-	-	-	146.0	147.0	145.0	143.0
<sup>(4)</sup> Parker closed at fiscal year-end 6/30/2011 and Eugene Education Options East was housed there from 7/1/2011 to 6/30/2013.										
<b>River Road (1953)</b>										
Gross Floor Area (sq ft): 51,301										
Elementary Enrollment	292.0	296.5	312.5	351.5	323.5	309.0	279.0	295.5	280.5	295.0
<b>Silver Lea (1961)</b>										
Gross Floor Area (sq ft): 48,645										
Corridor Enrollment	238.5	244.5	245.0	238.5	232.5	237.0	243.5	249.0	247.5	242.5
Yujin Gakuen Enrollment	249.5	242.0	245.0	249.5	260.5	268.5	270.0	273.5	283.0	275.0
<b>Spring Creek (1964)</b>										
Gross Floor Area (sq ft): 41,387										
Elementary Enrollment	327.0	321.5	295.0	314.5	334.5	359.0	349.0	361.0	384.5	345.5
<b>Twin Oaks (1958)</b>										
Gross Floor Area (sq ft): 35,198										
Elementary Enrollment	218.0	203.5	185.5	198.0	183.0	211.0	221.0	225.0	236.0	219.5
<b>Willagillespie (1925)</b>										
Gross Floor Area (sq ft): 57,500										
Elementary Enrollment	489.5	488.5	462.5	333.0	338.5	347.5	335.0	272.0	240.0	248.5
<b>Willard (1954)</b>										
Gross Floor Area (sq ft): 35,454										
Elementary Enrollment	-	-	-	-	-	-	-	-	-	-
<b>K - 8 Schools</b>										
<b>Jefferson (1957)</b>										
Gross Floor Area (sq ft): 100,237										
K - 8 Enrollment - Arts and Technology <sup>(5)</sup>	-	392.0	403.5	391.5	372.5	326.0	281.0	-	-	-
K - 8 Enrollment - Family School <sup>(6)</sup>	175.0	151.5	141.5	134.0	136.5	-	-	-	-	-
<sup>(5)</sup> Arts & Technology's elementary grades closed at the end of the 2012-13 school year. Beginning in fall 2013, the school is a middle school serving grades 6-8.										
<sup>(6)</sup> Family School moved to its new co-location fall of 2009 and added kindergarten and 6th grade classes. 7th grade was added in 2010 and 8th grade in 2011.										
<b>Middle Schools</b>										
<b>Cal Young Middle School (2006)</b>										
Gross Floor Area (sq ft): 90,341										
Middle School Enrollment	539.0	563.0	565.0	559.0	545.0	582.0	610.0	566.0	580.0	569.0
<b>Arts and Technology at Jefferson (see also K-8 School: Jefferson)</b>										
Middle School Enrollment - Jefferson	-	-	-	-	-	-	-	219.0	262.0	351.0
Middle School Enrollment - Arts & Technology <sup>(7)</sup>	260.0	-	-	-	-	-	-	-	-	-
<sup>(7)</sup> Arts & Technology's elementary grades closed at the end of the 2012-13 school year. Beginning in fall 2013, the school is a middle school serving grades 6-8.										
<b>Kelly Middle School (1945)</b>										
Gross Floor Area (sq ft): 112,356										
Middle School Enrollment	398.0	406.0	416.0	457.0	491.0	499.0	484.0	511.0	524.0	546.0
<b>Kennedy Middle School (1965)</b>										
Gross Floor Area (sq ft): 89,057										
Middle School Enrollment	506.0	507.0	528.0	511.0	494.0	507.0	498.0	496.0	489.0	547.0
<b>Madison Middle School (2005)</b>										
Gross Floor Area (sq ft): 86,953										
Middle School Enrollment	466.0	470.0	480.0	436.0	462.0	468.0	440.0	415.0	423.0	420.0
<b>Monroe Middle School (1965)</b>										
Gross Floor Area (sq ft): 87,401										
Middle School Enrollment	531.0	549.0	532.0	541.0	534.0	533.0	541.0	587.0	630.0	644.0
<b>Roosevelt Middle School (1950)</b>										
Gross Floor Area (sq ft): 105,770										
Middle School Enrollment	572.0	592.0	546.0	556.0	577.0	650.0	659.0	672.0	673.0	694.0
<b>Spencer Butte Middle School (1960)</b>										
Gross Floor Area (sq ft): 82,414										
Middle School Enrollment	453.0	451.0	423.0	418.0	402.0	422.0	420.0	449.0	443.0	430.0

