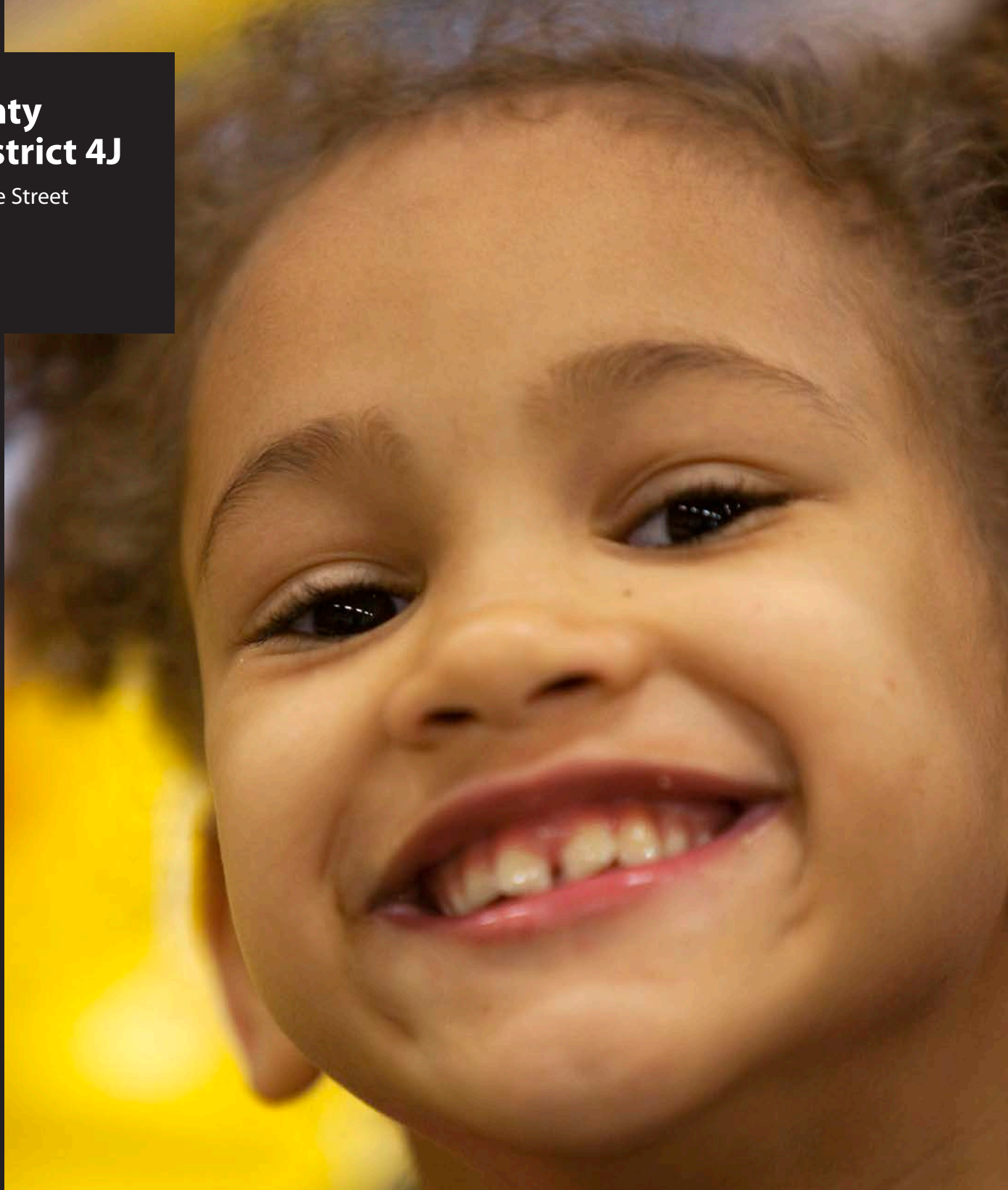


Lane County School District 4J

200 North Monroe Street
Eugene OR 97402
541-790-7700
www.4j.lane.edu



Comprehensive Annual Financial Report

for the year ended June 30, 2015



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LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2015

Prepared by: Financial Services Department

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Introductory Section



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December 28, 2015

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, 2015 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, 2015 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, 2015 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, 2015 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, 2015 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 2014–15 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, 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.

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

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

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-six percent of total employment in the metropolitan area is based in three major industry sectors: services (49 percent), government (17 percent), and trade, transportation, and utilities (20 percent). Manufacturing, construction, and natural resources generate the remaining jobs (14 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. 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. 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 7.7 percent and 10.0 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 only expected to grow slightly over the next several years. This trend reflects continued declines in high school enrollment levels offset by growth in kindergarten and middle school classrooms.

The seasonally adjusted unemployment rate for the Eugene-Springfield metropolitan statistical area (MSA) was 6.0 percent at the end of June 2015, which is lower than the rate reported by the Oregon Employment Department for the State of Oregon (5.5 percent) but it is higher than the nation's rate of 5.3 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.

The District's General Fund balance at year end was 8.0 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). This 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,

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

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 over fifty years old. 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

In 1991, a tax limitation measure limited all educational agencies to a maximum of \$5 property tax revenue per \$1,000 assessed value and shifted the responsibility for the funding of schools from the local community to the State of Oregon. Subsequent property tax limitation measures cut property taxes; imposed a permanent tax rate of \$4.75 per \$1,000 assessed for the District operating levy; prohibited the use of bonded debt to fund equipment and routine capital repairs, and required 50 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.

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

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, 2014. This was the twenty-eighth 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. This Comprehensive Annual Financial Report will be submitted to determine its eligibility for another certificate, as we believe it continues to meet the Certificate of Achievement Program requirements.

In addition to the recognition for the annual report, the District received GFOA's Distinguished Budget Presentation Award for its 2015-16 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. Gustavo Balderas
Superintendent



Monica Brown
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, 2014

Executive Director/CEO

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
LISTING OF PRINCIPAL OFFICIALS
YEAR ENDED JUNE 30, 2015

BOARD OF DIRECTORS

	<u>Term Expires</u>
Alicia Hays, Vice Chair, Position #1	June 30, 2015
Anne Marie Levis, Position #2	June 30, 2017
Beth Gerot, Position #3	June 30, 2017
Craig Smith, Position #4	June 30, 2015
Jim Torrey, Chair, Position #5	June 30, 2015
Jennifer Geller, Position #6	June 30, 2017
Mary Walston, Position #7	June 30, 2015

ADMINISTRATION

Administration Office
200 North Monroe Street
Eugene, Oregon 97402

Dr. Sheldon Berman through June 30, 2015
Dr. Gustavo Balderas as of July 1, 2015
Charis McGaughy as of July 9, 2014
Simone Sangster, Ed.D. through April 30, 2015
Andrea Belz

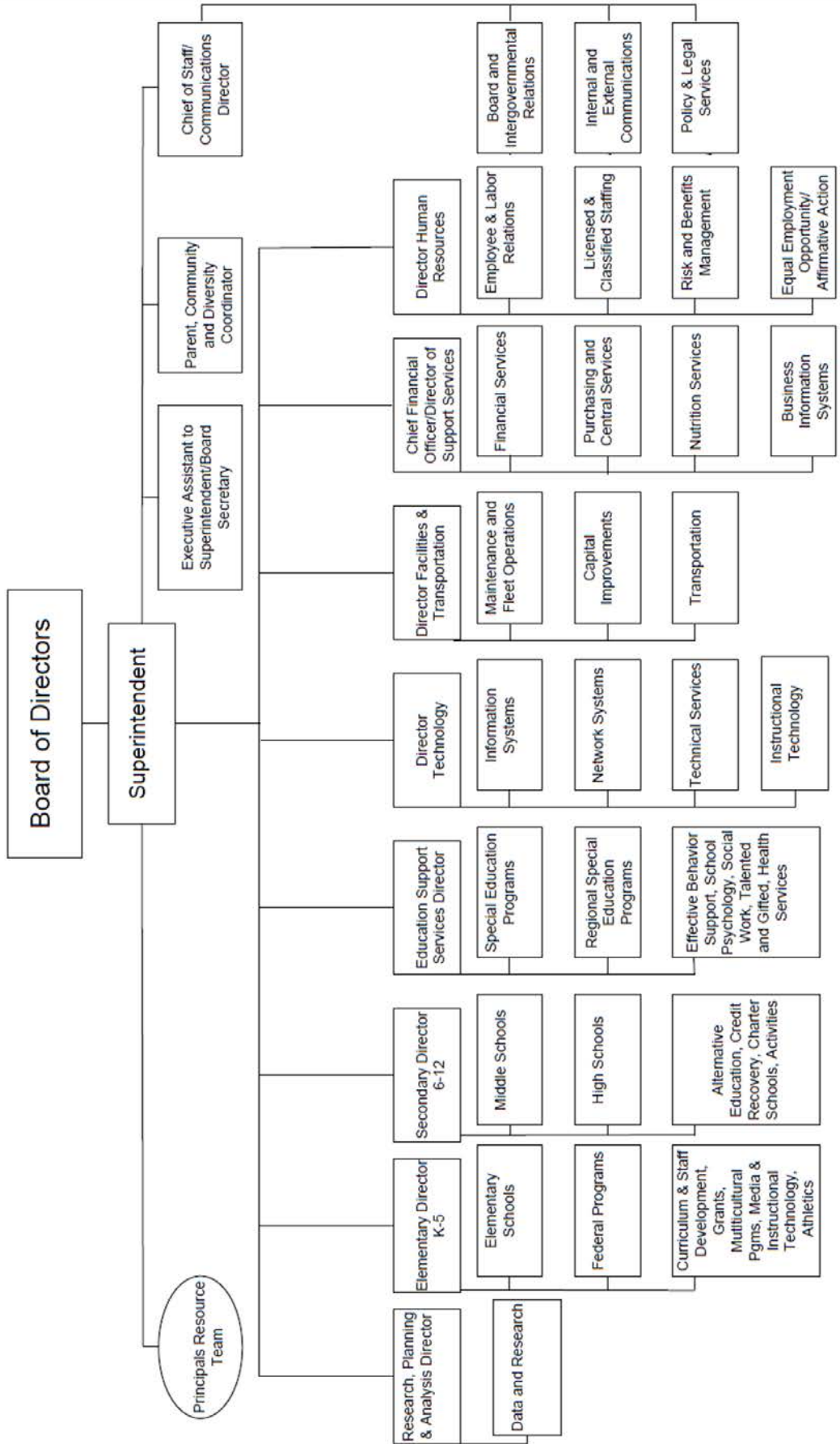
Superintendent and Clerk
Superintendent and Clerk
Deputy Clerk
Deputy Clerk
Deputy Clerk

LEGAL COUNSEL

Luvaas Cobb, P.C.

Lane County School District 4J - Eugene, Oregon
Organizational Chart
2014-2015

Community





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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, 2015, 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, 2015, 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.

Change in Accounting Principle

As discussed in the notes to the financial statements, in 2015, the District adopted new accounting guidance, GASB Statement No. 68, "Accounting and Reporting for Pension Plans – an amendment of GASB Statement No. 27" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date". The net position at July 1, 2014 was restated to reflect the change. Our opinion is not modified with respect to this matter.

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), the schedule of the proportionate share of the net pension liability for PERS, the schedule of contributions for PERS, changes in plan provisions, changes of assumptions, and the schedule of funding progress for other postemployment benefits 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 such information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 28, 2015, 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 28, 2015, 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 28, 2015

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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LANE COUNTY SCHOOL DISTRICT 4J

Management's Discussion and Analysis

June 30, 2015

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, 2015. 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 decreased by \$31.4 million or 57.3% during the year ended June 30, 2015 to \$23.4 million. Of this amount, \$27.8 million was a net capital investment in capital assets, \$9.7 million was restricted for debt service, and a negative net position of \$14.1 million was unrestricted.

The implementation of Governmental Accounting Standards Board (GASB) Statements No. 68 "*Accounting and Financial Reporting for Pensions*" and No. 71 "*Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*" is the primary driver behind the District's negative net position. GASB 68 requires that the District report pension information directly within the Government-wide Financial Statements (pages 13-14) and expand note disclosures with the Notes to the Basic Financial Statements (pages 24-58) for fiscal periods beginning on or after June 15, 2014. The requirements of GASB 68 incorporate provisions intended to reflect the effects of transactions and events related to pensions in the measurement of employer liabilities for pensions and recognition of pension expense, income and deferred outflows of resources and deferred inflows of resources related to pensions. GASB 71 addresses an issue relating to amounts associated with contributions, if any, made by a state or local government employer to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

The Oregon Public Employees Retirement System has provided the District with the audited pension balances used to implement GASB 68 and 71. The entries made to implement these statements have had the following impact on District reporting (see Note H for additional information):

- **Statement of Net Position – Governmental Activities:** The District has eliminated a Prepaid PERS asset of \$34 million related to its pension obligation bonds, and recorded a PERS net pension asset of \$29.5 million. A Deferred Outflow of Resources (\$14.4 million) has been recorded to reflect District contributions, and a Deferred Inflow of Resources (\$56.9 million) has been recorded to reflect the difference between projected and actual earnings on pension plan investments. The Unrestricted Net Position (negative net position of \$14.1 million) reflects the restatement of Unrestricted Net Position as of June 30, 2014 and Net Pension Income for fiscal year 2015.
- **Statement of Activities – Governmental Activities:** The District has recorded Net Pension Income of \$40.5 million for fiscal year 2015. The Net Position as of July 1, 2014, has been restated to reflect the District's net pension liability as of the measurement date, the elimination of the pension asset related to the 2004 pension obligation bonds, and District contributions at the measurement date (see Note M).
- **Notes to the Basic Financial Statements:** Notes H and M, as well as the District's Required Supplementary Information, have been updated to reflect the disclosures required by GASB 68 and 71.

It is important to note that the implementation of GASB 68 and 71 does not create a new liability for the District or modify the District's responsibility regarding Oregon PERS pension benefits. It simply presents pension information on the face of the government-wide financial statements, moving this information to a more prominent place than in past financial reports which included pension information within the notes to the basic financial statements.

Total revenues increased by \$15.1 million primarily as a result of increased collections for property taxes (\$6.4 million), increased state aid (\$4.3 million) and an increase in local revenue due to the sale of Civic Stadium (\$4.5 million). These increases were slightly offset by a decrease in program revenues (\$0.4 million).

The cost of all of the District's programs was \$156.3 million, a decrease of \$31.1 million from the prior year. With the implementation of GASB 68 District-wide expenses were offset by a \$40.5 million net pension income adjustment. As a result, the cost of classroom and building services declined by \$27.8 million and central support services declined by \$5.2 million. Interest on long-term debt grew by \$2.3 million primarily due to the issuance of \$80 million in bonds in September of 2014.

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, 2015 was \$125 million, which represents an increase of \$59.7 million for the year due almost entirely to the District's current capital projects. 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 \$93.1 million and an increase of \$53.4 million over the prior year, the Debt Service Fund, with an ending balance of \$11.4 million and an increase of \$2.7 million over the prior year, and the General Fund, which increased by \$2.7 million to \$12.2 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)

	Governmental Activities		Total Change
	2015	2014	2014 to 2015
Cash and other assets	\$ 159,802	\$ 96,683	\$ 63,119
Property taxes receivable	7,199	6,899	300
Pension assets	29,476	34,044	(4,568)
Capital assets	181,865	157,149	24,716
Total assets	378,342	294,775	83,567
Deferred outflow of resources	18,985	-	18,985
Accrued and other liabilities	26,645	23,932	2,713
Long-term debt	290,429	216,050	74,379
Total liabilities	317,074	239,982	77,092
Deferred inflow of resources	56,877	-	56,877
Net position:			
Net investment in capital assets	27,777	29,572	(1,795)
Restricted	9,653	7,455	2,198
Unrestricted	(14,054)	17,766	(31,820)
Total net position	\$ 23,376	\$ 54,793	\$ (31,417)

The District's government-wide net position decreased by 57.3% or \$31.4 million in the year ended June 30, 2015. This decrease is primarily associated with the implementation of GASB 68. As required by this accounting standard, the District has restated net position as of June 30, 2014, to reflect the status of pension obligations as of that date. This restatement, combined with a \$5.3 million prior period adjustment related to the advanced refunding of bonded debt, has reduced net position from \$54.8 million to (\$27.4) million, a total reduction of \$82.2 million. Net position as of June 30, 2015, was also impacted by a GASB 68 entry to record net pension income of \$40.5 million. The combination of these two entries resulted in a net position reduction of \$41.7 million.

As of June 30, 2015, assets exceeded liabilities by \$23.4 million. Of this amount, \$27.8 million represents the District's investment in capital assets net of related debt, \$9.7 million is restricted for debt service and (\$14.1) million is unrestricted. 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. As noted previously, the sharp decline in unrestricted net position is primarily the result of the District's implementation of GASB 68.

Cash and Other Assets

In 2014-15, a portion of the cash from the September 2014 bond issue of \$80 million was used to finance school construction, facility improvements, technology initiatives, curriculum purchases and capital asset purchases (primarily school buses and activity vans). Remaining bond funds will be used in future years to complete construction of four new schools and continue funding for facilities, technology and instruction initiatives outlined in the original bond authorizations.

Capital Assets

Investment in capital assets amounts to \$181.9 million (net of accumulated depreciation), which comprises 46.3% of the District's total 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:

Capital Assets			
(Net of Depreciation)			
(in thousands)			
	<u>2015</u>	<u>2014</u>	<u>Total Change</u> <u>2014 to 2015</u>
Land	\$ 1,598	\$ 1,621	\$ (23)
Buildings & Improvements	143,706	138,622	5,084
Vehicles & Equipment	12,298	8,584	3,714
Intangibles	1,635	1,920	(285)
Construction in Progress	22,628	6,402	16,226
Total	<u>\$ 181,865</u>	<u>\$ 157,149</u>	<u>\$ 24,716</u>

The increase in capital assets (net of depreciation) for the current fiscal year was approximately 15.7%. Capital assets additions totaled \$42.5 million. Major capital events during the year included the following:

- Construction in progress related to new school buildings – Howard Elementary and Roosevelt Middle School (\$20.4 million)
- Various projects related to building improvements such as HVAC, roofing, boiler replacement, paving and painting (\$12.5 million)
- Crossroads project (classroom technology), network infrastructure and assistive technology for SPED students (\$4.4 million)
- Purchase of new buses (\$2.1 million)
- Athletic field improvements (\$1.8 million)

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 8.4% of the District's total liabilities, consist of payables on accounts, salaries and benefits, interest charges, and unearned revenue. Outstanding long-term liabilities represent 91.6% 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, 2015 was \$290.4 million, of which \$17.9 million is due within one year. Principal payments during the year were \$11.5 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.

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

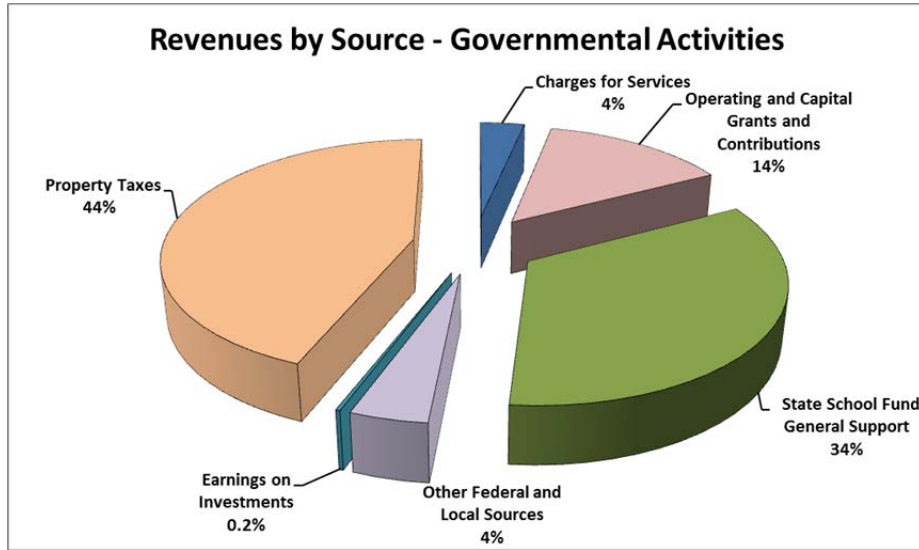
(in thousands)

	Governmental Activities		Total Change
	2015	2014	2014 to 2015
Revenues:			
Program revenues:			
Charges for services	\$ 6,964	\$ 7,007	\$ (43)
Operating grants and contributions	28,367	28,718	(351)
Capital grants and contributions	633	592	41
Program revenues total:	35,964	36,317	(353)
General revenues:			
Property taxes	91,208	84,839	6,369
State school fund - general support	70,714	66,395	4,319
Other federal and local sources	8,723	4,055	4,668
Earnings on investments	496	413	83
General revenues total:	171,141	155,702	15,439
Total revenues	207,105	192,019	15,086
Expenses:			
Classroom services	107,006	132,140	(25,134)
Building support services	23,905	26,545	(2,640)
Central support services	10,498	15,685	(5,187)
Nutrition services	4,435	4,910	(475)
Interest on long-term debt	10,462	8,140	2,322
Total expenses	156,306	187,420	(31,114)
Change in net assets	50,799	4,599	46,200
Net position – beginning (as restated)	(27,422)	50,194	(77,616)
Net position - ending	\$ 23,377	\$ 54,793	\$ (31,416)

During the year ended June 30, 2015, Government-wide net position decreased by \$31.4 million compared to an increase of \$4.6 million in 2014.

Revenues

Total revenues increased by \$15.1 million from the prior year. This is primarily comprised of an increase in General Revenues of \$15.4 million, offset by a drop in Program revenues of \$0.4 million. Increased General Revenues was driven by higher property taxes and levy collections to pay for debt service (\$6.4 million increase), state school funding increases (\$4.3 million), and revenue from the sale of Civic Stadium (\$4.5 million).



Expenses

In the year ended June 30, 2015, total expenses decreased by \$31.1 million. The main driver for this decrease relates to the implementation of GASB 68. As part of this implementation, the District recorded net pension income of \$40.5 million for the year ended June 30, 2015, completely offsetting growth of \$9.4 million in other areas of expense related to classroom and support services cost increases (\$10.8 million), growth in interest costs for long-term debt related to the September 2014 bond issuance (\$2.3 million), and decreasing requirements for District retirement benefits and insurance (savings of \$3.8 million).

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 GASB 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, 2015, the District's governmental funds reported *combined ending fund balances* of approximately \$125 million, an increase of \$59.7 million over the prior year. Under GASBS 54, \$113 million (90.4%) of the ending fund balances, excluding the General Fund minimum fund balance, constitutes *nonspendable, restricted or committed ending fund balance*, which is constrained to specific purposes. A total of \$4.2 million (3.4%) of the ending fund balance is unassigned and available to fund the District's ongoing obligations, and the remaining \$7.7 million (6.2%) represents the General Fund minimum fund balance. 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, 2015, the total ending fund balance is \$12.2 million. In order to maintain minimum fund balance in accordance with Board policy, committed fund balance is \$7.7 million, and the remainder consists of non-spendable fund balance of \$0.3 million and unassigned fund balance of \$4.2 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 7.9% of total revenues.

General Fund revenues increased by \$9.4 million (6.5%) from the year ended June 30, 2014. This growth was primarily driven by higher than projected revenues from property tax and local option levy collections and State School Fund grant payments.

Expenditures increased by approximately \$8 million compared with 2013-14 mainly due to the following:

- Staffing increases at elementary and secondary schools to address large class sizes and special education staff workload concerns.
- Increases in staffing costs due to cost of living increases and step movement for eligible employees in all job classifications.
- Increases in operating costs due to inflation, utility rate increases, and contractual obligations.

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 \$1.7 million mainly attributable to changes in operations, increases in staffing, and compensation changes resulting from settlement of employee contracts. Additionally, several supplemental budgets 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 Local and Federal Sources. Actual revenue was \$4.8 million higher than anticipated partly due to higher than anticipated property tax (\$1.1 million) and local option levy (\$2.5 million) collections. The District also received a federal forest fee payment late in June of 2015 (\$0.9 million).

Actual expenditures were lower than appropriations in the final budget by \$2.6 million. This includes a decrease in expenditure for support services (\$.6 million) and instructional costs (\$1.4 million) resulting from lower than expected staff pension and insurance costs and a significant number of position vacancies. Additionally, an operating contingency of \$0.4 million was not utilized.

Debt Service Fund

The Debt Service Fund has a total fund balance of \$11.4 million which is an increase of \$2.7 million from June 2014. 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, 2015 is \$93.1 million which is \$53.4 million greater than in 2013-14. This increase reflects the principal (\$80 million) and related bond premium (\$9.1 million) generated by the District's bond issuance in September of 2014 and the sale of Civic Stadium (\$4.5 million) offset against significant bond-related spending for new school construction, technology initiatives and curriculum purchases. Of the Capital Projects Fund balance, \$84.5 million is restricted and \$8.6 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 - 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 \$0.6 million increase in fund balance in the current fiscal year. This reduced the overall fund balance from a deficit of \$1.9 million in 2013-14 to a deficit of \$1.3 million in 2014-15. This balance reflects the liability for early retirement benefits net of amounts set aside for this purpose. 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 63-65 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, 2015 total \$5.6 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 24-58 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.

The Oregon State Legislature has set the State School funding level for the 2015-17 biennium at \$7.36 billion, an increase in funding of \$0.7 billion or 10.5% that includes \$220 million for full-day kindergarten. Unlike previous bienniums, the \$7.255 billion will be split evenly between 2015-16 and 2016-17 (versus the usual 49% / 51% split), and an additional \$105 million is expected to be available in 2016-17 to fund K-12 education. The State economic forecast reveals a slow, steady recovery and measured 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, which will be partially funded through the State School fund. Other funding for this implementation has been sourced from the General Fund, to provide resources needed to reach a student:teacher ratio of 23:1, and the District's Capital Projects fund, which will be used to make one-time curriculum and equipment purchases.

The 2015-16 budget was adopted by the Board on June 24, 2015. The adopted budget for the General Fund for the year ending June 30, 2016 includes General Fund expenditures (excluding transfers) of \$159.4 million, 6.4% higher than the 2014-15 adopted budget. An improved economic outlook has allowed the District to maintain student to classroom teacher ratios at or below 2014-15 levels. In addition, the 2015-16 budget includes a Board Priorities Reserve of \$0.3 million and an Operations Reserve of \$1.4 million to support Board priorities such as class size and stable funding, while increasing the General Fund ending fund balance to 4.5%.

The School Board has set policy that states that the District will target 2% of its annual General Fund operating budget as contingency and 5% of its annual General Fund operating revenues as ending fund balance. The 2015-16 General Fund budget includes a 2% operating contingency and the Board approved a 0.5% reduction in the ending fund balance target to 4.5% for the 2015-16 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 2015-16 fiscal year.

Requests for Information

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

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BASIC FINANCIAL STATEMENTS

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
JUNE 30, 2015

ASSETS

Cash and investments	\$ 154,230,182
Receivables:	
Property taxes	7,198,784
Accounts and other receivables	5,124,613
Prepaid expenses	19,526
Inventories	427,102
PERS net pension asset -- See Note H	29,476,149
Capital assets not being depreciated	
Land and construction in progress	24,227,113
Capital assets, net of accumulated depreciation	
Athletic field improvements	4,660,559
Buildings and improvements	139,045,078
Machinery and equipment	5,799,903
Vehicles	6,497,899
Intangibles	1,634,674
	<hr/>
TOTAL ASSETS	378,341,582

DEFERRED OUTFLOWS OF RESOURCES

Oregon PERS	14,413,195
Deferred charge on refunding	4,572,743

LIABILITIES

Current liabilities	
Accounts payable	4,076,185
Accrued payroll and related charges	16,395,805
Accrued interest	2,826,370
Unearned revenue	3,347,124
Bonds and capital leases - due within one year	14,762,075
Early termination stipend benefits - due within one year	285,520
Net OPEB obligation - due within one year	2,813,566
<i>Total current liabilities</i>	<hr/> 44,506,645
Long-term liabilities	
Bonds and capital leases - due in more than one year	271,032,809
Early termination stipend benefits - due in more than one year	70,874
Net OPEB obligation - due in more than one year	1,463,918
	<hr/>
TOTAL LIABILITIES	317,074,246

DEFERRED INFLOWS OF RESOURCES

Oregon PERS	56,877,028
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NET POSITION

Net investment in capital assets	27,777,321
Restricted for debt service	9,652,517
Unrestricted	(14,053,592)
	<hr/>
TOTAL NET POSITION	\$ 23,376,246

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, 2015

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
GOVERNMENTAL ACTIVITIES					
Direct classroom services					
Regular instruction	\$ 48,183,114	\$ 57,557	\$ 1,274,596	\$ -	\$ (46,850,961)
Special programs	26,049,962	270,600	8,857,036	-	(16,922,326)
Total direct classroom services	74,233,076	328,157	10,131,632	-	(63,773,287)
Classroom support services					
Extracurricular activities	5,211,545	370,507	4,020,115	-	(820,923)
Student support	9,035,322	-	1,030,352	-	(8,004,970)
Libraries, curriculum and staff development	7,893,370	14,090	2,905,706	-	(4,973,574)
School administration	9,728,263	-	30,834	-	(9,697,429)
Community services	904,229	-	580,723	-	(323,506)
Total classroom support services	32,772,729	384,597	8,567,730	-	(23,820,402)
Building support services					
Facilities operation and maintenance	10,733,050	484,431	32,007	-	(10,216,612)
Student transportation	6,694,221	212,916	5,497,434	632,601	(351,270)
Computing and information services	5,942,910	-	-	-	(5,942,910)
Warehouse and purchasing	534,973	-	-	-	(534,973)
Total building support services	23,905,154	697,347	5,529,441	632,601	(17,045,765)
Central support services					
Executive administration	921,061	-	-	-	(921,061)
Financial services	1,809,263	-	591	-	(1,808,672)
Human resources/employee insurance benefits	5,387,751	4,589,302	-	-	(798,449)
District retirement	1,929,972	-	-	-	(1,929,972)
Communications and intergovernmental relations	449,619	-	-	-	(449,619)
Total central support services	10,497,666	4,589,302	591	-	(5,907,773)
Nutrition services	4,435,410	964,172	3,484,305	-	13,067
Interest on long-term liabilities	10,462,126	-	653,535	-	(9,808,591)
Total school district	\$ 156,306,161	\$ 6,963,575	\$ 28,367,234	\$ 632,601	(120,342,751)
General revenues:					
Property taxes levied for:					
General purposes					
Debt service					
Federal aid not restricted to specific purposes					
State aid not restricted to specific purposes					
Earnings on investments					
Other local revenue					
Total general revenues					
Change in net position					
Net position - July 1, 2014 as restated (see Note M)					
Net position - ending					

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, 2015

	General Fund	Debt Service Fund	Capital Projects Fund	Special Revenue Fund Federal, State and Local Programs Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Equity in pooled cash and investments	\$ 12,645,067	\$ -	\$ 8,630,813	\$ -	\$ 4,584,081	\$ 25,859,961
Cash and investments	-	10,933,088	99,837,696	-	3,460,360	114,231,144
Receivables						
Property taxes	5,754,769	1,444,015	-	-	-	7,198,784
Accounts and other receivables	1,608,805	15,397	100,940	3,106,605	281,215	5,112,962
Due from other funds	11,414,616	369,544	-	-	1,393	11,785,553
Prepaid items	19,526	-	-	-	-	19,526
Inventories	262,208	-	-	-	164,894	427,102
Total Assets	\$ 31,704,991	\$ 12,762,044	\$ 108,569,449	\$ 3,106,605	\$ 8,491,943	\$ 164,635,032
Liabilities						
Accounts and interest payable	\$ 3,351,517	\$ -	\$ -	\$ 472,659	\$ 252,009	\$ 4,076,185
Accrued payroll and related charges	10,370,671	-	4,863,130	-	-	15,233,801
Due to other funds	370,937	-	10,618,345	796,271	-	11,785,553
Unearned revenue	6,000	-	-	1,837,675	-	1,843,675
Total Liabilities	14,099,125	-	15,481,475	3,106,605	252,009	32,939,214
Deferred inflows of resources						
Unavailable revenue - property taxes	5,367,985	1,337,262	-	-	-	6,705,247
Fund balances						
Nonspendable:						
Inventories	262,208	-	-	-	164,894	427,102
Prepaid items	19,526	-	-	-	-	19,526
Restricted for:						
Debt service	-	11,087,645	-	-	-	11,087,645
Capital projects	-	-	84,456,979	-	-	84,456,979
Committed for:						
Debt service	-	337,137	-	-	-	337,137
Capital projects	-	-	8,630,995	-	-	8,630,995
Nutrition services	-	-	-	-	74,585	74,585
School resources	-	-	-	-	8,000,455	8,000,455
Minimum fund balance	7,708,103	-	-	-	-	7,708,103
Unassigned	4,248,044	-	-	-	-	4,248,044
Total Fund Balances	12,237,881	11,424,782	93,087,974	-	8,239,934	124,990,571
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 31,704,991	\$ 12,762,044	\$ 108,569,449	\$ 3,106,605	\$ 8,491,943	\$ 164,635,032

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, 2015

Total Governmental Fund Balances (page 15)		\$ 124,990,571
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 \$374,067,256 and the accumulated depreciation is \$192,202,030.		181,865,226
Long-term pension assets / liabilities not payable in the current year are not reported as governmental fund liabilities. Actuarial changes create deferred outflows and inflows of resources. These consist of:		
OPERS net pension asset	29,476,149	
OPERS deferred outflow of resources	14,413,195	
OPERS deferred inflow of resources	<u>(56,877,028)</u>	
Total long-term pension assets / liabilities		(12,987,684)
The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.		7,582,465
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.		6,705,247
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.		(2,826,370)
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.		(731,068)
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:		
Deferred charge on refunding (to be amortized as interest expense)		4,572,743
Limited pension obligation bonds	\$ (47,250,000)	
Bonds payable	(236,261,057)	
Capital leases payable	<u>(2,283,827)</u>	
Total long-term liabilities		<u>(285,794,884)</u>
Total Net Position (page 13)		<u><u>\$ 23,376,246</u></u>

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

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	General Fund	Debt Service Fund	Capital Projects Fund	Special Revenue Fund Federal, State and Local Programs Fund	Other Governmental Funds	Totals
REVENUES						
Local sources						
Taxes	\$ 70,748,515	\$ 20,595,048	\$ -	\$ -	\$ -	\$ 91,343,563
Charges for services	1,664,346	4,192,460	54,920	317,267	5,173,757	11,402,750
Contributions	39,083	-	-	588,573	-	627,656
Interest earnings	92,266	58,174	227,236	-	-	377,676
Miscellaneous	1,371,342	-	75,397	2,827,783	37,878	4,312,400
Intergovernmental						
Intermediate sources	2,649,057	-	-	365,918	-	3,014,975
State sources	76,712,142	-	632,601	1,954,550	54,902	79,354,195
Federal sources	885,313	653,535	-	8,374,843	3,316,051	13,229,742
Total Revenues	154,162,064	25,499,217	990,154	14,428,934	8,582,588	203,662,957
EXPENDITURES						
Current						
Instruction	89,249,619	-	226,413	9,037,411	4,417,003	102,930,446
Supporting services	59,844,359	-	2,392,438	4,768,796	413,378	67,418,971
Community services	499,912	-	-	622,727	4,699,994	5,822,633
Debt service						
Principal	-	11,540,000	740,211	-	-	12,280,211
Interest	-	11,233,761	77,810	-	-	11,311,571
Capital outlay	41,426	-	38,198,462	-	-	38,239,888
Total Expenditures	149,635,316	22,773,761	41,635,334	14,428,934	9,530,375	238,003,720
REVENUES OVER (UNDER) EXPENDITURES	4,526,748	2,725,456	(40,645,180)	-	(947,787)	(34,340,763)
OTHER FINANCING SOURCES (USES)						
Transfers in	1,822,455	-	598,952	-	2,067,570	4,488,977
Transfers out	(3,672,035)	-	(327,730)	-	(215,224)	(4,214,989)
Issuance of debt	-	-	80,000,000	-	-	80,000,000
Bond premium	-	-	9,100,303	-	-	9,100,303
Sale of capital assets	-	-	4,638,265	-	-	4,638,265
Total Other Financing Sources (Uses)	(1,849,580)	-	94,009,790	-	1,852,346	94,012,556
NET CHANGE IN FUND BALANCES	2,677,168	2,725,456	53,364,610	-	904,559	59,671,793
FUND BALANCES, Beginning of year	9,560,713	8,699,326	39,723,364	-	7,335,375	65,318,778
FUND BALANCES, End of year	\$ 12,237,881	\$ 11,424,782	\$ 93,087,974	\$ -	\$ 8,239,934	\$ 124,990,571

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, 2015

Net change in fund balances - total governmental funds (page 17) \$ 59,671,793

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 estimated useful lives and reported as depreciation expense. This is the amount by which current year's capitalized expenditures (\$38,239,888) exceeded depreciation (\$13,496,886). 24,743,002

In the Statement of Activities, the gain or loss on sale or disposition of capital assets is reported. However, in the governmental funds the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of capital assets that are sold or disposed. (26,960)

In the Statement of Activities, pension expense is adjusted based on the actuarially determined contribution changes:

Net change in OPERS net pension liability / asset	95,836,997	
Net change in Deferred outflow of resources	1,547,686	
Net change in Deferred inflow of resources	<u>(56,877,028)</u>	
Total pension expense		40,507,655

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	(80,000,000)	
Bond premium	(9,100,303)	
Debt principal repaid	<u>12,280,211</u>	
Total long-term liabilities		(76,820,092)

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. (493,939)

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. 2,094,177

Amortization of deferred charge on refunding is recognized as interest expense in the Statement of Activities but does not require the use of current resources and therefore does not affect the fund balance in the governmental funds. (750,792)

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. 265,597

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 \$1,019,001 exceeded the amount earned of \$731,068. 287,933

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. 1,320,233

Change in net position of governmental activities (page 14) \$ 50,798,607

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, 2015

	Original Budget	Final Budget	Variance with Final Budget	Actual		GAAP Basis
				Budget Basis	Adjustments	
REVENUES						
Local sources						
Taxes	\$ 67,234,000	\$ 67,234,000	\$ 3,514,515	\$ 70,748,515	\$ -	\$ 70,748,515
Charges for services	1,863,200	1,864,380	(200,034)	1,664,346	-	1,664,346
Contributions	50,000	50,000	(10,917)	39,083	-	39,083
Interest earnings	145,000	145,000	(52,734)	92,266	-	92,266
Miscellaneous	1,209,000	1,408,792	(37,450)	1,371,342	-	1,371,342
Intergovernmental						
Intermediate sources	2,523,844	2,523,844	125,213	2,649,057	-	2,649,057
State sources	76,105,000	76,158,886	553,256	76,712,142	-	76,712,142
Federal sources	-	-	885,313	885,313	-	885,313
Total Revenues	149,130,044	149,384,902	4,777,162	154,162,064	-	154,162,064
EXPENDITURES						
Current						
Instruction	89,601,408	90,613,134	1,363,515	89,249,619	-	89,249,619
Supporting services	59,770,940	60,520,987	635,202	59,885,785	(41,426)	59,844,359
Community services	457,285	712,163	212,251	499,912	-	499,912
Facilities acquisition and construction	1,000	1,000	1,000	-	-	-
Operating contingency	4,096,633	403,517	403,517	-	-	-
Debt service	1,000	1,000	1,000	-	-	-
Capital outlay	-	-	-	-	41,426	41,426
Total Expenditures	153,928,266	152,251,801	2,616,485	149,635,316	-	149,635,316
REVENUES OVER (UNDER) EXPENDITURES	(4,798,222)	(2,866,899)	7,393,647	4,526,748	-	4,526,748
OTHER FINANCING SOURCES (USES)						
Transfers in	427,000	1,830,231	(7,776)	1,822,455	-	1,822,455
Transfers out	(1,125,000)	(4,459,555)	787,520	(3,672,035)	-	(3,672,035)
Total Other Financing Sources (Uses)	(698,000)	(2,629,324)	779,744	(1,849,580)	-	(1,849,580)
NET CHANGE IN FUND BALANCE	(5,496,222)	(5,496,223)	8,173,391	2,677,168	-	2,677,168
FUND BALANCE, Beginning of year	9,856,514	9,856,514	(295,801)	9,560,713	-	9,560,713
FUND BALANCE, End of year	\$ 4,360,292	\$ 4,360,291	\$ 7,877,590	\$ 12,237,881	\$ -	\$ 12,237,881

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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>	<u>Actual</u>		<u>GAAP Basis</u>
				<u>Budget Basis</u>	<u>Adjustments</u>	
REVENUES						
Local sources						
Charges for services	\$ 621,256	\$ 621,256	\$ (303,989)	\$ 317,267	\$ -	\$ 317,267
Contributions	492,065	561,091	27,482	588,573	-	588,573
Miscellaneous	3,341,677	4,014,529	(1,186,746)	2,827,783	-	2,827,783
Intergovernmental						
Intermediate sources	18,974	319,667	46,251	365,918	-	365,918
State sources	1,134,129	2,378,321	(423,771)	1,954,550	-	1,954,550
Federal sources	9,043,007	9,243,872	(869,029)	8,374,843	-	8,374,843
<i>Total Revenues</i>	<u>14,651,108</u>	<u>17,138,736</u>	<u>(2,709,802)</u>	<u>14,428,934</u>	<u>-</u>	<u>14,428,934</u>
EXPENDITURES						
Current						
Instruction	8,902,736	10,256,201	1,218,790	9,037,411	-	9,037,411
Supporting services	5,165,590	6,122,876	1,354,080	4,768,796	-	4,768,796
Community services	581,782	725,661	102,934	622,727	-	622,727
Facilities acquisition and construction	1,000	33,998	33,998	-	-	-
<i>Total Expenditures</i>	<u>14,651,108</u>	<u>17,138,736</u>	<u>2,709,802</u>	<u>14,428,934</u>	<u>-</u>	<u>14,428,934</u>
REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	-	-
FUND BALANCE, Beginning of year	-	-	-	-	-	-
FUND BALANCE, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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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, 2015

ASSETS

Current assets:

Equity in pooled cash and investments	\$ 14,139,077
Accounts and other receivables	11,651

<i>Total Assets</i>	<u>14,150,728</u>
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LIABILITIES

Current liabilities:

Accrued payroll and related charges	430,936
Unearned revenue	1,503,449
Early termination stipend benefits - due within one year	285,520
Net OPEB obligation - due within one year	2,813,566
<i>Total current liabilities</i>	<u>5,033,471</u>

Long-term liabilities:

Early termination stipend benefits - due in more than one year	70,874
Net OPEB obligation - due in more than one year	1,463,918

<i>Total Liabilities</i>	<u>6,568,263</u>
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NET POSITION

Unrestricted	<u>7,582,465</u>
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<i>Total Net Position</i>	<u>\$ 7,582,465</u>
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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, 2015

OPERATING REVENUES	
Interfund charges for services	\$ 32,017,211
Other reimbursements	291,932
	<hr/>
<i>Total Operating Revenues</i>	32,309,143
OPERATING EXPENSES	<hr/>
	30,743,776
OPERATING INCOME	1,565,367
NONOPERATING REVENUES	
Interest income	28,854
	<hr/>
INCOME BEFORE TRANSFERS	1,594,221
TRANSFERS	
Transfers in	1,127,316
Transfers out	(1,401,304)
	<hr/>
<i>Total Transfers</i>	(273,988)
CHANGE IN NET POSITION	1,320,233
TOTAL NET POSITION, Beginning of year	<hr/>
	6,262,232
TOTAL NET POSITION, End of year	<hr/> <hr/>
	\$ 7,582,465

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, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 291,932
Receipts from interfund services provided	31,998,704
Payments to suppliers	(27,990,690)
Payments to employees	(694,056)
Payments to retirees	<u>(2,276,638)</u>

Net Cash Provided by Operating Activities 1,329,252

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Transfers in from other funds	1,127,316
Transfers out to other funds	<u>(1,401,304)</u>

Net Cash Used by Noncapital Financing Activities (273,988)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	<u>28,854</u>
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Net Increase in Cash and Cash Equivalents 1,084,118

CASH AND CASH EQUIVALENTS, Beginning of year 13,054,959

CASH AND CASH EQUIVALENTS, End of year \$ 14,139,077

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

Operating income	\$ 1,565,367
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Increase in accounts and other receivables	(1,846)
Increase in accrued payroll and related charges	129,058
Decrease in accrued postemployment benefits payable	(346,666)
Decrease in unearned revenue	<u>(16,661)</u>

Total adjustments (236,115)

Net Cash Provided by Operating Activities \$ 1,329,252

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, 2015

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, 2015

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 unearned revenue on the balance sheets of the governmental funds. Unearned revenues arise when revenue does not meet both the measurable and available criteria for recognition in the current period. 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. 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 expenses not meeting this definition are reported as non-operating revenues and expenses.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2015. 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 deferred inflows of resources 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 and Pension Assets

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (PERS) and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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.