Source: State of Oregon Department of Education  
Lane County School District 4J

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

	<u>Fiscal Year</u>									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>High Schools</b>										
<b>Churchill High School (1966)</b>										
Gross Floor Area (sq ft): 249,982										
High School Enrollment	1,095.0	1,079.0	1,013.0	1,109.0	1,151.0	1,158.0	1,195.0	1,287.0	1,322.0	1,367.0
Alternative High School Enrollment	-	-	0.0	153.0	74.0	56.0	89.0	97.0	75.0	90.0
Eugene Education Options West <sup>(8)</sup>	-	-	147.0	-	-	-	-	-	-	-
<sup>(8)</sup> In 2012-13 EEO West combined with EEO East at the EEO East location.										
<b>Dunn - Opportunity Center (1929) <sup>(9)</sup></b>										
Gross Floor Area (sq ft): 38,699										
High School Enrollment	-	-	-	160.0	163.0	144.0	140.0	137.0	129.0	163.0
<sup>(9)</sup> Opportunity Center closed and Eugene Education Options East opened as of 7/1/2011.										
<b>Early College &amp; Career Options (formerly Eugene Education Options East)</b>										
High School Enrollment - EEO East at Parker <sup>(10)</sup>	-	286.0	136.0	-	-	-	-	-	-	-
High School Enrollment - ECCO at LCC <sup>(11)</sup>	236.0	-	-	-	-	-	-	-	-	-
<sup>(10)</sup> In 2012-13, EEO East combined with EEO West at the EEO East location, formerly Parker Elementary.										
<sup>(11)</sup> In 2013-14, EEO East became Early College & Career Options (ECCO) and began renting space at Lane Community College.										
<b>North Eugene High School (1957)</b>										
Gross Floor Area (sq ft): 214,767										
High School Enrollment	1,024.0	1,001.0	1,068.0	1,027.0	1,006.0	1,006.0	1,068.0	1,159.0	1,251.0	1,276.0
Alternative High School Enrollment	-	-	-	49.0	32.0	45.0	39.0	34.0	38.0	42.0
<b>Sheldon High School (1963)</b>										
Gross Floor Area (sq ft): 234,872										
High School Enrollment	1,453.0	1,453.0	1,475.0	1,500.0	1,561.0	1,610.0	1,662.0	1,642.0	1,563.0	1,542.0
Transition Education Network Enrollment <sup>(12)</sup>	33.0	40.0	41.0	37.0	33.0	-	-	-	-	-
<sup>(12)</sup> Transition Education Network (formerly Life Skills) enrollment included beginning 2010.										
<b>South Eugene High School (1953)</b>										
Gross Floor Area (sq ft): 310,831										
High School Enrollment	1,412.0	1,367.0	1,456.0	1,512.0	1,564.0	1,573.0	1,646.0	1,700.0	1,695.0	1,747.0