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

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

<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 Outflows/Inflows 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 has two items that qualify for reporting in this category. One is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The other item is also reported in the government wide statement of activities and arises due to the implementation of GASB Statement No. 68 and Statement No. 71. The District reports a deferred outflow of resources of the changes in proportion and difference between employer contributions and proportionate share of contributions. See Note H of the Notes to the Basic Financial Statements.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 two items, one of which arises under a modified accrual basis of accounting that qualifies for reporting in this category. The 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.

The other item is reported in the government wide statement of activities and arises due to the implementation of GASB Statement No. 68 and Statement No. 71. The District reports a deferred inflow of resources of the net difference between projected and actual earnings on investments for pension assets. See Note H of the Notes to the Basic Financial Statements.

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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Fund Balance

School Board policy DI mandates that the District maintain a 5.0 percent minimum ending fund balance in the General Fund. As of June 30, 2015, the General Fund ending fund balance is \$12,237,881 which represents a 7.9 percent ending fund balance, exceeding the targeted 5.0 percent minimum.

Minimum fund balance policy DI - 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.

The seven-member Board of Directors is the policy-making body of the school district. The Board derives its legal authority from the statutes of the State of Oregon.

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 one single-employer early retirement supplement program 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, 2015

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, 2015, additional appropriations totaling \$3,537,773 were made to allow expenditure of unexpected revenues. Final budget amounts include the original budget and approved increases and transfers.

B. Excess of expenditures over appropriations

Oregon law prohibits expenditures in excess of board approved appropriations. The board approves appropriations for each fund by major function. For the year ended June 30, 2015, expenditures exceeded appropriations:

<u>Fund and Appropriation Level</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Variance</u>
Debt Service Fund			
Debt Service	\$ 22,645,793	\$ 22,773,761	\$ (127,968)

The excess of expenditures over appropriations in the Debt Service Fund are a result of the issuance of general obligation bonds and therefore qualifies as an exception under ORS 294.338.

C. Deficit Fund Balance

At June 30, 2015, an Internal Service Fund (Postemployment Benefits Fund) had a GAAP basis deficit fund balance of \$1,347,365. 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.

D. Economic Dependency

The District received General Fund revenue of \$154,162,064. Of this amount, \$76,712,142 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, 2015

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, 2015

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, 2015:

	Carrying Amount
Cash and Deposits	\$ 128,307,070
Investments	25,923,112
	<u>\$ 154,230,182</u>
Equity in Pooled Cash and Investments-Governmental Funds, Balance Sheet	\$ 25,859,961
Cash and Investments-Government Funds, Balance Sheet	114,231,144
Equity in Pooled Cash and Investments-Internal Service Fund, Statement of Net Position	14,139,077
	<u>\$ 154,230,182</u>

	Carrying Amount	Bank Balance
Deposits		
As of June 30, 2015 the District held the following deposits:		
Pooled demand deposits	\$ 113,845,579	\$ 114,118,862
Capital projects fund demand deposits	113,956	113,956
Special revenue funds demand and savings deposits	3,459,360	3,800,531
Debt service	10,888,175	10,888,175
Total Deposits	<u>\$ 128,307,070</u>	<u>\$ 128,921,524</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 \$1,027,417 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 \$128,307,070 and the bank balance was \$128,921,524.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2015

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash and Investments (Continued)

Investments

As of June 30, 2015, the District held the following investments and maturities:

	<u>Carrying Amount</u>	<u>Weighted Average Maturity in Years</u>	<u>% of Investment Portfolio</u>
Local Government Investment Pool	\$ 25,923,112	0.003	100.00%

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.

As of June 30, 2015, the fair value of the District's deposits with the LGIP was equal to 100.71% 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.

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 \$47,012,858 at June 30, 2015. 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. District policy DFA "Investment of Funds" was adopted in May 2014 and a detailed administrative rule regarding investment activities designed to minimize custodial credit risk is completed and pending approval.

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). District policy DFA "Investment of Funds" was adopted in May 2014 and a detailed administrative rule regarding investment

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2015

III. DETAILED NOTES ON ALL FUNDS (Continued)

activities designed to minimize credit risk is completed and pending approval.

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, District policy DFA "Investment of Funds" is finalized and the related detailed administrative rule regarding investment activities including liquidity and interest rate risk is in the approval process.

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, 2015

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, 2015 is as follows:

	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>
General Fund	\$ 370,937	\$ 11,414,616
Debt Service Fund	-	369,544
Capital Projects Fund	10,618,345	-
Federal, State and Local Programs Fund	796,271	-
Other Governmental Funds	-	1,393
	<u>\$ 11,785,553</u>	<u>\$ 11,785,553</u>
Total		

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, 2015 are as follows:

	<u>Transfer in</u>	<u>Transfer out</u>
General Fund	\$ 1,822,455	\$ 3,672,035
Capital Projects Fund	598,952	327,730
Other Governmental Funds	2,067,570	215,224
Internal Service Funds	1,127,316	1,401,304
	<u>\$ 5,616,293</u>	<u>\$ 5,616,293</u>
Total		

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, 2015, the District made the following one-time transfers:

1. A transfer of \$108,040 from the General Fund to the Nutrition Services Fund to contribute to Nutrition Services operations.
2. A transfer of \$1,034,412 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, 2015

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. Inventories

Inventory balances at June 30, 2015 are as follows:

General Fund

Instructional supplies and materials	\$	147,075
Gasoline and diesel		<u>115,133</u>
<i>Total General Fund</i>		<u>262,208</u>

Other Governmental Funds

Nutrition Services		
Value of commodities on hand from the U.S. Department of Agriculture		<u>164,894</u>
<i>Total Inventories</i>	\$	<u><u>427,102</u></u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2015

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, 2015 is \$2,283,827.

Capital asset activity for the year ended June 30, 2015 was as follows:

	<i>Balance June 30, 2014</i>	<i>Additions</i>	<i>Reductions</i>	<i>Balance June 30, 2015</i>
Capital assets not being depreciated:				
Land	\$ 1,621,220	\$ -	\$ (22,683)	\$ 1,598,537
Construction in progress	6,402,150	20,443,393	(4,216,967)	22,628,576
<i>Total capital assets not being depreciated</i>	<u>8,023,370</u>	<u>20,443,393</u>	<u>(4,239,650)</u>	<u>24,227,113</u>
Capital assets being depreciated:				
Athletic field improvements	12,435,307	1,750,106	-	14,185,413
Buildings and improvements	290,436,398	13,525,070	(652,785)	303,308,683
Equipment	10,693,798	4,254,195	-	14,947,993
Vehicles	13,837,244	2,247,179	(1,303,914)	14,780,509
Intangibles	2,380,634	236,911	-	2,617,545
<i>Total capital assets being depreciated</i>	<u>329,783,381</u>	<u>22,013,461</u>	<u>(1,956,699)</u>	<u>349,840,143</u>
Accumulated depreciation for:				
Athletic field improvements	(8,803,517)	(721,336)	-	(9,524,853)
Buildings and improvements	(155,446,503)	(9,465,610)	648,509	(164,263,604)
Equipment	(7,332,793)	(1,815,298)	-	(9,148,091)
Vehicles	(8,613,972)	(972,552)	1,303,914	(8,282,610)
Intangibles	(460,782)	(522,090)	-	(982,872)
<i>Total accumulated depreciation</i>	<u>(180,657,567)</u>	<u>(13,496,886)</u>	<u>1,952,423</u>	<u>(192,202,030)</u>
<i>Total capital assets being depreciated, net</i>	<u>149,125,814</u>	<u>8,516,575</u>	<u>(4,276)</u>	<u>157,638,113</u>
<i>Governmental activities capital assets, net</i>	<u>\$ 157,149,184</u>	<u>\$ 28,959,968</u>	<u>\$ (4,243,926)</u>	<u>\$ 181,865,226</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2015

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	\$ 4,472,156
Special programs	1,059,514
	<hr/>
Total direct classroom services	5,531,670
	<hr/>
Classroom support services	
Extracurricular activities	153,670
Student support	1,173,827
Libraries, curriculum and staff development	740,287
School administration	800,609
Community services	73,945
	<hr/>
Total classroom support services	2,942,338
	<hr/>
Building support services	
Facilities operation and maintenance	268,492
Student transportation	720,991
Computing and information services	2,493,362
Warehouse and purchasing	194,312
	<hr/>
Total building support services	3,677,157
	<hr/>
Central support services	
Executive administration	113,634
Financial services	362,487
Human resources/employee insurance benefits	331,420
Communications and intergovernmental relations	67,680
	<hr/>
Total central support services	875,221
	<hr/>
Nutrition services	470,500
	<hr/>
Total depreciation expense, governmental activities	<u>\$ 13,496,886</u>

Construction Commitments

The District has active construction projects as of June 30, 2015. As of the end of the fiscal year, the District is committed under various accepted bid agreements and contracts for approximately \$18,790,891 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, 2015

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 \$5,169,192, with accumulated depreciation of \$2,736,016 and a net book value of \$2,433,176 as of June 30, 2015.

Obligations of the District's governmental activities under capital leases at June 30, 2015, were as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 2,283,827</u>	<u>\$ 175,520</u>	<u>\$ 2,459,347</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2015

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, 2015:

	Principal Issued	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015	Amounts Due in One Year
General obligation bonds:						
2005 Series	\$ 46,000,000	\$ 1,920,000	\$ -	\$ (1,920,000)	\$ -	\$ -
2008 Series Refunding	47,295,000	39,915,000	-	(7,235,000)	32,680,000	10,105,000
2011 Series	34,997,258	33,712,258	-	-	33,712,258	-
2012 Series Refunding	37,405,000	34,635,000	-	(190,000)	34,445,000	2,170,000
2013 Series	39,996,054	38,728,143	-	-	38,728,143	-
2014 Series	80,000,000	-	80,000,000	(745,000)	79,255,000	150,000
Total G.O. bonds	285,693,312	148,910,401	80,000,000	(10,090,000)	218,820,401	12,425,000
2004 Pension bonds	53,435,000	48,700,000	-	(1,450,000)	47,250,000	1,695,000
Total bonds	339,128,312	197,610,401	80,000,000	(11,540,000)	266,070,401	14,120,000
Issuance premiums:						
2005 Series	-	4,650	-	(4,650)	-	-
2008 Series Refunding	-	1,099,370	-	(455,907)	643,463	-
2011 Series	-	553,832	-	(80,669)	473,163	-
2012 Series Refunding	-	5,325,000	-	(737,065)	4,587,935	-
2013 Series	-	3,451,678	-	(334,084)	3,117,594	-
2014 Series	-	-	9,100,303	(481,802)	8,618,501	-
Total issuance premiums	-	10,434,530	9,100,303	(2,094,177)	17,440,656	-
Total bonds, net of issuance premiums	339,128,312	208,044,931	89,100,303	(13,634,177)	283,511,057	14,120,000
Early termination stipend benefits	-	402,783	358,599	(404,988)	356,394	285,520
Early out retirement incentive	-	112,000	-	(112,000)	-	-
Net OPEB obligation	-	4,465,761	2,771,890	(2,960,167)	4,277,484	2,813,566
Capital lease obligations	5,101,082	3,024,038	-	(740,211)	2,283,827	642,075
Total	\$ 344,229,394	\$ 216,049,513	\$ 92,230,792	\$ (17,851,543)	\$ 290,428,762	\$ 17,861,161

The general obligation bonds will be paid from general property tax revenues from the Debt Service Fund. Bond proceeds of the pension bonds were paid to the Oregon Public Employees Retirement System (OPERS). An intercept agreement with the State of Oregon was required as a condition of issuance; therefore a portion of the State School Fund support is withheld on a monthly basis to repay debt. The repayment of the pension bonds will be funded by a reduction in 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. General obligation bonds have been issued for capital projects.

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. 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, 2015

III. DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-term Debt (Continued)

General obligation bonds - 2008 Refunding Series, future payments due in annual installments of \$10,105,000 to \$11,680,000 plus interest, paid semi-annually at 3.5% to 5.0% through July 1, 2017.	\$ 32,680,000
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 \$2,170,000 to \$5,005,000 plus interest, paid semi-annually at 4.0% to 5.0% through June 15, 2025.	34,445,000
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
General obligation bonds - 2014 Series, future payments due in annual installments of zero to \$9,725,000 plus interest, paid semi-annually at 4.0% to 5.0% through June 15, 2034.	79,255,000
Pension obligation bonds - 2004 Series, future payments due in annual installments of \$1,695,000 to \$6,220,000 plus interest, paid semi-annually at 5.023% to 5.528% through June 30, 2028.	47,250,000
Issuance premiums - 2008 Refunding bond, amortized semi-annually through July 1, 2017.	643,463
Issuance premiums - 2011 Series bond, amortized semi-annually through June 15, 2023.	473,163
Issuance premiums - 2012 Refunding bond, amortized semi-annually through June 15, 2025.	4,587,935
Issuance premiums - 2013 Series bond, amortized semi-annually through June 15, 2031.	3,117,594
Issuance premiums - 2014 Series bond, amortized semi-annually through June 15, 2034.	8,618,501
Stipend benefits for participants in the District's postemployment benefit program.	356,394
Net other postemployment benefit (OPEB) obligation.	4,277,484
Capital lease obligations - total of minimum lease payments for all capital leases, through July 30, 2022.	2,283,827
<i>Total</i>	<u><u>\$ 290,428,762</u></u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2015

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, 2015 consist of the following:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Debt Service Fund			
General obligation serial bonds - 2005	\$ 1,920,000	\$ 96,000	\$ 2,016,000
General obligation refunding bonds - 2008	7,235,000	1,733,662	8,968,662
General obligation serial bonds - 2011	-	1,196,300	1,196,300
General obligation refunding bonds - 2012	190,000	1,455,650	1,645,650
General obligation serial bonds - 2013	-	1,579,400	1,579,400
General obligation serial bonds - 2014	745,000	2,527,971	3,272,971
Subtotal	10,090,000	8,588,983	18,678,983
Pension obligation serial bonds - 2004	1,450,000	2,644,778	4,094,778
<i>Total Debt Service Fund</i>	11,540,000	11,233,761	22,773,761
Capital Projects Fund			
Capital lease payments	740,211	77,810	818,021
<i>Total of All Funds</i>	<u>\$ 12,280,211</u>	<u>\$ 11,311,571</u>	<u>\$ 23,591,782</u>

No interest costs were capitalized during the year.

Bond Issuances and Remaining Authorizations

In May 2011, District voters approved the issuance of general obligation bonds totaling \$70 million, \$35 million of which were issued in August 2011 and approximately \$15 million of which were issued in August 2013. The remaining \$20 million is expected to be issued in 2016.

In May 2013, District voters approved the issuance of general obligation bonds totaling \$170 million, approximately \$25 million of which were issued in August 2013 and \$80 million of which were issued in September 2014. The remaining \$65 million is expected to be issued in 2016.

General Obligation Bonds Issued Fiscal Year 2014-15

On September 18, 2014, the District issued \$80,000,000 in General Obligation Bonds, Series 2014. 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, 2014. The bonds mature on June 15, 2034 with principal payments due annually on June 15th. The bonds were issued at a premium of \$9,100,303, which is being amortized over the life of the bonds.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2015

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 - 2014 Series		Bonds - 2013 Series		Bonds - 2012 Refunding		Bonds - 2011 Series	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 150,000	\$ 3,393,600	\$ -	\$ 1,579,400	\$ 2,170,000	\$ 1,449,950	\$ -	\$ 1,196,300
2017	-	3,387,600	-	1,579,400	2,440,000	1,363,150	-	1,196,300
2018	1,370,000	3,387,600	2,235,000	1,579,400	2,720,000	1,265,550	2,070,000	1,196,300
2019	1,580,000	3,319,100	2,435,000	1,467,650	3,010,000	1,156,750	2,180,000	1,134,200
2020	1,805,000	3,240,100	2,655,000	1,418,950	3,100,000	1,036,350	2,420,000	1,068,800
2021	2,050,000	3,149,850	2,875,000	1,286,200	3,420,000	912,350	2,540,000	996,200
2022	2,310,000	3,047,350	3,110,000	1,142,450	3,795,000	741,350	2,660,000	920,000
2023	2,585,000	2,931,850	3,355,000	986,950	4,200,000	551,600	2,715,000	813,600
2024	2,875,000	2,802,600	3,620,000	819,200	4,585,000	383,600	-	705,000
2025	3,190,000	2,658,850	3,890,000	638,200	5,005,000	200,200	-	705,000
2026	4,575,000	2,499,350	1,611,288	1,592,412	-	-	-	705,000
2027	5,020,000	2,270,600	1,563,310	1,730,390	-	-	-	705,000
2028	5,440,000	2,069,800	1,518,545	1,880,155	-	-	15,000,000	705,000
2029	5,880,000	1,852,200	3,040,000	443,700	-	-	1,430,517	1,734,483
2030	6,350,000	1,617,000	3,285,000	306,900	-	-	1,375,140	1,879,860
2031	6,840,000	1,363,000	3,535,000	159,074	-	-	1,321,601	2,033,399
2032	8,445,000	1,089,400	-	-	-	-	-	-
2033	9,065,000	751,600	-	-	-	-	-	-
2034	9,725,000	389,000	-	-	-	-	-	-
Total	\$ 79,255,000	\$ 45,220,450	\$ 38,728,143	\$ 18,610,431	\$ 34,445,000	\$ 9,060,850	\$ 33,712,258	\$ 17,694,442

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
	<u>\$ 15,000,000</u>

Defeased General Obligation Bonds

In prior years, the District defeased general obligation bonds outstanding by placing the proceeds of new bonds in irrevocable trusts 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, 2015, \$76,230,000 of general obligation bonds defeased are still outstanding.

<i>Bonds - 2008 Refunding</i>		<i>Bonds - 2004 Pension</i>		<i>Total</i>		
<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Require-ments</i>	<i>Principal</i>	<i>Interest</i>
\$ 10,105,000	\$ 1,327,975	\$ 1,695,000	\$ 2,573,396	\$ 25,640,621	\$ 14,120,000	\$ 11,520,621
10,895,000	831,850	1,960,000	2,488,256	26,141,556	15,295,000	10,846,556
11,680,000	287,050	2,250,000	2,387,845	32,428,745	22,325,000	10,103,745
-	-	2,565,000	2,270,328	21,118,028	11,770,000	9,348,028
-	-	2,905,000	2,133,793	21,782,993	12,885,000	8,897,993
-	-	3,275,000	1,977,707	22,482,307	14,160,000	8,322,307
-	-	3,680,000	1,800,104	23,206,254	15,555,000	7,651,254
-	-	4,110,000	1,598,698	23,847,698	16,965,000	6,882,698
-	-	4,580,000	1,371,497	21,741,897	15,660,000	6,081,897
-	-	5,085,000	1,118,314	22,490,564	17,170,000	5,320,564
-	-	5,630,000	837,216	17,450,266	11,816,288	5,633,978
-	-	6,220,000	525,989	18,035,289	12,803,310	5,231,979
-	-	3,295,000	182,148	30,090,648	25,253,545	4,837,103
-	-	-	-	14,380,900	10,350,517	4,030,383
-	-	-	-	14,813,900	11,010,140	3,803,760
-	-	-	-	15,252,074	11,696,601	3,555,473
-	-	-	-	9,534,400	8,445,000	1,089,400
-	-	-	-	9,816,600	9,065,000	751,600
-	-	-	-	10,114,000	9,725,000	389,000
\$ 32,680,000	\$ 2,446,875	\$ 47,250,000	\$ 21,265,291	\$ 380,368,740	\$ 266,070,401	\$ 114,298,339

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. Pension Plan

Plan Description – Employees of the District are provided with pensions through the Oregon Public Employees Retirement System (PERS) a cost-sharing multiple-employer defined benefit pension plan. The Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. PERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

1. Benefits provided

a) Tier One/Tier Two Retirement Benefit ORS Chapter 238

Pension Benefits – The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage of 1.67 percent is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under; a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. Members may retire after reaching age 55. Tier One member benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits – Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS-covered job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death

Disability Benefits – A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

Benefit Changes – After Retirement, Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. Pension Plan (Continued)

adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

b) OPSRP Pension Program (OPSRP DB)

Pension Benefits – The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits – Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits – A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes After Retirement – Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

c) OPSRP Individual Account Program (OPSRP IAP)

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

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits – Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2015

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. Pension Plan (Continued)

completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Recordkeeping – PERS contracts with VOYA Financial to maintain IAP participant records.

2. Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2011 actuarial valuation as subsequently modified by 2013 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2013. Employer contributions for the year ended June 30, 2015 were \$13,613,624, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2015 were 17.74 percent for Tier One/Tier Two, 15.74 percent for OPSRP Pension Program, and 6 percent for OPSRP Individual Account Program.

3. Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the District reported an asset of \$29,476,149 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2012 rolled forward to June 30, 2014. The District's proportion of the net pension asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2014, the District's proportion was 1.30 percent, which was unchanged from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District's recognized pension expense (income) is (\$26,904,726). At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 56,877,028
Changes in proportion and differences between District contributions and proportionate share of contributions	706,500	-
District contributions subsequent to the measurement date	13,706,695	-
Total	<u>\$ 14,413,195</u>	<u>\$ 56,877,028</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2015

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. Pension Plan (Continued)

District contributions subsequent to the measurement date of \$13,706,695 reported as deferred outflows of resources related to pensions will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2016	\$ (14,065,670)
2017	(14,065,670)
2018	(14,065,670)
2019	(14,065,670)
2020	92,152
Thereafter	-

4. Actuarial assumptions

The employer contribution rates effective July 1, 2013, through June 30, 2015, were set using the projected unit credit actuarial cost method.

For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

The total pension liability in the December 31, 2012 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2012 rolled forward to June 30, 2014
Experience Study Report	2012, published September 18, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.75 percent

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2015

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. Pension Plan (Continued)

Investment Rate of Return	7.75 percent
Projected Salary Increases	3.75 percent overall payroll growth
Mortality	<u>Health retirees and beneficiaries:</u> PF-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation.
	<u>Active Members:</u> Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.
	<u>Disabled retirees:</u> Mortality rates are a percentage of the RP-2000 statistic combined disabled mortality sex-distinct table.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2012 Experience Study which reviewed experience for the four-year period ending on December 31, 2012.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compounded Annual Return (Geometric)</u>
Core Fixed Income	7.20%	4.50%
Short-Term Bonds	8.00%	3.70%
Intermediate -Term Bonds	3.00%	4.10%
High Yield Bonds	1.80%	6.66%
Large Cap US Equities	11.65%	7.20%
Mid Cap US Equities	3.88%	7.30%
Small Cap US Equities	2.27%	7.45%
Developed Foreign Equities	14.21%	6.90%
Emerging Foreign Equities	5.49%	7.40%
Private Equities	20.00%	8.26%
Opportunity Funds/Absolute Return	5.00%	6.01%
Real Estate (Property)	13.75%	6.51%
Real Estate (REITS)	2.50%	6.76%
Commodities	1.25%	6.07%
Total	<u>100.00%</u>	
Assumed Inflation - Mean		2.75%

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. Pension Plan (Continued)

5. Actuarial assumptions

The discount rate used to measure the total pension liability was 7.75 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

6. Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	<u>1% Decrease (6.75%)</u>	<u>Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
District's proportionate share of the net pension liability (asset)	\$ 62,419,837	\$ (29,476,149)	\$ (107,198,599)

7. Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

8. Changes in Plan Provisions Subsequent to Measurement Date

The Oregon Supreme Court on April 30, 2015, ruled that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law was unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. PERS will make restoration payments to those benefit recipients.

PERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire.

This is a change in benefit terms subsequent to the measurement date of June 30, 2014, and has not been included in the net pension liability (asset) proportionate shares provided by PERS.

III. DETAILED NOTES ON ALL FUNDS (Continued)

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.

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 account 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, 2015, 2014, and 2013 were approximately \$446,041, \$459,933 and \$445,906 which equaled the required contributions each year.

2. 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, 2014.

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 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

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2015

III. DETAILED NOTES ON ALL FUNDS (Continued)

I. Other Postemployment Benefits (OPEB) (Continued)

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, 2014. 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 7.0 percent for 2014-15 (7.5 percent for 2013-14), 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 2014 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 110 employees receiving stipend benefits. During the year ended June 30, 2015, the cost of this benefit amounted to \$404,988.

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

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2015

III. DETAILED NOTES ON ALL FUNDS (Continued)

I. Other Postemployment Benefits (OPEB) (Continued)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Annual Required Contribution	\$ 443,487	\$ 640,923	\$ 622,256
Interest on Net Pension Obligation	18,125	15,543	14,124
Adjustment to Annual Required Contribution	<u>(103,013)</u>	<u>(88,337)</u>	<u>(80,277)</u>
Annual Pension Cost	358,599	568,129	556,103
Contributions Made	<u>(404,988)</u>	<u>(510,744)</u>	<u>(524,587)</u>
Increase in Net Pension Obligation	46,389	57,385	31,516
Net Pension Obligation Beginning of Year	<u>402,783</u>	<u>345,398</u>	<u>313,882</u>
Net Pension Obligation – End of Year	<u>\$ 356,394</u>	<u>\$ 402,783</u>	<u>\$ 345,398</u>
Percentage Contributed	112.9%	89.9%	94.3%

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:

<i>Fiscal Year Ended June 30</i>	<i>Annual Pension Cost</i>	<i>Contribution Made</i>	<i>Percentage Contributed</i>	<i>Net Pension Obligation</i>
2013	\$ 556,103	\$ 524,587	94.3%	\$ 345,398
2014	568,129	510,744	89.9%	402,783
2015	358,599	404,988	112.9%	356,394

Funded Status and Funding Progress – As of July 1, 2014, the most recent date for which an actuarial valuation is available for the period ended June 30, 2015, the District's actuarial accrued liability for benefits was \$1,545,708 and the actuarial value of assets was \$0 resulting in an unfunded actuarial accrued liability of \$1,545,708. Covered payroll was \$81,394,395 for the year ended June 30, 2015. 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.

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

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2015

III. DETAILED NOTES ON ALL FUNDS (Continued)

I. Other Postemployment Benefits (OPEB) (Continued)

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 260 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.

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>2015</u>	<u>2014</u>	<u>2013</u>
Annual Required Contribution	\$ 3,113,035	\$ 4,238,514	\$ 4,115,062
Interest on Net Pension Obligation	200,959	191,480	174,300
Adjustment to Annual Required Contribution	<u>(542,104)</u>	<u>(506,487)</u>	<u>(460,006)</u>
Annual Pension Cost	2,771,890	3,923,507	3,829,356
Contributions Made	<u>(2,960,167)</u>	<u>(3,712,887)</u>	<u>(3,447,508)</u>
Increase in Net Pension Obligation	188,277	210,620	381,848
Net Pension Obligation Beginning of Year	<u>4,465,761</u>	<u>4,255,141</u>	<u>3,873,293</u>
Net Pension Obligation – End of Year	<u>\$ 4,277,484</u>	<u>\$ 4,465,761</u>	<u>\$ 4,255,141</u>
Percentage Contributed	106.8%	94.6%	90.0%

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:

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2015

III. DETAILED NOTES ON ALL FUNDS (Continued)

I. Other Postemployment Benefits (OPEB) (Continued)

Fiscal Year Ended June 30	Annual Pension Cost	Contribution Made	Percentage Contributed	Net Pension Obligation
2013	\$ 3,829,356	\$ 3,447,508	90.0%	\$ 4,255,141
2014	3,923,507	3,712,887	94.6%	4,465,761
2015	2,771,890	2,960,167	106.8%	4,277,484

Funded Status and Funding Progress – As of July 1, 2014, the most recent date for which an actuarial valuation is available for the period ended June 30, 2015, the District's actuarial accrued liability for benefits was \$21,258,895 and the actuarial value of assets was \$0 resulting in an unfunded actuarial accrued liability of \$21,258,895. Covered payroll was \$81,394,395 for the year ended June 30, 2015. 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.

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:

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2015

III. DETAILED NOTES ON ALL FUNDS (Continued)

J. Risk Management (Continued)

- 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>Unemployment</u>
<i>Liability, June 30, 2013</i>	\$ 157,976
Claims incurred	786,908
Claims paid	(96,203)
Reduction of accrual	<u>(692,067)</u>
<i>Liability, June 30, 2014</i>	156,614
Claims incurred	598,068
Claims paid	(110,694)
Reduction of accrual	<u>(430,585)</u>
<i>Liability, June 30, 2015</i>	<u><u>\$ 213,403</u></u>

Liabilities recorded in the Insurance Reserve Fund at June 30, 2015 are as follows:

<i>Accrued Liabilities</i>	
Unemployment	\$ 213,403
<i>Insurance Premiums Payable</i>	
Medical/dental	-
Deferred medical	1,503,451
Other	10,889
<i>Total</i>	<u><u>\$ 1,727,743</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

New Pronouncements Implemented: For the Fiscal year ended June 30, 2015, the District implemented the following new accounting standards:

GASB Statement No. 65 *"Items Previously Reported as Assets and Liabilities."* This Statement establishes accounting and financial reporting standards that reclassify and recognizes, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. Implementation of this statement is recorded in the government-wide statement of activities and addressed in Note M. Change in Accounting Principle.

GASB Statement No. 68 *"Accounting and Financial Statement No. 27."* This statement replaces requirements of statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* as well as requirements of statement No. 50, *Pension Disclosures*. This statement establishes a definition of a pension plan that reflects the primary activities associated with the pension arrangement – determining pensions, accumulating and managing assets dedicated for pensions and paying benefits to plan members as they come due. Implementation of this statement and statement No. 71 is addressed in the Note H. Pension Plans and Note M. Change in Accounting Principle.

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. Management has determined that there is no impact.

GASB Statement No. 71 *"Pension Transition for Contributions Made Subsequent to the Measurement Date an amendment of GASB Statement No. 68."* This statement amends transition provisions of Statement No. 68 and establishes accounting and financial reporting standards for recognition of contributions made between the measurement date of the net pension liability and implementation of GASB 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. Implementation of this statement and statement No. 68 is addressed in the Note H. Pension Plans and Note M. Change in Accounting Principle.

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.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2015

III. DETAILED NOTES ON ALL FUNDS (Continued)

L. New Pronouncements (Continued)

GASB Statement No. 72 *“Fair Value Measurement and Application.”* The statement provides guidance on determining, accounting for, and reporting fair value measurements. The statement is effective for fiscal years beginning after June 15, 2015.

GASB Statement No. 73 *“Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.”* The statement establishes accounting and financial reporting requirements related to pensions provided by governments that are not within the scope of GASB Statement No. 68, extending that approach to all pensions. The statement is effective for fiscal years beginning after June 15, 2016.

GASB Statement No. 74 *“Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.”* The statement establishes accounting and financial reporting requirements related to other postemployment benefits plans, replacing GASB Statements No. 43 and No. 57. The statement is effective for fiscal years beginning after June 15, 2016.

GASB Statement No. 75 *“Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.”* The statement establishes accounting and financial reporting requirements related to other postemployment benefits (OPEB), replacing GASB Statements No. 45 and No. 57. The statement is effective for fiscal years beginning after June 15, 2017.

GASB Statement No. 76 *“The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.”* The statement establishes the hierarchy of generally accepted accounting principles (GAAP) to two categories, superseding GASB Statement No. 55. The statement is effective for fiscal years beginning after June 15, 2015.

GASB Statement No. 77 *“Tax Abatement Disclosures.”* The statement establishes accounting and reporting guidance on tax abatement agreements for governments. The statement is effective for fiscal years beginning after December 15, 2015.

M. Change in Accounting Principle

In implementing GASB Statement No. 68 and Statement No. 71, the District has restated beginning net position in order to recognize the District’s proportionate share of the Net Pension Liability of the Oregon Public Employees Retirement System (PERS). The District had previously reported a prepaid asset in the Statement of Net Position in connection with debt the District issued in 2004 to fund the District’s PERS unfunded actuarial liability. This prepaid asset has been eliminated as part of the implementation of these standards. The restatement also recognizes a deferred outflow of resources related to pensions for contributions made after the June 30, 2014 measurement date.

In addition, with the implementation of GASB Statement No. 65, the District recognizes a deferred outflow as a result of the advanced refundings of bonds resulting in defeasance of debt and where the reacquisition price of the old debt is over its net carrying amount.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2015

III. DETAILED NOTES ON ALL FUNDS (Continued)

M. Change in Accounting Principle (Continued)

Net position has been restated as follows:

Net position as previously reported at June 30, 2014		\$ 54,793,048
Prior period adjustment related to GASB Statement No. 68		
Net pension Liability (measurement date as of June 30, 2013)	(66,360,848)	
Eliminate pension asset related to 2004 bond and side account	(34,043,605)	
Deferred outflows		
District contributions made during fiscal year 2014	12,865,509	
Total prior period adjustment related to GASB Statement No. 68	<u>(87,538,944)</u>	
Prior period adjustment related to GASB Statement No. 65		
The advanced refundings of bonds resulting in defeasance of debt where the reacquisition price of the old debt is over its net carrying amount.	5,323,535	<u>(82,215,409)</u>
Net position as restated, July 1, 2014		<u>\$ (27,422,361)</u>

N. Subsequent Events

Management has evaluated subsequent events through December 28, 2015, the date on which the financial statements were available to be issued. Management is not aware of any subsequent events except as noted below:

Due to the Oregon Supreme Court ruling in the Moro decision on April 30, 2015, the District will see a significant change in the pension plan provisions subsequent to the measurement date. The impact on the District will be a change in the proportionate share of the system net pension asset to a net pension liability. See note H.8 of the Notes to the Basic Financial Statements.

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.

REQUIRED SUPPLEMENTARY INFORMATION

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2015

A. Pension Plans

1. Schedule of the Proportionate Share of the Net Pension Liability
For the last two fiscal years under GASB Statement No. 68 is as follows:

Year Ended June 30,	(a) District's proportion of the net pension liability (asset)	(b) District's proportionate share of the net pension liability (asset)	(c) District's covered payroll	(b/c) District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	1.30039080%	\$ (29,476,149)	\$ 81,394,395	-36.21%	103.60%
2014	1.30039080%	66,360,848	77,155,912	86.01%	91.97%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

2. Schedule of Contributions
For the last two fiscal years under GASB Statement No. 68 is as follows:

Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) District's covered payroll	(b/c) Contributions as a percent of covered payroll
2015	\$ 13,613,624	\$ 13,613,624	\$ -	\$ 81,394,395	16.73%
2014	12,865,509	12,865,509	-	77,155,912	16.67%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

3. Changes in Plan Provisions

A summary of key changes in plan provisions are described in the Oregon Public Employees Retirement System's GASB 68 Disclosure Information which can be found at:

http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2015

4. Changes of assumptions

A summary of key changes implemented since the December 31, 2011 valuation are described in the Oregon Public Employees Retirement System's GASB 68 Disclosure Information which can be found at: http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf

Additional details and a comprehensive list of changes in methods and assumptions can be found in the 2012 Experience Study for the System, which was published on September 18, 2013, and can be found at: <http://www.oregon.gov/pers/docs/2012%20Exp%20Study%20Updated.pdf>

B. Other Postemployment Benefit Obligation

1. 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%
07/01/14	-	1,545,708	1,545,708	0%	81,394,395	1.9%

2. 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%
07/01/14	-	21,258,895	21,258,895	0%	81,394,395	26.1%

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COMBINING STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

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

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

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, 2015

	Special Revenue Funds		Total
	Nutrition Services	School Resources	
ASSETS			
Equity in pooled cash and investments	\$ -	\$ 4,584,081	\$ 4,584,081
Cash and investments	1,000	3,459,360	3,460,360
Receivables			
Accounts and other receivables	281,215	-	281,215
Due from other funds	1,393	-	1,393
Inventories	164,894	-	164,894
<i>Total Assets</i>	<u>\$ 448,502</u>	<u>\$ 8,043,441</u>	<u>\$ 8,491,943</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 209,023	\$ 42,986	\$ 252,009
<i>Total Liabilities</i>	<u>209,023</u>	<u>42,986</u>	<u>252,009</u>
Fund balances			
Nonspendable	164,894	-	164,894
Committed	74,585	8,000,455	8,075,040
<i>Total Fund Balances</i>	<u>239,479</u>	<u>8,000,455</u>	<u>8,239,934</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 448,502</u>	<u>\$ 8,043,441</u>	<u>\$ 8,491,943</u>

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, 2015

	Special Revenue Funds		Totals
	Nutrition Services	School Resources	
REVENUES			
Local sources			
Charges for services	\$ 1,182,672	\$ 3,991,085	\$ 5,173,757
Interest earnings	-	-	-
Miscellaneous	37,878	-	37,878
Intergovernmental			
Intermediate sources	-	-	-
State sources	54,902	-	54,902
Federal sources	3,316,051	-	3,316,051
<i>Total Revenues</i>	<u>4,591,503</u>	<u>3,991,085</u>	<u>8,582,588</u>
EXPENDITURES			
Current			
Instruction	-	4,417,003	4,417,003
Supporting services	16,304	397,074	413,378
Community services	4,699,994	-	4,699,994
<i>Total Expenditures</i>	<u>4,716,298</u>	<u>4,814,077</u>	<u>9,530,375</u>
REVENUES OVER (UNDER) EXPENDITURES	(124,795)	(822,992)	(947,787)
OTHER FINANCING SOURCES			
Transfers in	150,941	1,916,629	2,067,570
Transfers out	-	(215,224)	(215,224)
<i>Total Other Financing Sources</i>	<u>150,941</u>	<u>1,701,405</u>	<u>1,852,346</u>
NET CHANGE IN FUND BALANCES	26,146	878,413	904,559
FUND BALANCES, Beginning of year	<u>213,333</u>	<u>7,122,042</u>	<u>7,335,375</u>
FUND BALANCES, End of year	<u>\$ 239,479</u>	<u>\$ 8,000,455</u>	<u>\$ 8,239,934</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
COMBINING STATEMENT OF NET POSITION
ALL INTERNAL SERVICE FUNDS
JUNE 30, 2015

	<u>Insurance Reserve Fund</u>	<u>Postemployment Benefits Fund</u>	<u>Total</u>
ASSETS			
Current assets:			
Equity in pooled cash and investments	\$ 10,852,564	\$ 3,286,513	\$ 14,139,077
Accounts and other receivables	11,651	-	11,651
<i>Total Assets</i>	<u>10,864,215</u>	<u>3,286,513</u>	<u>14,150,728</u>
LIABILITIES			
Current liabilities:			
Accrued payroll and related charges	430,936	-	430,936
Unearned revenue	1,503,449	-	1,503,449
Early termination stipend benefits - due within one year	-	285,520	285,520
Net OPEB obligation - due within one year	-	2,813,566	2,813,566
<i>Total current liabilities</i>	<u>1,934,385</u>	<u>3,099,086</u>	<u>5,033,471</u>
Long-term liabilities:			
Early termination stipend benefits - due in more than one year	-	70,874	70,874
Net OPEB obligation - due in more than one year	-	1,463,918	1,463,918
<i>Total Liabilities</i>	<u>1,934,385</u>	<u>4,633,878</u>	<u>6,568,263</u>
NET POSITION			
Unrestricted	<u>8,929,830</u>	<u>(1,347,365)</u>	<u>7,582,465</u>
<i>Total Net Position</i>	<u>\$ 8,929,830</u>	<u>\$ (1,347,365)</u>	<u>\$ 7,582,465</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, 2015

	<u>Insurance Reserve Fund</u>	<u>Postemployment Benefits Fund</u>	<u>Totals</u>
OPERATING REVENUES			
Interfund charges for services	\$ 29,516,635	\$ 2,500,576	\$ 32,017,211
Other reimbursements	291,932	-	291,932
<i>Total Operating Revenues</i>	29,808,567	2,500,576	32,309,143
OPERATING EXPENSES	28,813,804	1,929,972	30,743,776
OPERATING INCOME	994,763	570,604	1,565,367
NONOPERATING REVENUES			
Interest income	28,854	-	28,854
INCOME BEFORE TRANSFERS	1,023,617	570,604	1,594,221
TRANSFERS			
Transfers in	1,127,316	-	1,127,316
Transfers out	(1,401,304)	-	(1,401,304)
<i>Total Transfers</i>	(273,988)	-	(273,988)
CHANGE IN NET POSITION	749,629	570,604	1,320,233
TOTAL NET POSITION, Beginning of year	8,180,201	(1,917,969)	6,262,232
TOTAL NET POSITION, End of year	<u>\$ 8,929,830</u>	<u>\$ (1,347,365)</u>	<u>\$ 7,582,465</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2015

	<u>Insurance Reserve Fund</u>	<u>Postemployment Benefits Fund</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 291,932	\$ -	\$ 291,932
Receipts from interfund services provided	29,498,128	2,500,576	31,998,704
Payments to suppliers	(27,990,690)	-	(27,990,690)
Payments to employees	(694,056)	-	(694,056)
Payments to retirees	-	(2,276,638)	(2,276,638)
	<u>-</u>	<u>(2,276,638)</u>	<u>(2,276,638)</u>
<i>Net Cash Provided (Used) by Operating Activities</i>	1,105,314	223,938	1,329,252
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in from other funds	1,127,316	-	1,127,316
Transfers out to other funds	(1,401,304)	-	(1,401,304)
	<u>(1,401,304)</u>	<u>-</u>	<u>(1,401,304)</u>
<i>Net Cash Used by Noncapital Financing Activities</i>	(273,988)	-	(273,988)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	28,854	-	28,854
	<u>28,854</u>	<u>-</u>	<u>28,854</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	860,180	223,938	1,084,118
CASH AND CASH EQUIVALENTS, Beginning of year	<u>9,992,384</u>	<u>3,062,575</u>	<u>13,054,959</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 10,852,564</u>	<u>\$ 3,286,513</u>	<u>\$ 14,139,077</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income	\$ 994,763	\$ 570,604	\$ 1,565,367
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Decrease (increase) in accounts and other receivables	(1,846)	-	(1,846)
Increase (decrease) in accrued payroll and related charges	129,058	-	129,058
Decrease in accrued postemployment benefits payable	-	(346,666)	(346,666)
Increase (decrease) in unearned revenue	(16,661)	-	(16,661)
	<u>(16,661)</u>	<u>-</u>	<u>(16,661)</u>
Total adjustments	110,551	(346,666)	(236,115)
Net cash provided by operating activities	<u>\$ 1,105,314</u>	<u>\$ 223,938</u>	<u>\$ 1,329,252</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, 2015