**Administrative and Other Facilities**

**Education Center (1957)**  
 Gross Floor Area (sq ft): 74,102

**Facilities (1940)**  
 Gross Floor Area (sq ft): 42,700

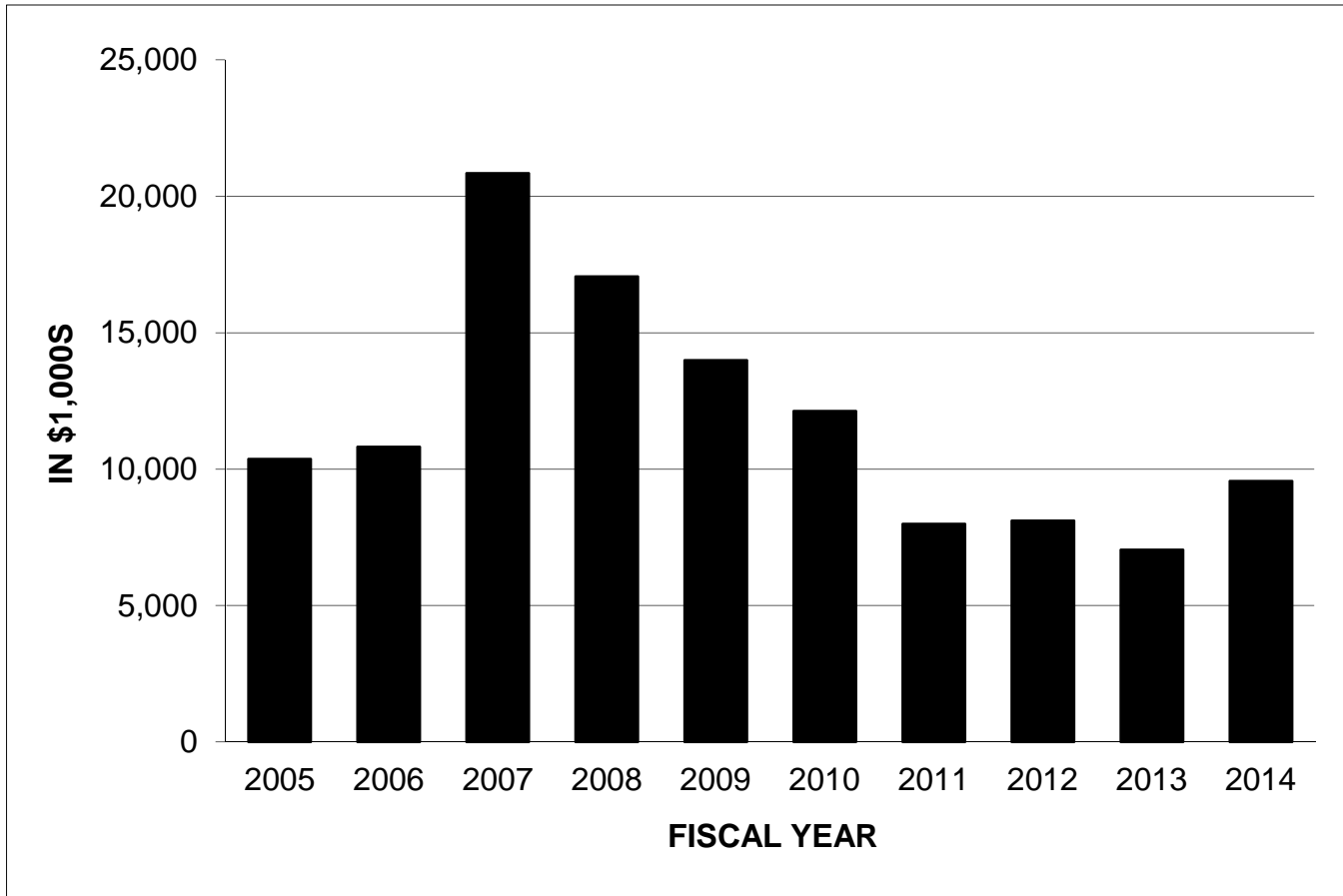
**Transportation (1963)**  
 Gross Floor Area (sq ft): 30,315

Gross Floor Area (sq ft) Summary:	<u>Age of building (in years)</u>			
	<u>Oldest</u>	<u>Median</u>	<u>Newest</u>	
Elementary Schools	846,994	89	53	10
K - 8 Schools	100,237	57	57	57
Middle Schools	654,292	69	49	8
High Schools	1,010,452	61	54	48
Other Facilities	147,117	74	57	51
<b>Total Gross Floor Area (sq ft)</b>	<b><u>2,759,092</u></b>	<b>89</b>	<b>54</b>	<b>8</b>

Source: State of Oregon Department of Education  
 Lane County School District 4J