	<u>Original and Final Budget</u>	<u>Variance with Final Budget</u>	<u>Budget Basis</u>	<u>Actual Adjustments</u>	<u>GAAP Basis</u>
REVENUES					
Local sources					
Taxes	\$ 20,716,805	\$ (121,757)	\$ 20,595,048	\$ -	\$ 20,595,048
Charges for services	4,088,780	103,680	4,192,460	-	4,192,460
Interest earnings	45,000	13,174	58,174	-	58,174
Intergovernmental					
Federal sources	654,240	(705)	653,535	-	653,535
	<u>25,504,825</u>	<u>(5,608)</u>	<u>25,499,217</u>	<u>-</u>	<u>25,499,217</u>
EXPENDITURES					
Debt service					
Principal	22,645,793	11,105,793	11,540,000	-	11,540,000
Interest	-	(11,233,761)	11,233,761	-	11,233,761
	<u>22,645,793</u>	<u>(127,968)</u>	<u>22,773,761</u>	<u>-</u>	<u>22,773,761</u>
REVENUES OVER (UNDER)	<u>2,859,032</u>	<u>(133,576)</u>	<u>2,725,456</u>	<u>-</u>	<u>2,725,456</u>
EXPENDITURES					
NET CHANGE IN FUND BALANCE	2,859,032	(133,576)	2,725,456	-	2,725,456
FUND BALANCE,					
Beginning of year	8,648,963	50,363	8,699,326	-	8,699,326
FUND BALANCE,					
End of year	<u>\$ 11,507,995</u>	<u>\$ (83,213)</u>	<u>\$ 11,424,782</u>	<u>\$ -</u>	<u>\$ 11,424,782</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>	<u>Budget Basis</u>	<u>Actual Adjustments</u>	<u>GAAP Basis</u>
REVENUES						
Local sources						
Charges for services	\$ 1,000,000	1,000,000	(945,080)	\$ 54,920	\$ -	\$ 54,920
Interest earnings	75,000	75,000	152,236	227,236	-	227,236
Miscellaneous	40,000	40,000	35,397	75,397	-	75,397
Intergovernmental						
State sources	680,000	680,000	(47,399)	632,601	-	632,601
<i>Total Revenues</i>	<u>1,795,000</u>	<u>1,795,000</u>	<u>(804,846)</u>	<u>990,154</u>	<u>-</u>	<u>990,154</u>
EXPENDITURES						
Current						
Instruction	1,600,000	1,600,000	1,373,587	226,413	-	226,413
Supporting services	15,769,387	15,913,042	5,196,237	10,716,805	(8,324,367)	2,392,438
Community services	1,000	1,000	1,000	-	-	-
Facilities acquisition and construction	45,760,861	45,760,861	15,886,766	29,874,095	(29,874,095)	-
Debt service						
Principal	818,021	818,021	77,810	740,211	-	740,211
Interest	-	-	(77,810)	77,810	-	77,810
Capital outlay	-	-	-	-	38,198,462	38,198,462
<i>Total Expenditures</i>	<u>63,949,269</u>	<u>64,099,903</u>	<u>22,464,569</u>	<u>41,635,334</u>	<u>-</u>	<u>41,635,334</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(62,154,269)</u>	<u>(62,304,903)</u>	<u>21,659,723</u>	<u>(40,645,180)</u>	<u>-</u>	<u>(40,645,180)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	4,155	594,797	598,952	-	598,952
Transfers out	(2,000)	(329,730)	2,000	(327,730)	-	(327,730)
Construction bonds issued	30,000,000	30,000,000	50,000,000	80,000,000	-	80,000,000
Premium on refunding bonds issued	-	-	9,100,303	9,100,303	-	9,100,303
Sale of capital assets	-	467,230	4,171,035	4,638,265	-	4,638,265
<i>Total Other Financing Sources (Uses)</i>	<u>29,998,000</u>	<u>30,141,655</u>	<u>63,868,135</u>	<u>94,009,790</u>	<u>-</u>	<u>94,009,790</u>
NET CHANGE IN FUND BALANCE	<u>(32,156,269)</u>	<u>(32,163,248)</u>	<u>85,527,858</u>	<u>53,364,610</u>	<u>-</u>	<u>53,364,610</u>
FUND BALANCE, Beginning of year	<u>66,523,314</u>	<u>66,523,314</u>	<u>(26,799,950)</u>	<u>39,723,364</u>	<u>-</u>	<u>39,723,364</u>
FUND BALANCE, End of year	<u>\$ 34,367,045</u>	<u>\$ 34,360,066</u>	<u>\$ 58,727,908</u>	<u>\$ 93,087,974</u>	<u>\$ -</u>	<u>\$ 93,087,974</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NUTRITION SERVICES)
YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>	<u>Budget Basis</u>	<u>Actual Adjustments</u>	<u>GAAP Basis</u>
REVENUES						
Local sources						
Charges for services	\$ 1,178,800	\$ 1,178,800	\$ 3,872	\$ 1,182,672	\$ -	\$ 1,182,672
Miscellaneous	170,000	170,000	(132,122)	37,878	-	37,878
Intergovernmental						
State sources	57,500	57,500	(2,598)	54,902	-	54,902
Federal sources	3,492,336	3,492,336	(202,431)	3,289,905	26,146	3,316,051
Total Revenues	4,898,636	4,898,636	(333,279)	4,565,357	26,146	4,591,503
EXPENDITURES						
Current						
Supporting services	77,245	77,245	60,941	16,304	-	16,304
Community services	4,925,975	4,925,975	225,981	4,699,994	-	4,699,994
Operating contingency	1,000	15,000	15,000	-	-	-
Total Expenditures	5,004,220	5,018,220	301,922	4,716,298	-	4,716,298
REVENUES OVER (UNDER) EXPENDITURES	(105,584)	(119,584)	(31,357)	(150,941)	26,146	(124,795)
OTHER FINANCING SOURCES						
Transfers in	32,000	46,000	(104,941)	150,941	-	150,941
NET CHANGE IN FUND BALANCE	(73,584)	(73,584)	73,584	-	26,146	26,146
FUND BALANCE, Beginning of year	74,584	74,584	-	74,584	138,749	213,333
FUND BALANCE, End of year	\$ 1,000	\$ 1,000	\$ 73,584	\$ 74,584	\$ 164,895	\$ 239,479

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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>	<u>Actual</u>		<u>GAAP Basis</u>
				<u>Budget Basis</u>	<u>Adjustments</u>	
REVENUES						
Local sources						
Charges for services	\$ 5,000,000	\$ 5,000,000	\$ (1,008,915)	\$ 3,991,085	\$ -	\$ 3,991,085
Miscellaneous	10,000	10,000	(10,000)	-	-	-
<i>Total Revenues</i>	<u>5,010,000</u>	<u>5,010,000</u>	<u>(1,018,915)</u>	<u>3,991,085</u>	<u>-</u>	<u>3,991,085</u>
EXPENDITURES						
Current						
Instruction	6,439,500	5,499,657	1,082,654	4,417,003	-	4,417,003
Supporting services	1,890,500	3,026,822	2,629,748	397,074	-	397,074
Community services	1,000	1,000	1,000	-	-	-
Operating contingency	508,000	508,000	508,000	-	-	-
Capital outlay	1,000	1,000	1,000	-	-	-
<i>Total Expenditures</i>	<u>8,840,000</u>	<u>9,036,479</u>	<u>4,222,402</u>	<u>4,814,077</u>	<u>-</u>	<u>4,814,077</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(3,830,000)</u>	<u>(4,026,479)</u>	<u>(3,203,487)</u>	<u>(822,992)</u>	<u>-</u>	<u>(822,992)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	1,916,629	1,916,629	-	1,916,629
Transfers out	(193,000)	(218,000)	2,776	(215,224)	-	(215,224)
<i>Total Other Financing Sources (Uses)</i>	<u>(193,000)</u>	<u>(218,000)</u>	<u>1,919,405</u>	<u>1,701,405</u>	<u>-</u>	<u>1,701,405</u>
NET CHANGE IN FUND BALANCE	<u>(4,023,000)</u>	<u>(4,244,479)</u>	<u>5,122,892</u>	<u>878,413</u>	<u>-</u>	<u>878,413</u>
FUND BALANCE , Beginning of year	<u>6,523,000</u>	<u>6,744,479</u>	<u>377,563</u>	<u>7,122,042</u>	<u>-</u>	<u>7,122,042</u>
FUND BALANCE , End of year	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>	<u>\$ 5,500,455</u>	<u>\$ 8,000,455</u>	<u>\$ -</u>	<u>\$ 8,000,455</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>	<u>Budget Basis</u>	<u>Actual Adjustments</u>	<u>GAAP Basis</u>
REVENUES						
Local sources						
Interest earnings	\$ 22,000	\$ 22,000	\$ 6,854	\$ 28,854	\$ -	\$ 28,854
Miscellaneous	32,685,000	32,685,000	(3,168,365)	29,516,635	-	29,516,635
Intergovernmental						
State sources	-	120,000	171,932	291,932	-	291,932
<i>Total Revenues</i>	<u>32,707,000</u>	<u>32,827,000</u>	<u>(2,989,579)</u>	<u>29,837,421</u>	<u>-</u>	<u>29,837,421</u>
EXPENSES						
Current						
Instruction	1,000	1,000	1,000	-	-	-
Supporting services	34,458,003	33,361,708	4,547,904	28,813,804	-	28,813,804
Community services	1,000	1,000	1,000	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Operating contingency	500,000	445,794	445,794	-	-	-
<i>Total Expenses</i>	<u>34,960,003</u>	<u>33,809,502</u>	<u>4,995,698</u>	<u>28,813,804</u>	<u>-</u>	<u>28,813,804</u>
REVENUES OVER (UNDER) EXPENSES	<u>(2,253,003)</u>	<u>(982,502)</u>	<u>2,006,119</u>	<u>1,023,617</u>	<u>-</u>	<u>1,023,617</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	1,125,000	1,125,000	2,316	1,127,316	-	1,127,316
Transfers out	(263,000)	(1,413,501)	12,197	(1,401,304)	-	(1,401,304)
<i>Total Other Financing Sources (Uses)</i>	<u>862,000</u>	<u>(288,501)</u>	<u>14,513</u>	<u>(273,988)</u>	<u>-</u>	<u>(273,988)</u>
NET CHANGE IN FUND NET POSITION	<u>(1,391,003)</u>	<u>(1,271,003)</u>	<u>2,020,632</u>	<u>749,629</u>	<u>-</u>	<u>749,629</u>
FUND NET POSITION, Beginning of year	<u>6,148,992</u>	<u>6,148,992</u>	<u>2,031,209</u>	<u>8,180,201</u>	<u>-</u>	<u>8,180,201</u>
FUND NET POSITION, End of year	<u>\$ 4,757,989</u>	<u>\$ 4,877,989</u>	<u>\$ 4,051,841</u>	<u>\$ 8,929,830</u>	<u>\$ -</u>	<u>\$ 8,929,830</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>	<u>Actual</u>		<u>GAAP Basis</u>
				<u>Budget Basis</u>	<u>Adjustments</u>	
REVENUES						
Local sources						
Miscellaneous	\$ 2,315,838	\$ 2,315,838	\$ 184,738	\$ 2,500,576	\$ -	\$ 2,500,576
EXPENSES						
Current						
Supporting services	2,315,838	2,365,838	89,200	2,276,638	(346,666)	1,929,972
Operating contingency	400,000	350,000	350,000	-	-	-
Total Expenses	<u>2,715,838</u>	<u>2,715,838</u>	<u>439,200</u>	<u>2,276,638</u>	<u>(346,666)</u>	<u>1,929,972</u>
REVENUES OVER (UNDER) EXPENSES	<u>(400,000)</u>	<u>(400,000)</u>	<u>623,938</u>	<u>223,938</u>	<u>346,666</u>	<u>570,604</u>
NET CHANGE IN FUND NET POSITION	<u>(401,000)</u>	<u>(401,000)</u>	<u>624,938</u>	<u>223,938</u>	<u>346,666</u>	<u>570,604</u>
FUND NET POSITION, Beginning of year	<u>1,783,396</u>	<u>1,783,396</u>	<u>1,279,179</u>	<u>3,062,575</u>	<u>(4,980,544)</u>	<u>(1,917,969)</u>
FUND NET POSITION, End of year	<u>\$ 1,382,396</u>	<u>\$ 1,382,396</u>	<u>\$ 1,904,117</u>	<u>\$ 3,286,513</u>	<u>\$ (4,633,878)</u>	<u>\$ (1,347,365)</u>

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

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LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULE BY SOURCE ⁽¹⁾
JUNE 30, 2015 AND 2014

	2015	2014
Governmental funds capital assets:		
Land	\$ 1,598,537	\$ 1,621,220
Construction in progress	22,628,576	6,402,150
Athletic field improvements	14,185,413	12,435,307
Buildings and improvements	303,308,683	290,436,398
Equipment	14,947,993	10,693,798
Vehicles	14,780,509	13,837,244
Intangibles	2,617,545	2,380,634
Total governmental funds capital assets	<u>\$ 374,067,256</u>	<u>\$ 337,806,751</u>

⁽¹⁾ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Capital assets purchased by the internal service fund 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 ⁽¹⁾
JUNE 30, 2015

	<u>Land</u>	<u>Athletic Field Improvements</u>	<u>Buildings and Improvements</u>
Direct classroom services			
Regular instruction	\$ 750,548	\$ -	\$ 165,653,994
Special programs	177,614	-	39,201,803
Total direct classroom services	<u>928,162</u>	<u>-</u>	<u>204,855,797</u>
Classroom support services			
Extracurricular activities	25,741	14,185,413	5,681,421
Counselors, nurses and student support	67,838	-	18,840,957
Libraries, curriculum and staff development	23,333	-	8,335,407
School administration	132,383	-	29,218,735
Community services	5,884	-	1,298,610
Total classroom support services	<u>255,179</u>	<u>14,185,413</u>	<u>63,375,130</u>
Building support services			
Facilities operation and maintenance	182,542	-	8,600,961
Student transportation	165,100	-	3,209,076
Computing and information services	3,675	-	3,065,688
Warehouse and purchasing	1,492	-	1,244,715
Total building support services	<u>352,809</u>	<u>-</u>	<u>16,120,440</u>
Central support services			
Executive administration	931	-	777,423
Financial services	2,984	-	2,489,431
Human resources	2,743	-	2,288,265
Communications and intergovernmental relations	560	-	467,292
Total central support services	<u>7,218</u>	<u>-</u>	<u>6,022,411</u>
Nutrition Services	<u>55,169</u>	<u>-</u>	<u>12,934,905</u>
Total governmental funds capital assets	<u>\$ 1,598,537</u>	<u>\$ 14,185,413</u>	<u>\$ 303,308,683</u>

⁽¹⁾ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Capital assets purchased by the internal service fund are included as governmental activities in the statement of net position.

<i>Equipment</i>	<i>Vehicles</i>	<i>Intangibles</i>	<i>Construction in Progress</i>	<i>Total</i>
\$ 392,383	\$ -	\$ -	\$ 22,628,576	\$ 189,425,501
142,169	-	-	-	39,521,586
534,552	-	-	22,628,576	228,947,087
66,985	-	-	-	19,959,560
328,503	-	-	-	19,237,298
131,907	-	-	-	8,490,647
441,749	-	-	-	29,792,867
619,889	-	-	-	1,924,383
1,589,033	-	-	-	79,404,755
3,099,385	2,080,102	-	-	13,962,990
203,175	12,303,684	-	-	15,881,035
9,404,906	53,019	2,617,545	-	15,144,833
-	343,704	-	-	1,589,911
12,707,466	14,780,509	2,617,545	-	46,578,769
21,293	-	-	-	799,647
50,954	-	-	-	2,543,369
17,415	-	-	-	2,308,423
9,315	-	-	-	477,167
98,977	-	-	-	6,128,606
17,965	-	-	-	13,008,039
\$ 14,947,993	\$ 14,780,509	\$ 2,617,545	\$ 22,628,576	\$ 374,067,256

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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, 2015 AND 2014

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 2015 and 2014 follows:

	2015			2014		
	General Fund		Debt	General Fund		Debt
	Permanent	Local Option	Service Fund	Permanent	Local Option	Service Fund
Tax Rate	\$ 4.75	\$ 1.50	\$ 1.60	\$ 4.75	\$ 1.50	\$ 1.60
Amount tax rate will raise	62,890,252	20,169,493	21,264,380	60,405,676	19,363,282	20,587,269
Rounding gain (loss)	887	291	1,227	785	222	954
Measure 5 compression loss	(761,119)	(9,444,268)	-	(1,447,246)	(11,356,538)	-
Taxes imposed for District	<u>\$ 62,130,020</u>	<u>\$ 10,725,516</u>	<u>\$ 21,265,607</u>	<u>\$ 58,959,215</u>	<u>\$ 8,006,966</u>	<u>\$ 20,588,223</u>
District tax rate per \$1,000 of TAV ⁽¹⁾	<u>\$ 4.69</u>	<u>\$ 0.81</u>	<u>\$ 1.58</u>	<u>\$ 4.63</u>	<u>\$ 0.63</u>	<u>\$ 1.60</u>

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

	Lane	Linn
2015	\$ 13,233,230,082	\$ 11,005,313
2014	12,710,205,217	10,796,350

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, 2015

	Current Levy and Taxes July 1, 2014	Tax Collections	Discounts and Adjustments	Taxes Receivable June 30, 2015		
				Total	General Fund	Debt Service Fund
2014-2015	\$ 94,121,143	\$ 88,564,636	\$ 2,857,234	\$ 2,699,273	\$ 2,117,013	\$ 582,260
2013-2014	2,676,538	1,050,856	180,880	1,444,802	1,110,389	334,413
2012-2013	1,426,067	353,440	135,361	937,266	773,658	163,608
2011-2012	1,027,211	368,780	13,141	645,290	526,065	119,225
2010-2011	675,161	207,730	10,598	456,833	371,483	85,350
2009-2010	455,467	25,677	10,271	419,519	339,164	80,355
2008-2009	76,152	16,715	7,632	51,805	42,162	9,643
Prior	561,973	12,748	5,229	543,996	474,835	69,161
Totals	\$ 101,019,712	\$ 90,600,582	\$ 3,220,346	\$ 7,198,784	\$ 5,754,769	\$ 1,444,015

SUMMARY OF PROPERTY TAX REVENUE

Tax collection shown above	\$ 90,600,582
Increase in taxes available to meet current demands, net	527,938
Interest on tax collection	401,435
Assessment of additional taxes and penalties, Lane County	240,013
Payments in lieu of tax and other adjustments	(387,322)
Total Tax Revenue (Budgetary Basis)	\$ 91,382,646

GENERAL FUND

DEBT SERVICE FUND

\$ 70,787,598
20,595,048
\$ 91,382,646

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
DEBT INFORMATION
YEAR ENDED JUNE 30, 2015

	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Principal Issued</u>	<u>Principal Outstanding</u>
SECURED BY THE FULL FAITH & CREDIT OF THE DISTRICT				
2008 Refunding	9/23/08	7/1/17	\$ 47,295,000	\$ 32,680,000
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	34,445,000
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
2014 School improvement	9/18/14	6/15/34	80,000,000	79,255,000
<i>Total General Obligation Bonds</i>			239,693,312	218,820,401
Pension Bonds	2/19/04	6/30/28	53,435,000	47,250,000
<i>Total GO and Pension Bonds</i>			293,128,312	266,070,401
CAPITAL LEASE PURCHASE AGREEMENTS				
Capital One Public Funding LLC	7/29/05	7/29/15	406,115	46,586
Capital One Public Funding LLC	3/17/06	8/1/15	66,142	7,733
Capital One Public Funding LLC	9/8/06	7/28/16	581,013	134,484
SunTrust	6/13/07	7/15/17	310,575	106,731
SunTrust	7/25/07	7/25/17	104,667	36,451
SunTrust	9/30/08	7/15/18	472,302	213,271
Capital One Public Funding LLC	2/9/11	7/12/15	1,128,750	232,742
US Bancorp Government Leasing and Finance	7/15/11	7/15/21	1,382,438	977,979
US Bancorp Government Leasing and Finance	8/30/12	7/30/22	649,080	527,850
<i>Total Capital Lease Purchase Agreements</i>			5,101,082	2,283,827
<i>Total Gross Direct and Net Direct Debt</i>			<u>\$ 298,229,394</u>	<u>\$ 268,354,228</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, 2015

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 ⁽¹⁾	\$ 218,820,401
Net overlapping debt	<u>70,486,551</u>
Total net property-tax backed plus overlapping debt	<u><u>\$ 289,306,952</u></u>

PER CAPITA RATIOS		<u>Amount per Capita</u>	<u>Percentage</u>
2014-15 estimated District population	157,381		
2014-15 real market value	<u>\$ 19,562,134,348</u>	<u>\$ 124,298</u>	
Gross and net property-tax backed debt	\$ 218,820,401	\$ 1,390	1.12%
Net overlapping debt	<u>70,486,551</u>	<u>448</u>	<u>0.36%</u>
Total net direct plus overlapping debt	<u><u>\$ 289,306,952</u></u>	<u><u>\$ 1,838</u></u>	<u><u>1.48%</u></u>

⁽¹⁾ 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><u>7.95%</u></u>

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

DEBT INFORMATION (Continued)

YEAR ENDED JUNE 30, 2015

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 (2014-15)	\$ 19,562,134,348
General obligation debt capacity (7.95% of Real Market Value)	1,555,189,681
Outstanding obligations subject to limit	218,820,401
Less: Amount available in debt service fund	<u>11,087,645</u>
Remaining debt capacity	<u>\$ 1,347,456,925</u>
Percent of general obligation debt capacity issued	13.36%

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*****	48,301	15,409	32,892	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 2014-15 AND 2015-16 ADOPTED GENERAL FUND BUDGETS
YEAR ENDED JUNE 30, 2015

	2014-15	2015-16
	Budget	Budget
	<i>(in thousands)</i>	
RESOURCES		
State School Funding		
Property taxes	\$ 57,682	\$ 60,794
Property taxes, prior years	1,698	2,133
State School Fund	74,650	78,252
Other SSF revenues	1,625	1,773
Local option property tax	7,904	11,485
Transfers	427	905
Other sources	5,571	5,598
	<hr/>	<hr/>
<i>Total Revenues</i>	149,557	160,940
Beginning net working capital	<hr/>	<hr/>
	9,857	9,749
	<hr/>	<hr/>
<i>Total Budget Resources</i>	<u>\$ 159,414</u>	<u>\$ 170,689</u>
 REQUIREMENTS		
Salaries	\$ 75,782	\$ 82,897
Benefits	52,258	53,884
Services	15,957	16,754
Supplies	4,824	4,886
Equipment	69	60
Other	2,067	2,195
Board Priorities Reserve	1,100	284
Operations Reserve	-	1,444
Contingency	2,997	3,188
	<hr/>	<hr/>
<i>Total Expenditures</i>	155,054	165,592
Unappropriated balance	<hr/>	<hr/>
	4,360	5,097
	<hr/>	<hr/>
<i>Total Budget Requirements</i>	<u>\$ 159,414</u>	<u>\$ 170,689</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, 2015**

	<u>Cash Balance</u> <u>07/01/2014</u>	<u>SBA</u> <u>Cash Receipts</u>	<u>SBA</u> <u>Disbursements</u>	<u>Cash Balance</u> <u>06/30/2015</u>
High Schools:				
Churchill	\$ 216,287	\$ 462,311	\$ 463,601	\$ 214,997
Comm.Lvg.Prgm	8,522	5,782	6,848	7,456
Early Col&Career Opt	39,024	3,163	20,772	21,415
North Eugene	251,112	431,429	396,514	286,027
Sheldon	472,875	985,310	990,575	467,610
South Eugene	743,974	1,258,320	1,331,048	671,246
Transition Ed. Netwk	9,250	693	1,123	8,820
<i>Total High Schools</i>	<u>1,741,044</u>	<u>3,147,008</u>	<u>3,210,481</u>	<u>1,677,571</u>
Middle Schools:				
Arts & Technology	75,449	38,725	40,629	73,545
Cal Young	102,197	90,744	76,875	116,066
Colin Kelly	74,894	55,595	53,315	77,174
Kennedy	35,148	59,757	48,089	46,816
Madison	80,597	91,421	72,358	99,660
Monroe	76,721	72,604	53,499	95,826
Roosevelt	270,929	136,621	158,074	249,476
Spencer Butte	147,939	134,156	99,234	182,861
<i>Total Middle Schools</i>	<u>863,874</u>	<u>679,623</u>	<u>602,073</u>	<u>941,424</u>
Elementary Schools:				
Adams	69,588	51,971	68,809	52,750
Awbrey Park	53,526	26,429	23,927	56,028
Bertha Holt	125,831	32,446	50,432	107,845
Buena Vista	5,312	23,746	14,585	14,473
Camas Ridge	201,562	150,254	210,846	140,970
Cesar Chavez	14,693	27,838	32,294	10,237
Charlemagne Fox Hollow	21,077	15,181	28,412	7,846
Corridor	24,029	35,494	38,336	21,187
Edgewood	33,569	186,445	146,549	73,465
Edgewood PGA	45,885	-	45,885	-
Edison	131,331	153,286	137,854	146,763
Gilham	29,629	52,373	47,110	34,892
Howard	8,434	22,310	23,616	7,128
McCornack	46,428	45,939	50,858	41,509
River Road/Camino Del Rio	9,840	27,107	24,891	12,056
Spring Creek	22,248	14,140	13,229	23,159
Twin Oaks	39,165	19,965	22,694	36,436
Willagillespie	112,784	48,479	94,873	66,390
Yujin Gakuen	54,673	43,289	34,462	63,500
<i>Total Elementary Schools</i>	<u>1,049,604</u>	<u>976,692</u>	<u>1,109,662</u>	<u>916,634</u>
TOTAL ALL SCHOOLS	<u><u>3,654,522</u></u>	<u><u>4,803,323</u></u>	<u><u>4,922,216</u></u>	<u><u>3,535,629</u></u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, Eugene, Oregon
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

	<i>Pass-Through/ Entity Identifying Number</i>	<i>Federal CFDA Number</i>	<i>Current Year's Revenues and Expenditures</i>
U.S. Department of Education			
Direct Programs:			
Indian Education Grants to Local Education Agencies	S060A141100	84.060A	\$ 250,222
Improving Teacher Quality State Grants - National Writing Project	12-OR01-CTRLSEED	84.367D	875
Subtotal Direct Programs			251,097
Passed Through Oregon State Deptment of Education			
Title I			
Title IA Grants to Local Edu. Agencies	28123	84.010	1,070,003
Title IA Grants to Local Edu. Agencies	32578	84.010	2,706,130
Title IAD Grants to Local Edu. Agencies - Priority/Focus Improvement (RR)	28360	84.010	20,929
Title IAD Grants to Local Edu. Agencies - Priority/Focus Improvement (RR)	32772	84.010	37,831
Title IAD Grants to Local Edu. Agencies - Priority/Focus Improvement (SC)	28361	84.010	434
Title IAD Grants to Local Edu. Agencies - Priority/Focus Improvement (SC)	32773	84.010	38,176
Title ID Grants to Local Edu. Agencies	28259	84.010	4,870
Title ID Grants to Local Edu. Agencies	32504	84.010	38,476
Title 1 D			
Title ID Grants to Local Educational Agencies - LT Care & Treatment	S013A140037	84.013	12,817
Title II			
Improving Teacher Quality State Grants - Title IIA/Class Size Reduction	28638	84.367	232,971
Improving Teacher Quality State Grants - Title IIA/Class Size Reduction	32902	84.367	286,823
Mathematics & Science Partnerships - Title IIB	29570	84.366	105,751
Mathematics & Science Partnerships - Title IIB	34376	84.366	165,550
Title III A			
English Language Acquisition State Grants - Title III	30005	84.365	10,368
English Language Acquisition State Grants - Title III	32322	84.365	44,996
English Language Acquisition State Grants - Title III Immigrant	32826	84.365	31,074
Career & Technical Education			
Basic Grants to States-Perkins (Passed through Lane ESD)	NA	84.048	63,315
Homeless Children and Youth			
McKinney Vinto (Passed through Lane ESD)	NA	84.196	12,550
21st Century Community Learning Centers			
Cohort 3 Year 1	28299	84.287	58,325
Cohort 3 Year 2	32268	84.287	458,231
Special Education and Rehabilitation Services			
Regional Orthopedic Impaired (Passed through Lane ESD)	NA	84.027	5,932
Traumatic Brain Injury (Passed through Lane ESD)	NA	84.027	13,093
Extended Assessment	31833	84.027	7,200
IDEA Enhancement Grant	33690	84.027	12,731
IDEA Part B, Section 611	28432	84.027	792,909
IDEA Part B, Section 611	H027A140095	84.027	1,625,072
Long Term Care & Treatment IDEA Funds	34212	84.027	3,333
SPRI	32085	84.027	7,630
IDEA Part B, Section 519	H173A140100	84.173	24,370
IDEA Part B, Section 519	28841	84.173	5,520
Subtotal Special Education Cluster (IDEA)			2,497,790
Total U.S. Department of Education			8,148,507
U.S. Department of Transportation			
Passed Through Lane Transit District			
Student Traffic Safety Program	2012-52	20.205	19,262
Student Traffic Safety Program	2012-52A	20.205	54,961
Subtotal Highway Planning and Construction Cluster			74,223
Total U.S. Department of Transportation			74,223

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
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

	<i>Pass-Through/ Entity Identifying Number</i>	<i>Federal CFDA Number</i>	<i>Current Year's Revenues and Expenditures</i>
U.S. Department of Health and Human Services			
Passed Through Lane County, Oregon			
Family Resource Ctr I 2014-2015 (Lane County CCF)	50847	93.566	\$ 1,992
Family Resource Ctr I 2014-2015 (Lane County CCF)	50847A	93.566	12,234
Family Resource Ctr II 2014-2015 (Lane County CCF)	50847A	93.566	4,688
Passed through Oregon Employment Department - Child Care Division			
Child Care and Development Block Grant	9964	93.575	11,430
Total U.S. Department of Health and Human Services			30,344
U.S. Department of Justice			
Passed through the University of Oregon			
Project STAY OUT	224370C	16.548	10,467
Project STAY OUT	224370C A1	16.548	41,272
Total U.S. Department of Justice			51,739
U.S. Department of Homeland Security			
Passed Through State of Oregon			
FEMA Disaster 4169, PW 36	4169-DR-OR	97.036	30,515
Total U.S. Department of Homeland Security			30,515
U.S. Department of Agriculture			
Passed Through Oregon State Department of Education			
School Breakfast Program	NA	10.553	739,385
National School Lunch Program	NA	10.555	2,159,399
Summer Food Service Program for Children	NA	10.559	37,344
Subtotal Child Nutrition Cluster			2,936,128
Passed Through Lane County, Oregon			
Forest Service Schools and Roads - Grants to Counties	NA	10.666	883,952
Passed Through Linn County, Oregon			
Forest Service Schools and Roads - Grants to Counties	NA	10.666	1,171
Subtotal Forest Service Schools and Roads Cluster			885,123
Passed Through Oregon State Department of Education			
Child and Adult Care Food Program	NA	10.558	116,958
Fresh Fruit & Vegetable Program - Chavez Elementary	34534	10.582	16,824
Fresh Fruit & Vegetable Program - Chavez Elementary	33064	10.582	2,324
Fresh Fruit & Vegetable Program - Howard Elementary	33076	10.582	1,661
Fresh Fruit & Vegetable Program - Howard Elementary	34535	10.582	13,076
Total U.S. Department of Agriculture			3,972,094
Total Federal Expenditures			\$ 12,307,422
Reconciliation of Federal Expenditures to Federal Revenue			
Federal revenue reported above			\$ 12,307,422
Federal revenue not required to be reported in this schedule:			
Qualified school construction bond subsidy			653,535
Commodity value received			265,728
Miscellaneous federal revenue			3,057
Total revenue from Federal sources			\$ 13,229,742

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, 2015

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, 2015.

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 \$132,547.97.

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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, 2015

Code	Function	Actual	Budget	Variance
LOCAL REVENUE				
1111	Taxes - current year's levy	\$ 58,824,515	\$ 57,682,000	\$ 1,142,515
1112	Taxes - prior years' levies	1,213,444	1,323,000	(109,556)
1120	Local option levy	10,398,148	7,904,000	2,494,148
1190	Penalties and interest on taxes	312,408	325,000	(12,592)
1200	Local governmental units	39,083	50,000	(10,917)
1310	Regular day school tuition	425	-	425
1500	Earnings on investments	92,266	145,000	(52,734)
1700	Extracurricular activities income	531,308	706,180	(174,872)
1800	Community service income	218,970	160,300	58,670
1910	Rentals	364,822	450,000	(85,178)
1980	Fees charged to grants	548,821	547,900	921
1990	Refunds and miscellaneous	1,371,342	1,408,792	(37,450)
1000	<i>Total Local Revenue</i>	73,915,552	70,702,172	3,213,380
INTERMEDIATE REVENUE				
2101	County school fund	2,638,932	2,513,844	125,088
2900	Revenue for/on behalf of the District	10,125	10,000	125
2000	<i>Total Intermediate Revenue</i>	2,649,057	2,523,844	125,213
STATE REVENUE				
3101	State school fund (except 3102 and 3106)	74,283,725	73,825,000	458,725
3103	Common school fund	1,823,107	1,425,000	398,107
3199	Other unrestricted grants-in-aid	527,032	825,000	(297,968)
3900	Revenue for/on behalf of the District	78,278	83,886	(5,608)
3000	<i>Total State Revenue</i>	76,712,142	76,158,886	553,256
REVENUE FROM FEDERAL SOURCES				
4801	Federal forest fees	885,123	-	885,123
4900	Other revenue from federal sources	190	-	190
4000	<i>Total Federal Revenue</i>	885,313	-	885,313
	<i>Total Revenue</i>	154,162,064	149,384,902	4,777,162
OTHER SOURCES				
5200	Transfer from other funds	1,822,455	1,830,231	(7,776)
5400	FUND BALANCES, Beginning	9,560,713	9,856,514	(295,801)
6000	TOTAL RESOURCES	<u>\$ 165,545,232</u>	<u>\$ 161,071,647</u>	<u>\$ 4,473,585</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, 2015

<u>Code</u>	<u>Function</u>	<u>100</u> <u>Salaries</u>	<u>200</u> <u>Employee</u> <u>Benefits</u>	<u>300</u> <u>Purchased</u> <u>Services</u>	<u>400</u> <u>Supplies &</u> <u>Materials</u>
INSTRUCTION					
1100	Regular programs				
1111	Elementary	\$ 16,684,682	\$ 10,488,179	\$ 17,580	\$ 342,688
1113	Elementary extracurricular	9,701	3,388	-	-
1121	Middle/JHS	8,563,043	5,168,580	12,596	158,932
1122	Middle/JHS extracurricular	145,118	48,897	1,234	141
1131	High school	13,078,716	7,811,403	52,395	256,666
1132	High school extracurricular	1,463,939	546,902	175,651	113,881
1200	Special programs				
1210	Talented and gifted	36,075	13,285	567	922
1220	Restrictive programs for students with disabilities	3,125,586	2,165,097	507,868	15,384
1250	Less restrictive programs for students with disabilities	5,058,805	3,370,160	91,861	22,358
1260	Treatment and habilitation	53,052	33,085	60,223	3,283
1271	Remediation	-	-	1,198	309
1280	Early intervention/other special programs	440,525	234,096	2,193,591	77,819
1288	Charter school flow through	-	-	4,813,312	-
1290	Other special programs	894,728	592,885	23,859	17,332
1400	Summer school programs	67,561	21,229	34,916	3,918
	<i>Total Instruction</i>	<u>49,621,531</u>	<u>30,497,186</u>	<u>7,986,851</u>	<u>1,013,633</u>
SUPPORTING SERVICES					
2100	Students				
2110	Attendance and social work	506,057	313,658	346,177	-
2120	Guidance services	1,521,039	963,256	5,675	8,416
2130	Health services	748,570	505,791	27,378	11,902
2140	Psychological services	629,503	353,365	-	13,942
2150	Speech pathology and audiology services	980,190	604,896	1,682	3,289
2160	Educational services	366,915	225,132	-	3,304
2190	Service area direction, students	904,271	503,211	152,964	24,270
2200	Instructional staff and educational media	3,128,188	1,660,208	701,204	861,128
2300	General administration				
2310	Board of education	-	-	280,155	321
2320	Executive administration	451,284	187,552	54,279	3,879
2400	School administration				
2410	Principals services	7,175,227	4,521,386	132,147	527,537
2500	Business				
2520	Fiscal services	994,159	569,840	87,055	22,551
2540	Operation and maintenance	4,038,690	3,032,856	3,345,873	1,256,456
2550	Student transportation	3,121,181	2,533,019	377,956	944,492
2570	Internal services	220,783	163,351	63,196	8,774
2600	Central				
2630	Information services	275,379	145,845	90,862	15,212
2640	Staff services	890,967	542,933	116,970	32,563
2660	Technology services	2,049,467	1,253,408	958,657	153,465
2700	District retirement	-	2,315,817	-	-
	<i>Total Supporting Services</i>	<u>28,001,870</u>	<u>20,395,524</u>	<u>6,742,230</u>	<u>3,891,501</u>
ENTERPRISE AND COMMUNITY SERVICES					
3320	Community recreation services	-	-	22,922	-
3500	Custody and care of children services	283,372	193,618	-	-
	<i>Total Enterprise and Community Services</i>	<u>283,372</u>	<u>193,618</u>	<u>22,922</u>	<u>-</u>
FACILITIES ACQUISITION AND CONSTRUCTION					
	<i>Total Facilities Acquisition and Construction</i>	-	-	-	-
DEBT SERVICE					
5100	Debt Service	-	-	-	-
OTHER USES					
5200	Interfund Transfers	-	-	-	-
6110	OPERATING CONTINGENCY	-	-	-	-
7000	ENDING BALANCE	-	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 77,906,773</u>	<u>\$ 51,086,328</u>	<u>\$ 14,752,003</u>	<u>\$ 4,905,134</u>

<u>500</u> <u>Capital</u> <u>Outlay</u>	<u>600</u> <u>Other</u> <u>Objects</u>	<u>700</u> <u>Transfers & Flow-</u> <u>through Payments</u>	<u>Actual Fund Total</u>	<u>Appropriations</u>	<u>Variance</u>
\$ -	\$ -	\$ -	\$ 27,533,129		
-	-	-	13,089		
-	124	-	13,903,275		
-	-	-	195,390		
-	25,259	-	21,224,439		
-	13,064	-	2,313,437		
-	-	-	50,849		
-	-	-	5,813,935		
-	-	-	8,543,184		
-	-	-	149,643		
-	-	-	1,507		
-	33,859	-	2,979,890		
-	-	58,112	4,871,424		
-	-	-	1,528,804		
-	-	-	127,624		
-	72,306	58,112	89,249,619	\$ 90,613,134	\$ 1,363,515
-	-	-	1,165,892		
-	-	-	2,498,386		
-	1,008	-	1,294,649		
-	-	-	996,810		
-	-	-	1,590,057		
-	-	-	595,351		
-	-	-	1,584,716		
-	4,239	-	6,354,967		
-	15,944	-	296,420		
-	2,779	-	699,773		
-	1,115	-	12,357,412		
-	1,260	-	1,674,865		
-	709,822	-	12,383,697		
41,426	69,877	-	7,087,951		
-	670	-	456,774		
-	780	-	528,078		
-	4,895	-	1,588,328		
-	845	-	4,415,842		
-	-	-	2,315,817		
41,426	813,234	-	59,885,785	60,520,987	635,202
-	-	-	22,922		
-	-	-	476,990		
-	-	-	499,912	712,163	212,251
-	-	-	-	1,000	1,000
-	-	-	-	1,000	1,000
-	-	3,672,035	3,672,035	4,459,555	787,520
-	-	-	-	403,517	403,517
-	-	12,237,881	12,237,881	4,360,291	(7,877,590)
<u>\$ 41,426</u>	<u>\$ 885,540</u>	<u>\$ 15,968,028</u>	<u>\$ 165,545,232</u>	<u>\$ 161,071,647</u>	<u>\$ (4,473,585)</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, 2015

<u>Code</u>	<u>Function</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	LOCAL REVENUE			
1111	Taxes - current year's levy	\$ 20,198,121	\$ 20,202,805	\$ (4,684)
1112	Taxes - prior years' levies	307,900	429,000	(121,100)
1190	Penalties and interest on taxes	89,027	85,000	4,027
1200	Local governmental units	-	-	-
1500	Earnings on investments	58,174	45,000	13,174
1900	Charges to other funds	4,192,460	4,088,780	103,680
1000	<i>Total Local Revenue</i>	24,845,682	24,850,585	(4,903)
	REVENUE FROM FEDERAL SOURCES			
4990	Other revenue from Federal sources	653,535	654,240	(705)
	<i>Total Revenue</i>	25,499,217	25,504,825	(5,608)
5400	FUND BALANCES, Beginning	8,699,326	8,648,963	50,363
6000	TOTAL RESOURCES	\$ 34,198,543	\$ 34,153,788	\$ 44,755

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, 2015

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

<u>500</u> <u>Capital</u> <u>Outlay</u>	<u>600</u> <u>Other</u> <u>Objects</u>	<u>700</u> <u>Transfers & Flow-</u> <u>through Payments</u>	<u>Actual Fund Total</u>	<u>Appropriations</u>	<u>Variance</u>
\$ -	\$ 11,540,000	\$ -	\$ 11,540,000		
-	11,233,761	-	11,233,761		
-	22,773,761	-	22,773,761	\$ 22,645,793	\$ (127,968)
-	-	11,424,782	11,424,782	11,507,995	83,213
<u>\$ -</u>	<u>\$ 22,773,761</u>	<u>\$ 11,424,782</u>	<u>\$ 34,198,543</u>	<u>\$ 34,153,788</u>	<u>\$ (44,755)</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, 2015

Code	Function	Actual	Budget	Variance
LOCAL REVENUE				
1200	Local governmental units other than District	\$ 54,920	\$ 1,000,000	\$ (945,080)
1500	Earnings on investments	227,236	75,000	152,236
1990	Refunds and miscellaneous	75,397	40,000	35,397
1000	<i>Total Local Revenue</i>	357,553	1,115,000	(757,447)
STATE REVENUE				
3222	SSF Transportation	632,601	680,000	(47,399)
	<i>Total Revenue</i>	990,154	1,795,000	(804,846)
OTHER FINANCING SOURCES				
5110	Construction bonds issued	80,000,000	30,000,000	50,000,000
5120	Bond premium	9,100,303	-	9,100,303
5200	Interfund transfers	598,952	4,155	594,797
	<i>Total Other Sources</i>	94,337,520	30,471,385	63,866,135
5400	FUND BALANCES, Beginning	39,723,364	66,523,314	(26,799,950)
6000	TOTAL RESOURCES	<u>\$ 135,051,038</u>	<u>\$ 98,789,699</u>	<u>\$ 36,261,339</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, 2015