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

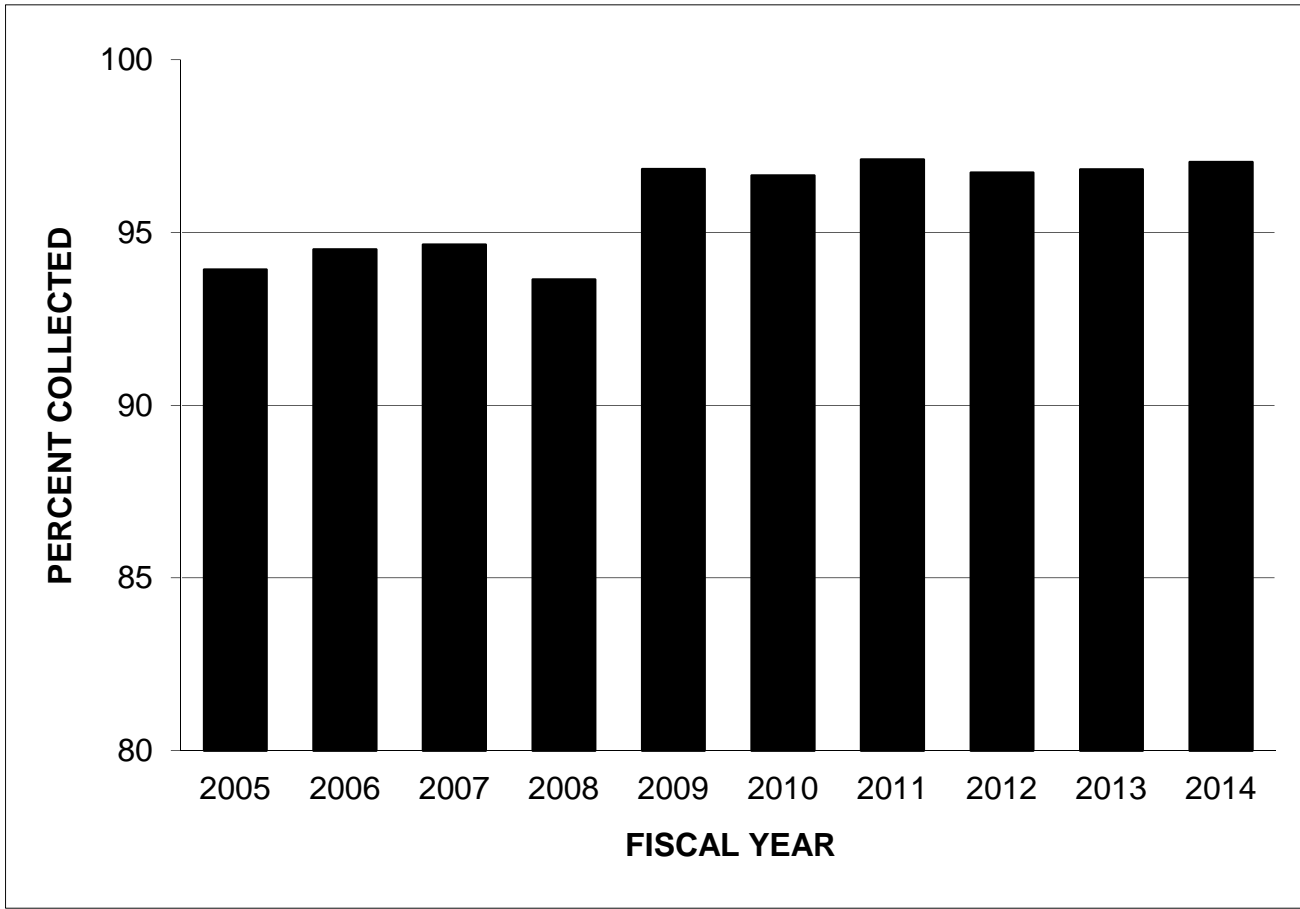
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Source: Statement of Revenues, Expenditures and Changes in Fund Balance

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

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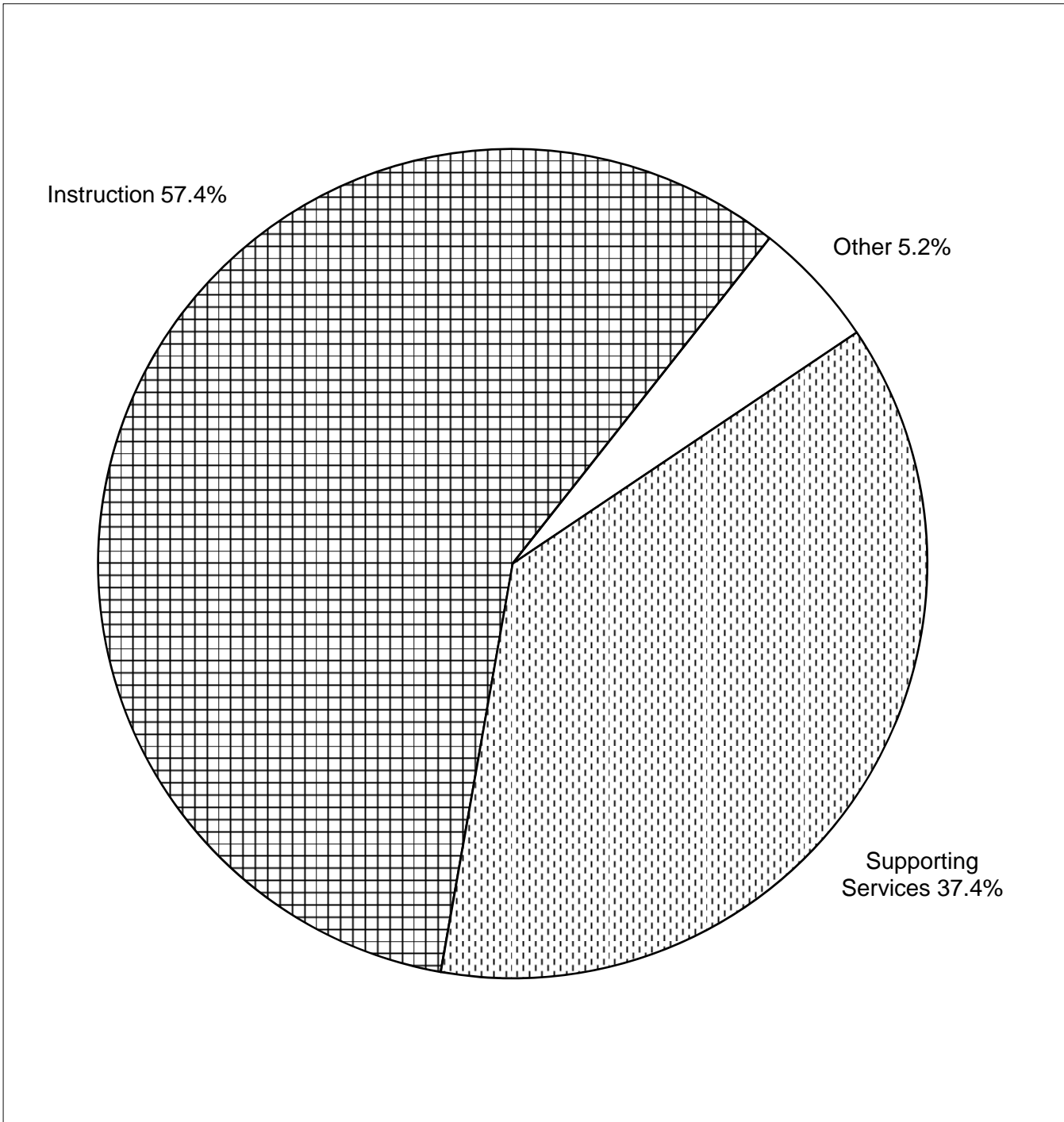