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Supplies & Materials
INSTRUCTION					
1100	Regular programs				
1111	Elementary (curricular)	\$ -	\$ -	\$ -	\$ 82,151
1121	Middle/JHS	-	-	-	11,724
1131	High school	-	-	-	132,538
	<i>Total Instruction</i>	-	-	-	226,413
SUPPORTING SERVICES					
2100	Students				
2190	Service area direction, students	2,289	781	1,652	341,638
2200	Instructional staff and educational media	-	-	-	42,850
2500	Business				
2520	Fiscal services	-	-	326,910	-
2540	Operation and maintenance	1,496,103	941,468	400,428	175,254
2550	Student transportation	-	-	-	47,608
2660	Technology services	230,712	136,334	90,016	3,786,391
2700	District retirement	-	19,103	-	-
	<i>Total Supporting Services</i>	1,729,104	1,097,686	819,006	4,393,741
ENTERPRISE AND COMMUNITY SERVICES					
	<i>Total Enterprise and Community Services</i>	-	-	-	-
FACILITIES ACQUISITION AND CONSTRUCTION					
4110	Service area direction	-	-	4,502	1,913
4120	Site acquisition and development services	-	-	839,950	45,814
4150	Building acquisition, construction and improvement services	7,474	671	7,926,051	715,114
	<i>Total Facilities Acquisition and Construction</i>	7,474	671	8,770,503	762,841
DEBT SERVICE					
5100	Principal	-	-	-	-
5100	Interest	-	-	-	-
	<i>Total Debt Service</i>	-	-	-	-
OTHER USES					
5200	Interfund Transfers	-	-	-	-
7000	ENDING BALANCE	-	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 1,736,578</u>	<u>\$ 1,098,357</u>	<u>\$ 9,589,509</u>	<u>\$ 5,382,995</u>

<u>500</u> <u>Capital</u> <u>Outlay</u>	<u>600</u> <u>Other</u> <u>Objects</u>	<u>700</u> <u>Transfers & Flow-</u> <u>through Payments</u>	<u>Actual Fund Total</u>	<u>Appropriations</u>	<u>Variance</u>
\$ -	\$ -	\$ -	\$ 82,151		
-	-	-	11,724		
-	-	-	132,538		
-	-	-	226,413	\$ 1,600,000	\$ 1,373,587
-	-	-	346,360		
-	-	-	42,850		
-	-	-	326,910		
291,134	-	-	3,304,387		
2,188,846	-	-	2,236,454		
197,288	-	-	4,440,741		
-	-	-	19,103		
2,677,268	-	-	10,716,805	15,913,042	5,196,237
-	-	-	-	1,000	1,000
-	50	-	6,465		
3,230,399	-	-	4,116,163		
17,102,157	-	-	25,751,467		
20,332,556	50	-	29,874,095	45,760,861	15,886,766
-	740,211	-	740,211		
-	77,810	-	77,810		
-	818,021	-	818,021	818,021	-
-	-	327,730	327,730	329,730	2,000
-	-	93,087,974	93,087,974	34,360,066	(58,727,908)
<u>\$ 23,009,824</u>	<u>\$ 818,071</u>	<u>\$ 93,415,704</u>	<u>\$ 135,051,038</u>	<u>\$ 98,789,699</u>	<u>\$ (36,261,339)</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, 2015

Code	Function	Actual	Budget	Variance
LOCAL REVENUE				
1310	Regular day school tuition	\$ 273,305	\$ 572,256	\$ (298,951)
1910	Rentals	43,962	49,000	(5,038)
1920	Private contributions	588,573	561,091	27,482
1990	Refunds and miscellaneous	2,827,783	4,014,529	(1,186,746)
1000	<i>Total Local Revenue</i>	3,733,623	5,196,876	(1,463,253)
INTERMEDIATE REVENUE				
2101	County school funds	266,888	300,693	(33,805)
2199	Regular day school tuition	57,104	18,974	38,130
2900	Revenue for/on behalf of the District	41,926	-	41,926
2000	<i>Total Intermediate Revenue</i>	365,918	319,667	46,251
STATE REVENUE				
3101	State School Fund	304,599	391,000	(86,401)
3204	Drivers education	-	79,001	(79,001)
3990	Other revenue from State sources	1,649,951	1,908,320	(258,369)
3000	<i>Total State Revenue</i>	1,954,550	2,378,321	(423,771)
REVENUE FROM FEDERAL SOURCES				
4300	Restricted grants-in-aid; direct	250,222	282,922	(32,700)
4500	Restricted grants-in-aid; through State	8,081,761	8,946,950	(865,189)
4990	Other revenue from Federal sources	42,860	14,000	28,860
4000	<i>Total Federal Revenue</i>	8,374,843	9,243,872	(869,029)
	<i>Total Revenue</i>	14,428,934	17,138,736	(2,709,802)
5400	FUND BALANCES, Beginning	-	-	-
6000	TOTAL RESOURCES	<u>\$ 14,428,934</u>	<u>\$ 17,138,736</u>	<u>\$ (2,709,802)</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, 2015

<u>Code</u>	<u>Function</u>	<u>100</u> <u>Salaries</u>	<u>200</u> <u>Employee</u> <u>Benefits</u>	<u>300</u> <u>Purchased</u> <u>Services</u>	<u>400</u> <u>Supplies &</u> <u>Materials</u>
INSTRUCTION					
1100	Regular programs				
1111	Elementary	\$ 254,660	\$ 127,160	\$ 24,048	\$ 48,656
1113	Elementary extracurricular	551	-	2,302	768
1121	Middle/JHS	71,255	43,057	23,179	130,142
1122	Middle/JHS extracurricular	680	319	2,419	2,855
1131	High school	47,408	31,652	235,683	68,716
1132	High school extracurricular	3,972	1,149	989	2,626
1200	Special programs				
1210	Talented and gifted	-	-	1,374	925
1220	Restrictive programs for students with disabilities	1,043,606	758,822	62,674	31,323
1250	Less restrictive programs for students with disabilities	965,660	731,063	11,623	19,527
1260	Early intervention	69,237	39,610	-	-
1270	Educationally disadvantaged	1,815,458	1,234,105	311,166	68,066
1280	Early intervention/other special programs	125,952	86,263	243,339	-
1290	Other special programs	105,803	59,642	22,657	7,190
1400	Summer school programs	64,554	22,290	4,096	3,612
	<i>Total Instruction</i>	<u>4,568,796</u>	<u>3,135,132</u>	<u>945,549</u>	<u>384,406</u>
SUPPORTING SERVICES					
2100	Students				
2110	Attendance and social work	86,022	59,791	37,178	20,951
2120	Guidance services	53,682	36,217	3,095	310
2130	Health services	127,088	80,324	76,956	2,283
2140	Psychological services	44,857	26,605	-	-
2150	Speech pathology and audiology services	89,448	49,205	-	1,204
2160	Educational services	18,798	12,013	131	-
2190	Service area direction, students	91,688	58,122	1,670	-
2200	Instructional staff and educational media	1,151,828	564,748	860,801	183,089
2400	School administration				
2410	Principals services	10,777	9,537	5,764	3,183
2500	Business				
2520	Fiscal services	-	-	-	-
2550	Student transportation	39,021	88	127	8,521
2600	Central				
2640	Staff services	19,616	11,638	-	820
2660	Technology services	93,824	57,836	44,274	-
2700	District retirement	-	144,559	-	-
	<i>Total Supporting Services</i>	<u>1,838,370</u>	<u>1,115,142</u>	<u>1,043,699</u>	<u>220,853</u>
ENTERPRISE AND COMMUNITY SERVICES					
3100	Food services	1,839	1,194	7,112	61,480
3300	Community services				
3320	Community recreation services	-	-	4,259	1,585
3390	Other community services	238,670	147,116	145,176	13,109
	<i>Total Enterprise and Community Services</i>	<u>240,509</u>	<u>148,310</u>	<u>156,547</u>	<u>76,174</u>
FACILITIES ACQUISITION AND CONSTRUCTION					
	<i>Total Facilities Acquisition and Construction</i>	-	-	-	-
7000	ENDING BALANCE	-	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 6,647,675</u>	<u>\$ 4,398,584</u>	<u>\$ 2,145,795</u>	<u>\$ 681,433</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>
\$ -	\$ -	\$ -	\$ 454,524		
-	-	-	3,621		
-	-	-	267,633		
-	-	-	6,273		
-	-	-	383,459		
-	3,528	-	12,264		
-	-	-	2,299		
-	-	-	1,896,425		
-	-	-	1,727,873		
-	-	-	108,847		
-	-	-	3,428,795		
-	-	-	455,554		
-	-	-	195,292		
-	-	-	94,552		
-	3,528	-	9,037,411	\$ 10,256,201	\$ 1,218,790
-	160	-	204,102		
-	-	-	93,304		
-	-	-	286,651		
-	-	-	71,462		
-	-	-	139,857		
-	-	-	30,942		
-	-	-	151,480		
-	1,107	-	2,761,573		
-	-	-	29,261		
-	549,465	-	549,465		
-	-	-	47,757		
-	-	-	32,074		
-	-	-	195,934		
-	-	-	144,559		
-	550,732	-	4,768,796	6,122,876	1,354,080
-	-	-	71,625		
-	-	-	5,844		
-	1,187	-	545,258		
-	1,187	-	622,727	725,661	102,934
-	-	-	-	33,998	33,998
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 555,447</u>	<u>\$ -</u>	<u>\$ 14,428,934</u>	<u>\$ 17,138,736</u>	<u>\$ 2,709,802</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, 2015

Code	Function	Actual	Budget	Variance
LOCAL REVENUE				
1600	Food service sales	\$ 1,182,672	\$ 1,178,800	\$ 3,872
1990	Refunds and miscellaneous	37,878	170,000	(132,122)
1000	<i>Total Local Revenue</i>	1,220,550	1,348,800	(128,250)
STATE REVENUE				
3102	State school fund - school lunch match	41,606	45,000	(3,394)
3299	Other restricted grants-in-aid	12,758	12,500	258
3000	<i>Total State Revenue</i>	54,902	57,500	(2,598)
REVENUE FROM FEDERAL SOURCES				
4500	Restricted grants-in-aid through the State - school nutrition	3,047,459	3,272,336	(224,877)
4900	Revenue for/on behalf of the District	242,446	220,000	22,446
4000	<i>Total Federal Revenue</i>	3,289,905	3,492,336	(202,431)
	<i>Total Revenue</i>	4,565,357	4,898,636	(333,279)
OTHER SOURCES				
5200	Interfund transfers	150,941	46,000	104,941
5400	FUND BALANCES, Beginning	74,584	74,584	-
6000	TOTAL RESOURCES	<u>\$ 4,790,882</u>	<u>\$ 5,019,220</u>	<u>\$ (228,338)</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, 2015

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Supplies & Materials
SUPPORTING SERVICES					
2500	Business				
2520	Fiscal services	\$ -	\$ -	\$ 2,927	\$ -
2700	District retirement	-	13,377	-	-
	<i>Total Supporting Services</i>	-	13,377	2,927	-
ENTERPRISE AND COMMUNITY SERVICES					
3100	Food services				
3120	Food preparation and dispensing services	1,243,477	1,112,179	73,229	2,270,944
	<i>Total Enterprise and Community Services</i>	1,243,477	1,112,179	73,229	2,270,944
6000	OPERATING CONTINGENCY	-	-	-	-
7000	ENDING BALANCE	-	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 1,243,477</u>	<u>\$ 1,125,556</u>	<u>\$ 76,156</u>	<u>\$ 2,270,944</u>

<i>500 Capital Outlay</i>	<i>600 Other Objects</i>	<i>700 Transfers & Flow- through Payments</i>	<i>Actual Fund Total</i>	<i>Appropriations</i>	<i>Variance</i>
\$ -	\$ -	\$ -	\$ 2,927		
-	-	-	13,377		
-	-	-	16,304	\$ 77,245	\$ 60,941
-	165	-	4,699,994		
-	165	-	4,699,994	4,925,975	225,981
-	-	-	-	15,000	15,000
-	-	74,584	74,584	1,000	(73,584)
<u>\$ -</u>	<u>\$ 165</u>	<u>\$ 74,584</u>	<u>\$ 4,790,882</u>	<u>\$ 5,019,220</u>	<u>\$ 228,338</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, 2015

Code	Function	Actual	Budget	Variance
	LOCAL REVENUE			
1700	Extracurricular activities income	\$ 3,991,085	\$ 5,000,000	\$ (1,008,915)
1990	Refunds and miscellaneous	-	10,000	(10,000)
1000	<i>Total Local Revenue</i>	3,991,085	5,010,000	(1,018,915)
	OTHER FINANCING SOURCES			
5200	Interfund transfers	1,916,629	-	1,916,629
5000	<i>Total Other Sources</i>	1,916,629	-	1,916,629
	<i>Total Revenue</i>	5,907,714	5,010,000	897,714
5400	FUND BALANCES, Beginning	7,122,042	6,744,479	377,563
6000	TOTAL RESOURCES	<u>\$ 13,029,756</u>	<u>\$ 11,754,479</u>	<u>\$ 1,275,277</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, 2015

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Supplies & Materials
INSTRUCTION					
1100	Regular programs				
1111	Elementary	\$ 30,084	\$ 23,743	\$ -	\$ 35,196
1113	Elementary extracurricular	-	-	529,495	381,438
1121	Middle/JHS	40,494	24,946	-	29,294
1122	Middle/JHS extracurricular	-	-	222,734	263,301
1131	High school	17,348	12,446	-	17,204
1132	High school extracurricular	-	-	902,266	934,517
	<i>Total Instruction</i>	87,926	61,135	1,654,495	1,660,950
SUPPORTING SERVICES					
2100	Students				
2110	Attendance and social work	37,854	33,497	-	-
2120	Guidance services	-	-	-	1,205
2190	Service area direction, students	-	-	-	47,945
2200	Instructional staff and educational media	670	251	19,558	20,295
2300	General administration				
2320	Office of the superintendent	1,345	504	300	13,227
2400	School administration				
2410	Principals services	33,257	28,397	514	113,150
2500	Business				
2540	Operation and maintenance	735	473	-	200
2570	Internal services	3,678	2,688	-	-
2600	Central				
2630	Information services	-	-	-	1,297
2640	Staff services	3,093	1,036	-	-
2660	Technology services	538	49	28,660	1,483
2700	District retirement	-	326	-	-
	<i>Total Supporting Services</i>	81,170	67,221	49,032	198,802
ENTERPRISE AND COMMUNITY SERVICES					
	<i>Total Enterprise and Community Services</i>	-	-	-	-
FACILITIES ACQUISITION AND CONSTRUCTION					
4150	Site acquisition and development services	-	-	-	-
OTHER USES					
5200	Interfund Transfers	-	-	-	-
6110	OPERATING CONTINGENCY	-	-	-	-
7000	ENDING BALANCE	-	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 169,096</u>	<u>\$ 128,356</u>	<u>\$ 1,703,527</u>	<u>\$ 1,859,752</u>

<u>500</u> <u>Capital</u> <u>Outlay</u>	<u>600</u> <u>Other</u> <u>Objects</u>	<u>700</u> <u>Transfers & Flow-</u> <u>through Payments</u>	<u>Actual Fund Total</u>	<u>Appropriations</u>	<u>Variance</u>
\$ -	\$ -	\$ -	\$ 89,023		
-	27,311	-	938,244		
-	-	-	94,734		
7,208	13,263	-	506,506		
-	-	-	46,998		
-	904,715	-	2,741,498		
7,208	945,289	-	4,417,003	\$ 5,499,657	\$ 1,082,654
-	-	-	71,351		
-	-	-	1,205		
-	-	-	47,945		
-	-	-	40,774		
-	-	-	15,376		
-	-	-	175,318		
849	-	-	2,257		
-	-	-	6,366		
-	-	-	1,297		
-	-	-	4,129		
-	-	-	30,730		
-	-	-	326		
849	-	-	397,074	3,026,822	2,629,748
-	-	-	-	1,000	1,000
-	-	-	-	1,000	1,000
-	-	215,224	215,224	218,000	2,776
-	-	-	-	508,000	508,000
-	-	8,000,455	8,000,455	2,500,000	(5,500,455)
<u>\$ 8,057</u>	<u>\$ 945,289</u>	<u>\$ 8,000,455</u>	<u>\$ 13,029,756</u>	<u>\$ 11,754,479</u>	<u>\$ (1,275,277)</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, 2015

<u>Code</u>	<u>Function</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	LOCAL REVENUE			
1500	Earnings on investments	\$ 28,854	\$ 22,000	\$ 6,854
1990	Refunds and miscellaneous	29,516,635	32,685,000	(3,168,365)
1000	<i>Total Local Revenue</i>	29,545,489	32,707,000	(3,161,511)
	STATE REVENUE			
3990	Other revenue from State sources	291,932	120,000	171,932
	<i>Total Revenue</i>	29,837,421	32,827,000	(2,989,579)
	OTHER SOURCES			
5200	Interfund transfers	1,127,316	1,125,000	2,316
5400	FUND NET POSITION, Beginning	8,180,201	6,148,992	2,031,209
6000	TOTAL RESOURCES	<u>\$ 39,144,938</u>	<u>\$ 40,100,992</u>	<u>\$ (956,054)</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, 2015

<i>Function</i>		100	200	300	400
		Salaries	Employee Benefits	Purchased Services	Supplies & Materials
INSTRUCTION					
	<i>Total Instruction</i>	\$ -	\$ -	\$ -	\$ -
SUPPORTING SERVICES					
2300	General administration				
2310	Board of directors	-	-	8,327	-
2500	Business				
2520	Fiscal services	-	26,912,839	851,549	176,230
2540	Operation and maintenance	8,008	6,481	-	-
2550	Student transportation	-	-	-	-
2600	Central				
2640	Staff services	430,761	242,059	87,679	49,996
2690	Claims	-	-	26	16,347
2700	District retirement	-	6,747	-	-
	<i>Total Supporting Services</i>	438,769	27,168,126	947,581	242,573
ENTERPRISE AND COMMUNITY SERVICES					
	<i>Total Enterprise and Community Services</i>	-	-	-	-
OTHER USES					
5200	Interfund transfers	-	-	-	-
6000	CONTINGENCY	-	-	-	-
7000	ENDING FUND NET POSITION	-	-	-	-
8000	<i>Total Expenditures and Ending Fund Net Position</i>	\$ 438,769	\$ 27,168,126	\$ 947,581	\$ 242,573

<u>500</u> <u>Capital</u> <u>Outlay</u>	<u>600</u> <u>Other</u> <u>Objects</u>	<u>700</u> <u>Transfers & Flow-</u> <u>through Payments</u>	<u>Actual Fund Total</u>	<u>Appropriations</u>	<u>Variance</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000
-	-	-	8,327		
2,765	36	-	27,943,419		
-	-	-	14,489		
-	4,302	-	4,302		
-	595	-	811,090		
3,202	5,855	-	25,430		
-	-	-	6,747		
5,967	10,788	-	28,813,804	33,361,708	4,547,904
-	-	-	-	1,000	1,000
-	-	1,401,304	1,401,304	1,413,501	12,197
-	-	-	-	445,794	445,794
-	-	8,929,830	8,929,830	4,877,989	(4,051,841)
<u>\$ 5,967</u>	<u>\$ 10,788</u>	<u>\$ 10,331,134</u>	<u>\$ 39,144,938</u>	<u>\$ 40,100,992</u>	<u>\$ 956,054</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, 2015

Code	Function	Actual	Budget	Variance
	LOCAL REVENUE			
1990	Refunds and miscellaneous	\$ 2,500,576	\$ 2,315,838	\$ 184,738
5400	FUND NET POSITION, Beginning	<u>3,062,575</u>	<u>1,783,396</u>	<u>1,279,179</u>
6000	TOTAL RESOURCES	<u>\$ 5,563,151</u>	<u>\$ 4,099,234</u>	<u>\$ 1,463,917</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, 2015

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Supplies & Materials
	SUPPORTING SERVICES				
2700	District retirement	\$ 601,903	\$ 1,674,211	\$ 524	\$ -
	<i>Total Supporting Services</i>	601,903	1,674,211	524	-
6000	OPERATING CONTINGENCY	-	-	-	-
7000	ENDING FUND NET POSITION	-	-	-	-
8000	<i>Total Expenditures and Ending Fund Net Position</i>	<u>\$ 601,903</u>	<u>\$ 1,674,211</u>	<u>\$ 524</u>	<u>\$ -</u>

500 Capital Outlay	600 Other Objects	700 Transfers & Flow- through Payments	Actual Fund Total	Appropriations	Variance
\$ -	\$ -	\$ -	\$ 2,276,638		
-	-	-	2,276,638	\$ 2,365,838	\$ 89,200
-	-	-	-	350,000	350,000
-	-	3,286,513	3,286,513	1,382,396	(1,904,117)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,286,513</u>	<u>\$ 5,563,151</u>	<u>\$ 4,099,234</u>	<u>\$ (1,463,917)</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, 2015

A. ENERGY BILLS FOR HEATING – ALL FUNDS

Expenditures for Electricity and Heating Fuel:

Function 2540	\$	<u>1,801,740</u>
Function 2550		26,138

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>Amount</u>
\$	0

Statistical Section



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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.