*Source: Property Tax Levies and Collections*



**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**GENERAL FUND EXPENDITURES**  
**YEAR ENDED JUNE 30, 2014**

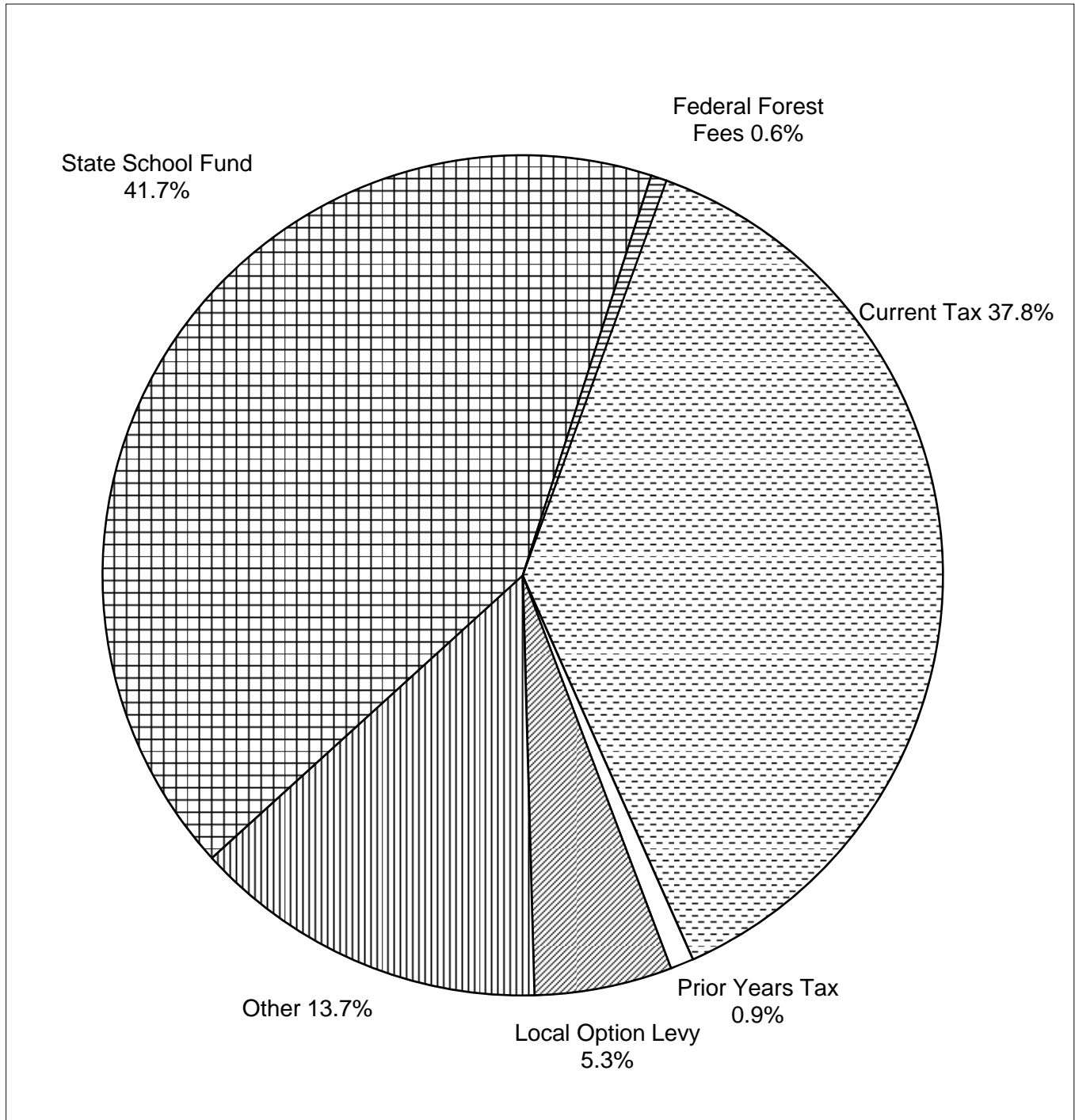
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Source: Schedule of Revenues, Expenditures and Changes in Fund Balance

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
GENERAL FUND RESOURCES  
YEAR ENDED JUNE 30, 2014

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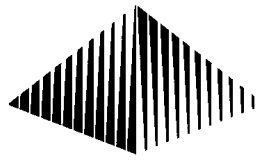


Source: Schedule of Revenues, Expenditures and Changes in Fund Balance



# Audit Comments





## 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***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of Lane County School District No. 4J, Lane County, Oregon (the District) as of and for the year ended June 30, 2014, and have issued our report thereon dated December 3, 2014.

#### ***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 grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

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

- In our testing of teacher experience, four of 25 teachers tested were reported in error. The District has subsequently corrected their reporting with the Oregon Department of Education.
- Noncompliance was noted related to the Mathematics and Science Partnerships grant (CFDA No. 84.366). Portions of this funding were paid to other districts as subrecipients, but no subrecipient monitoring was performed by the District.

***Internal Control***

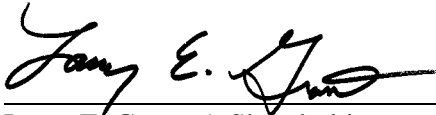
In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the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

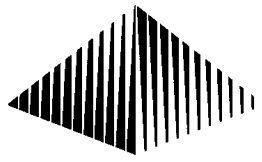
Deficiencies in internal control were reported to management in a letter dated December 3, 2014.

***Restriction on Use***

This report is intended solely for the information and use of the School Board, the Audit and Finance Committee, and management of the Lane County School District No. 4J and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

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

By:   
Larry E. Grant, A Shareholder  
December 3, 2014



## GROVE, MUELLER & SWANK, P.C.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lane County School District No. 4J, Lane County, Oregon, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 3, 2014.

#### ***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2014-001 and 2014-002 that we consider to be significant deficiencies.

#### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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*.

***Lane County School District No. 4J's Response to Findings***

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

***Purpose of this Report***

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

  
CERTIFIED PUBLIC ACCOUNTANTS

December 3, 2014





## 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 ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133***

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

#### **Report on Compliance for Each Major Federal Program**

We have audited Lane County School District No. 4J's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. 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.

#### ***Management's Responsibility***

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

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

#### ***Opinion on Each Major Federal Program***

In our opinion, Lane County School District No. 4J complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

#### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2014-003. Our opinion on each major federal program is not modified with respect to this matter.

The District's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

Management of Lane County School District No. 4J is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. During our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2014-003 and 2014-004 to be significant deficiencies.

Lane County School District No. 4J's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

  
CERTIFIED PUBLIC ACCOUNTANTS

December 3, 2014

**LANE COUNTY SCHOOL DISTRICT 4J, EUGENE, OREGON**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2014**

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**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

**Federal Awards**

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

Identification of major programs:

**CFDA Number(s)**

**Name of Federal Program or Cluster**

84.027, 84.173  
 10.665, 10.666  
 84.366

Special Education Cluster (IDEA)  
 Forest Service Schools and Roads Cluster  
 Mathematics and Science Partnerships

Dollar threshold used to distinguish between type A and type B programs:	\$380,497
Auditee qualified as low-risk auditee?	Yes

**FINANCIAL STATEMENT FINDINGS**

**2014-001 PERS Expenditures, Significant Deficiency**

*Condition:*

2013-2015 PERS rates were not updated within the District's payroll system in a timely manner.

*Criteria:*

The District is responsible to maintain accurate payroll information to ensure District expenditures reported are complete and accurate.

*Cause of condition:*

Understaffing of the financial services department.

*Potential effect of condition:*

The District requested Federal funds be disbursed to reimburse costs which included these erroneous charges. When the error was discovered, the District had to return approximately \$28,000 to the granting agencies.

**LANE COUNTY SCHOOL DISTRICT 4J, EUGENE, OREGON**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2014**

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**FINANCIAL STATEMENT FINDINGS (Continued)**

*Recommendation:*

We recommend that controls be put in place to ensure compliance with federal grant provisions and claims as well as to ensure the completeness and accuracy of payroll processing.

*Management's response:*

As a result of late changes in PERS due to legislative actions and low staffing levels in financial services, the PERS rate was not updated to the final official rate until November. We will be implementing a reconciliation of PERS to our monthly payroll processes to assist with validating the PERS charges in the payroll system to those charged by the PERS system.

**2014-002 Revenue Recognition, Significant Deficiency**

*Condition:*

The prior year Schedule of Expenditures of Federal Awards (SEFA) was understated by over \$192,000.

*Criteria:*

The District is responsible to record revenue accurately as Federal or State sourced and is responsible to prepare a complete and accurate SEFA.

*Cause of condition:*

The current year receipt of reimbursements for prior year expenditures of a split-sourced grant were accrued as State revenue in the prior year rather than split across Federal and State revenue sources.

*Potential effect of condition:*

Reporting inaccurate information on the SEFA could result in the District losing federal funding or facing other corrective actions. Additionally, it has the potential to negatively impact the auditor's determination of major programs which may result in additional audit work and costs to be incurred.

*Recommendation:*

We recommend that a more thorough review be performed by individuals knowledgeable of grant sources when recording revenues and receivables.

*Management's response:*

Staff turnover in the grants accounting analyst position has created a lack of individuals in the District who are knowledgeable of grants. We have elevated the grants position and are hopeful that we will hire an individual to serve this function. In the meantime, senior members of finance have become more involved with the grants function. Additionally, all grant fund receipts are being reviewed during the 2014-15 school year to ensure accurate recording.

**LANE COUNTY SCHOOL DISTRICT 4J, EUGENE, OREGON**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2014**

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**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**2014-003 Mathematics and Science Partnerships - CFDA No. 84.366; Grant No. 29570; Grant period – Year ended June 30, 2014, Noncompliance and Significant Deficiency in Controls over Compliance with Subrecipient Monitoring**

*Condition:*

Monitoring of subrecipients to whom federal funds were paid by the District was not performed.

*Criteria:*

Per the OMB Circular A-133 compliance supplement, the District, as a pass-through agency of federal dollars, is required to perform and document their monitoring of subrecipients.

*Cause of condition:*

The District does not have a sufficient control process in place for determining and documenting such relationships. The District did not identify the subrecipients as subgrantees and therefore, did not have a subrecipient monitoring system in place.

*Potential effect of condition:*

Failure to make and communicate this determination could result in a failure to perform the corresponding responsibilities. Additionally, the subrecipient could be in noncompliance in regards to the federal funds received for which the District is responsible. This could result in the District being responsible to return those funds to the granting agency.

*Recommendation:*

We recommend that a sufficient control process be implemented and documentation of the determinations be retained and communicated to recipients within the related agreements to prevent future occurrences. Further, we recommend that the District contact the granting agency to determine if there are any corrective actions that may be needed.

*Management's response and corrective action plan:*

The District has now implemented a process to identify whether payments from federal grants are to a subrecipient. Contracts are now reviewed to ascertain whether they involve grant funds. If they involve grant funds, we utilize a checklist to determine if they are from federal sources and whether they are a subrecipient. We have also amended our contracts to reflect the determination of status when federal grant funds are used and to indicate that the subrecipient is subject to all applicable federal, state, and local laws, rules, and regulations in accordance with grant and award agreement and District monitoring.

**LANE COUNTY SCHOOL DISTRICT 4J, EUGENE, OREGON**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2014**

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**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)**

**2014-004 Mathematics and Science Partnerships - CFDA No. 84.366; Grant No. 29570; Grant period – Year ended June 30, 2014, Significant Deficiency in Controls over Compliance with Allowable Costs and Cash Management**

*Condition:*

We noted there is not adequate review and approval of grant expenditures and requests for reimbursements by knowledgeable personnel.

*Criteria:*

Expenditures and requests for reimbursements of expenditures of federal funds should be reviewed and approved by an individual with an intimate knowledge and understanding of the requirements of the grant.

*Cause of condition:*

The individual charged with review and approval of grant expenditures was not sufficiently informed as to the types of costs that were specifically disallowed in the grant agreement. Further, there is no detailed review of individuals charged to the grant during the reimbursement request process to identify incorrectly charged payroll expenditures.

*Potential effect of condition:*

Expenditures of grant funds on disallowed items constitutes questioned costs and could result in the District being subject to corrective action up to, and possibly including, repayment of grant funds.

*Recommendation:*

We recommend that grant managers be more thoroughly educated as to the details of the grant requirements for which they are responsible and that appropriate procedures and controls over expenditure reimbursement requests be put in place.

*Management's response:*

Staff turnover in the grant manager position that is responsible for this grant and a coding mistake resulted in this error. The new grant manager will be provided with grant award materials and guidelines, required to authorize expenditures and provided with regular reports to review expenditures.

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON**  
**SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2014**

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***PRIOR YEAR FINANCIAL STATEMENT FINDINGS***

None

***PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS***

None