Contents	Page
Financial Trends	102
<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	109
<p>These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.</p>	
Debt Capacity	115
<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	120
<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	126
<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>2015</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>
ASSETS										
Cash and investments	\$ 154,230,182	\$ 90,628,973	\$ 57,151,244	\$ 87,816,627	\$ 66,608,066	\$ 73,961,174	\$ 81,077,923	\$ 95,736,164	\$ 104,463,528	\$ 108,043,786
Receivables and inventories	12,770,025	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
Pension assets	29,476,149	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
Capital assets (net)	181,865,226	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
Deferred Outflows of Resources	14,413,195 ⁽¹⁾									
<i>Total Assets</i>	<u>392,754,777</u>	<u>294,775,222</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>
LIABILITIES										
Debt due within one year	44,506,645	35,579,872	34,135,712	36,389,855	37,792,910	34,373,469	34,872,936	38,688,227	35,122,093	35,930,410
Debt due in more than one year	272,567,601	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
Deferred Inflows of Resources	56,877,028 ⁽¹⁾									
<i>Total Liabilities</i>	<u>373,951,274</u>	<u>239,982,174</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>
NET POSITION										
Net investment in capital assets	27,777,321	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
Restricted for debt service	9,652,517	7,454,649	6,192,930	7,683,373	-	1,045,402	2,790,498	2,933,884	4,033,374	2,353,395
Unrestricted	(18,626,335)	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
<i>Total Net Position</i>	<u>\$ 18,803,503</u>	<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>

(1) Implementation of GASB Statement No.68

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

Governmental Activities	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Direct classroom services	\$ 98,746,369	\$ 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
Classroom support services	41,460,523	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
Building support services	29,224,015	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
Central support services	11,967,657	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
Nutrition services	4,953,126	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
Net Pension Expense (Income)	(40,507,655) (1)									
Interest on long-term liabilities	9,711,334	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
Total expenses	<u>155,555,369</u>	<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>
Program revenues										
Charges for services										
Direct classroom services	328,157	281,984	183,655	354,821	458,433	469,124	515,627	720,467	1,006,531	1,238,072
Classroom support services	384,597	418,659	617,248	593,553	475,901	644,200	518,340	531,340	809,070	870,167
Building support services	697,347	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
Central support services	4,589,302	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
Nutrition services	964,172	980,454	961,096	999,910	1,176,124	1,369,409	1,543,431	1,970,201	1,861,178	1,875,180
Operating grants and contributions										
Direct classroom services	10,131,632	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
Classroom support services	8,567,730	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
Building support services	5,529,441	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
Central support services	591	-	6,691	-	-	-	-	93,171	38,375	83,074
Nutrition services	3,484,305	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
Interest on long-term liabilities	653,535	654,240	674,332	595,333	-	-	-	-	-	-
Capital grants and contributions										
Building support services	632,601	592,298	649,316	411,213	485,786	656,760	2,678,012	434,949	502,258	2,022,694
Total program revenues	<u>35,963,410</u>	<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>
Total governmental activities net expense	<u>(119,591,959)</u>	<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>
General revenues										
Property taxes	91,207,724	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
Federal aid not restricted to specific purposes	1,056,388	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
State aid not restricted to specific purposes	70,714,413	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
Earnings on investments	495,556	413,225	420,123	586,127	481,152	620,487	2,035,193	4,649,939	5,165,714	4,115,453
Other federal and local sources	7,667,277	3,002,588	914,832	837,793	1,114,166	3,104,115	335,795	246,660	5,794,817	148,089
Total general revenues	<u>171,141,358</u>	<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>
Change in net position	<u>\$ 51,549,399</u>	<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>

(1) Implementation of GASB Statement No.68

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									
	2015	2014	2013	2012	2011 ⁽¹⁾	2010	2009	2008	2007	2006
General Fund										
Unreserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,125,084	\$ 13,990,673	\$ 17,053,588	\$ 20,845,607	\$ 10,815,344
Nonspendable for:										
Inventory	262,208	214,107	234,160	222,655	226,905	-	-	-	-	-
Prepaid Items	19,526	212,079	-	-	-	-	-	-	-	-
Committed	7,708,103	7,237,020	6,650,236	6,814,951	6,794,000	-	-	-	-	-
Unassigned	4,248,044	1,897,507	155,474	1,075,869	966,325	-	-	-	-	-
Total General Fund	<u>\$ 12,237,881</u>	<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>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,751,242	\$ 16,689,036	\$ 21,081,040	\$ 28,019,482	\$ 37,226,200
Unreserved, reported in :										
Capital Projects Fund	-	-	-	-	-	10,968,084	10,811,559	12,531,376	13,782,621	8,127,796
Special Revenue Funds ⁽²⁾	-	-	-	-	-	17,935,636	19,503,208	19,664,365	20,297,170	21,398,516
Nonspendable:										
Inventory	164,894	138,748	134,743	102,676	107,993	-	-	-	-	-
Restricted for:										
Debt Service	11,087,645	8,466,743	6,559,522	8,855,882	10,524,726	-	-	-	-	-
Capital Projects	84,456,979	34,792,002	8,296,477	24,708,508	-	-	-	-	-	-
Committed for:										
Debt Service	337,137	232,583	180,423	60,588	-	-	-	-	-	-
Capital Projects	8,630,995	4,931,362	7,365,013	7,310,331	6,942,919	-	-	-	-	-
Capital Equipment	-	-	-	6,849,181	7,213,401	-	-	-	-	-
Nutrition Services	74,585	74,585	74,584	74,584	74,584	-	-	-	-	-
Student Body	-	-	-	3,865,762	3,684,988	-	-	-	-	-
School Resources ⁽³⁾	8,000,455	7,122,042	6,172,303	-	-	-	-	-	-	-
Total all Other Governmental Funds	<u>\$ 112,752,690</u>	<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>

⁽¹⁾ 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.

⁽²⁾ 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.

⁽³⁾ 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>2015</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>
REVENUES										
Local sources	\$ 108,064,045	\$ 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
Intermediate sources	3,014,975	2,716,382	420,836	510,307	261,882	213,036	244,349	159,545	445,910	610,468
State sources	79,354,195	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
Federal sources	13,229,742	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
<i>Total Revenues</i>	<u>203,662,957</u>	<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>
EXPENDITURES										
Current										
Instruction	102,930,446	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
Supporting services	67,418,971	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
Community services	5,822,633	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
Facilities acquisition and construction	-	-	-	122,895	47,017	36,579	-	-	2,931	-
Debt service										
Principal	12,280,211	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
Interest	11,311,571	9,024,097	8,628,737	8,835,509	8,305,629	8,766,255	8,703,658	10,767,967	11,251,596	8,853,157
Refunding bonds issuance costs	-	-	-	-	-	-	223,320	-	-	-
Capital outlay	38,239,888	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
<i>Total Expenditures</i>	<u>238,003,720</u>	<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>
REVENUES OVER (UNDER) EXPENDITURES	(34,340,763)	(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)
OTHER FINANCING SOURCES (USES)										
Transfers in	4,488,977	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
Transfers out	(4,214,989)	(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)
Construction bonds issued	80,000,000	39,996,054	-	34,997,258	-	-	-	-	-	46,000,000
Bond premium (discount)	9,100,303	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	4,638,265	-	5,200	3,715	17,500	1,380,450	-	-	5,271,907	30,000
Insurance recoveries	-	-	-	-	-	947,357	-	-	47,595	1,173,089
<i>Total Other Financing Sources (Uses)</i>	<u>94,012,556</u>	<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>
NET CHANGE IN FUND BALANCES	59,671,793	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
FUND BALANCES, Beginning of year	65,318,778	35,822,935	59,940,987	36,535,841	48,503,288 ⁽¹⁾	60,994,474	70,330,369	82,944,880	77,567,856	48,923,125
FUND BALANCES, End of year	<u>\$ 124,990,571</u>	<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>
Debt service as a percentage of noncapital expenditures	11.8%	12.3%	11.6%	11.8%	10.5%	10.0%	9.1%	9.3%	9.8%	8.7%

⁽¹⁾ 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
2015	\$ 155,555,369	\$ 66,469,444	\$ 32,276,925	\$ 5,920,275	\$ 11,908,161	\$ 9,584,645	\$ 12,952,000	\$ 1,095,442
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

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

⁽²⁾ Implementation of GASB Statement No.68

Building Support Services				Central Support Services							
Facilities Operation and Maint- enance	Student Transpor- tation	Computing and Information Services	Warehouse and Purchasing	Executive Adminis- tration	Financial Services	Human Resources/ Employee Insurance Benefits	District Retirement ⁽¹⁾	Communi- cations and Intergov- ernmental Relations	Nutrition Services	Net Pension Expense (income) ⁽²⁾	Interest on Long-term Liabilities
\$ 13,353,263	\$ 8,108,867	\$ 7,120,422	\$ 641,463	\$ 1,119,021	\$ 2,312,794	\$ 6,021,808	\$ 1,929,972	\$ 584,062	\$ 4,953,126	\$ (40,507,655)	\$ 9,711,334
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

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

Year Ended June 30	Local Sources			
	Total	Property Taxes	Investment Income	Other
2015	\$ 155,984,519	\$ 70,787,598	\$ 92,266	\$ 3,035,688
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

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

State Sources						
School Support Fund	Common School Fund	Transportation Grant	Other	Intermediate Sources	Federal Sources	Other Sources
\$ 68,786,291	\$ 1,823,107	\$ 5,497,434	\$ 605,310	\$ 2,649,057	\$ 885,313	\$ 1,822,455
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

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

Year Ended June 30	Total	Instruction	Support Services			
			Student Services	Instructional Staff	General Adminis- tration	School Adminis- tration
2015	\$ 153,307,351	\$ 89,249,619	\$ 9,725,861	\$ 6,354,967	\$ 996,193	\$ 12,357,412
2014	144,882,727	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

Support Services

Business Services	Central Services	District Retirement	Community Services	Interfund Transfers
\$ 21,603,287	\$ 6,532,248	\$ 2,315,817	\$ 499,912	\$ 3,672,035
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 ⁽¹⁾	Taxable Assessed Value ⁽²⁾	Percent Change	Total Levy ⁽³⁾	Percent Change	Tax Rate per \$1,000 ⁽⁴⁾	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 ⁽⁴⁾		Amount	Percent Collected 06/30/2015 ⁽⁴⁾
2015	\$ 13,244,235,395	4.11 %	\$ 94,121,143	7.50 %	\$ 7.1012	\$ 91,543,893	97.26 %	\$ -	\$ 91,543,893	97.26 %
2014	12,721,001,567	2.98	87,554,404	9.96	6.8829	84,967,664	97.04	1,164,574	86,132,238	98.38
2013	12,353,361,067	2.35	79,624,274	(3.46)	6.4461	77,091,961	96.82	1,607,321	78,699,282	98.84
2012	12,070,171,533	2.30	82,474,939	(0.35)	6.8329	79,774,601	96.73	2,072,198	81,846,799	99.24
2011	11,798,847,376	1.06	82,763,217	(3.15)	7.0142	80,370,202	97.11	1,936,967	82,307,169	99.45
2010	11,674,870,928	4.30	85,457,917	3.02	7.3196	82,595,077	96.65	2,443,654	85,038,731	99.51
2009	11,193,424,874	3.14	82,950,341	3.87	7.4105	80,320,815	96.83	2,577,979	82,898,794	99.94
2008	10,852,594,702	5.55	79,859,440	3.20	7.3584	74,777,925	93.64	5,041,352	79,819,277	99.95
2007	10,281,818,660	4.28	77,379,818	8.56	7.5257	73,242,886	94.65	4,102,445	77,345,331	99.96
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

⁽¹⁾ Includes Local Option Levy.

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

⁽³⁾ The levy is total taxes to be collected after the effects of compression and the addition of offsets and penalties and other taxes. The levy has been adjusted by certain offsets before calculation of the tax rate.

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

Note:

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

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

District Direct Rates

Fiscal Year	General Tax Permanent Rate ⁽¹⁾	Local Option ⁽¹⁾	General Obligation Debt Service Bonds	Total Direct Tax Rate
2015	\$ 4.7485	\$ 1.5000	\$ 1.5817	\$ 7.8302
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

⁽¹⁾ 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>2014-2015</u>	<u>2013-2014</u>	<u>2012-2013</u>	<u>2011-2012</u>	<u>2010-2011</u>
GENERAL FUND					
Levy extended by Assessor	<u>\$ 72,855,536</u>	<u>\$ 66,966,181</u>	<u>\$ 65,539,768</u>	<u>\$ 66,820,808</u>	<u>\$ 67,274,768</u>
Tax rate per \$1,000 assessed value	<u>\$ 6.25</u>	<u>\$ 6.25</u>	<u>\$ 6.25</u>	<u>\$ 6.25</u>	<u>\$ 6.25</u>
Reduction of taxes receivable ⁽¹⁾					
Current year	\$ 70,738,523	\$ 64,897,897	\$ 64,268,147	\$ 65,519,719	\$ 65,216,364
1st year prior	957,895	993,655	1,000,693	757,315	1,357,575
2nd year prior	404,711	435,862	450,597	155,897	466,929
3rd year prior	309,694	297,898	350,687	311,377	249,304
4th year prior	181,111	222,762	157,729	138,524	105,986
5th and prior years	<u>63,860</u>	<u>120,292</u>	<u>33,600</u>	<u>92,174</u>	<u>26,304</u>
Total Prior	<u>1,917,271</u>	<u>2,070,469</u>	<u>1,993,306</u>	<u>1,455,287</u>	<u>2,206,098</u>
Total General Fund	<u>\$ 72,655,794</u>	<u>\$ 66,968,366</u>	<u>\$ 66,261,453</u>	<u>\$ 66,975,006</u>	<u>\$ 67,422,462</u>
DEBT SERVICE FUND					
Levy extended by Assessor	<u>\$ 21,265,607</u>	<u>\$ 20,588,223</u>	<u>\$ 14,084,506</u>	<u>\$ 15,654,130</u>	<u>\$ 15,488,449</u>
Tax rate per \$1,000 assessed value	<u>\$ 1.58</u>	<u>\$ 1.60</u>	<u>\$ 1.13</u>	<u>\$ 1.29</u>	<u>\$ 1.30</u>
Reduction of taxes receivable ⁽¹⁾					
Current year	\$ 20,683,347	\$ 19,979,969	\$ 13,793,249	\$ 15,359,306	\$ 15,040,596
1st year prior	273,841	200,205	221,285	153,029	306,272
2nd year prior	84,090	99,805	102,895	37,233	102,664
3rd year prior	72,227	69,362	84,153	73,530	57,792
4th year prior	37,217	47,060	31,651	26,918	22,753
5th and prior years	<u>14,412</u>	<u>24,563</u>	<u>8,121</u>	<u>12,962</u>	<u>5,151</u>
Total prior	<u>481,787</u>	<u>440,995</u>	<u>448,105</u>	<u>303,672</u>	<u>494,632</u>
Total Debt Service Fund	<u>\$ 21,165,134</u>	<u>\$ 20,420,964</u>	<u>\$ 14,241,354</u>	<u>\$ 15,662,978</u>	<u>\$ 15,535,228</u>

⁽¹⁾ 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>2009-2010</u>	<u>2008-2009</u>	<u>2007-2008</u>	<u>2006-2007</u>	<u>2005-2006</u>
<u>\$ 69,076,852</u>	<u>\$ 67,433,941</u>	<u>\$ 65,196,549</u>	<u>\$ 60,855,183</u>	<u>\$ 57,369,015</u>
<u>\$ 6.25</u>	<u>\$ 6.25</u>	<u>\$ 6.25</u>	<u>\$ 6.25</u>	<u>\$ 6.25</u>
\$ 66,621,682	\$ 63,603,885	\$ 63,256,929	\$ 59,279,706	\$ 55,897,134
2,792,548	1,093,583	828,632	899,896	999,151
382,922	311,836	241,694	243,724	338,955
187,743	168,833	147,589	161,223	235,825
96,573	88,995	69,845	89,160	100,120
108,877	33,051	64,278	23,009	35,452
<u>3,568,663</u>	<u>1,696,298</u>	<u>1,352,038</u>	<u>1,417,012</u>	<u>1,709,503</u>
<u>\$ 70,190,345</u>	<u>\$ 65,300,183</u>	<u>\$ 64,608,967</u>	<u>\$ 60,696,718</u>	<u>\$ 57,606,637</u>
<u>\$ 16,381,066</u>	<u>\$ 15,516,400</u>	<u>\$ 14,662,891</u>	<u>\$ 16,524,635</u>	<u>\$ 13,912,350</u>
<u>\$ 1.39</u>	<u>\$ 1.38</u>	<u>\$ 1.34</u>	<u>\$ 1.61</u>	<u>\$ 1.40</u>
\$ 15,819,130	\$ 14,660,649	\$ 14,251,334	\$ 16,125,607	\$ 13,577,001
624,800	226,194	225,016	201,849	166,311
83,727	82,947	58,612	45,362	62,445
51,017	42,515	27,804	31,126	65,048
19,526	14,037	13,671	23,544	13,948
6,290	6,896	5,520	3,840	6,958
<u>785,360</u>	<u>372,589</u>	<u>330,623</u>	<u>305,721</u>	<u>314,710</u>
<u>\$ 16,604,490</u>	<u>\$ 15,033,238</u>	<u>\$ 14,581,957</u>	<u>\$ 16,431,328</u>	<u>\$ 13,891,711</u>

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								
2015	\$ 12,851,842	\$ 352,004	\$ 45,782	\$ 278,759	\$ 13,528,387	\$ 10,195	\$ 294,347	\$ 13,244,235	\$ 7.8302	\$ 104,326	\$ 10,205	\$ 94,121
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

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

<u>Year Ended June 30</u>	<u>General Fund Budget</u>	<u>General Fund Levy</u>	<u>Percentage of Levy to Budget</u>
2015	\$ 159,413,558	\$ 72,855,536	45.70 %
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

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⁽¹⁾ - ALL OVERLAPPING GOVERNMENTS****LAST TEN FISCAL YEARS (Dollars per \$1,000)**

	% within School District⁽²⁾	2014-2015	2013-2014	2012-2013	2011-2012
Bailey-Spencer RFPD	100.00 %	\$ 2.39	\$ 2.39	\$ 2.39	\$ 2.39
City of Coburg	100.00	4.79	4.93	5.28	5.32
City of Eugene	81.63	7.98	8.01	8.03	8.04
City of Springfield	10.27	7.03	7.15	6.94	6.99
Coburg RFPD	92.08	1.34	1.41	1.36	1.37
Eugene Urban Renewal Downtown	81.63	0.27	0.27	0.25	0.26
Emerald PUD	8.93	-	-	-	-
Eugene RFPD #1	99.64	2.54	2.35	2.10	1.85
Glenwood Water	99.96	3.47	3.41	3.48	3.54
Goshen RFPD	14.78	2.22	2.22	2.22	1.72
Junction City Water Control	2.48	0.25	0.25	0.25	0.28
Lane Rural Fire/Rescue	3.32	2.12	2.12	2.12	2.12
Lane County	46.35	1.38	1.39	1.39	1.39
Lane County Fire District 1	22.23	1.98	1.98	1.98	1.98
Lane ESD	46.52	0.22	0.22	0.22	0.22
Lane Community College	46.44	0.86	0.86	0.86	0.88
LeBleu Road	100.00	-	-	-	-
Linn County	0.13	7.83	7.84	7.38	7.54
Mohawk Valley RFPD	1.91	1.91	1.91	1.91	1.91
Rainbow Water & Fire District	2.23	3.62	3.67	3.72	3.76
River Road Park & Recreation	98.09	3.85	3.86	3.87	3.88
River Road Water Subdistrict #1	2.34	0.28	0.28	0.28	0.28
River Road Water	98.02	1.97	1.97	1.97	1.97
Santa Clara RFPD	98.43	1.04	1.64	1.64	1.04
Santa Clara Water District	85.17	-	-	-	-
South Lane County Fire & Rescue	0.03	1.50	1.50	1.03	1.03
Springfield Economic Development Agency	11.41	0.71	0.64	0.67	0.31
Willakenzie RFPD	51.94	3.07	3.07	3.07	3.07
Willamalane Park & Rec	11.59	2.37	2.45	2.01	2.01
Zumwalt Fire	81.75	2.34	2.34	2.34	2.34

⁽¹⁾ Gross tax rate before Measure 5 limitations applied.

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

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

	<u>2010-2011</u>	<u>2009-2010</u>	<u>2008-2009</u>	<u>2007-2008</u>	<u>2006-2007</u>	<u>2005-2006</u>
\$	2.39	\$ 2.39	\$ 2.39	\$ 2.39	\$ 2.39	\$ 2.39
	5.36	5.50	5.48	5.49	5.38	5.54
	8.33	8.32	7.73	7.89	8.79	8.90
	7.06	7.13	7.19	6.13	6.12	6.10
	1.37	1.37	1.37	1.39	1.65	1.73
	0.25	0.24	0.25	0.26	0.26	0.26
	-	-	-	-	-	-
	1.85	2.00	2.00	2.54	2.54	2.54
	3.69	3.85	3.85	3.89	4.14	4.14
	1.72	1.72	1.72	1.72	1.72	1.72
	0.29	0.29	0.30	0.31	0.31	0.29
	2.12	2.12	2.12	2.12	2.12	2.12
	1.39	1.40	1.40	1.40	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
	0.86	0.85	0.87	0.83	0.85	0.88
	-	-	-	-	-	-
	7.55	7.64	7.62	7.59	7.84	7.65
	1.91	1.91	2.41	2.41	2.48	2.55
	3.58	3.62	3.73	3.73	3.15	3.18
	3.89	3.90	3.46	3.48	3.48	3.50
	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
	0.30	0.31	0.43	0.41	0.33	0.18
	3.07	3.07	3.07	3.07	3.07	3.07
	2.01	2.01	2.15	2.15	2.18	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, 2015

Overlapping Issuer	Net Property-tax Backed Debt ⁽¹⁾	Percentage Within School District ⁽²⁾	Overlapping Debt ⁽³⁾
River Road Park & Rec District	\$ 60,000	98.15 %	\$ 58,892
Coburg RFPD	210,000	92.30	193,839
City Of Eugene	16,530,000	83.32	13,772,945
Lane ESD	7,055,000	49.70	3,506,272
Lane County	34,640,000	49.54	17,159,721
Lane Community College	58,135,000	48.89	28,420,457
Willamalane Park & Recreation District	17,885,000	20.36	3,641,207
City Of Springfield	19,070,000	19.55	3,728,624
Harrisburg RFPD 6	150,000	3.06	4,594
Total			70,486,551
District direct debt ⁽⁴⁾			283,511,057
Total direct and overlapping debt			<u>\$ 353,997,608</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 the 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 \$17,440,656.

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, 2015

Real Market Value	\$ 19,562,134
Debt Limit (7.95%) ⁽¹⁾	\$ 1,555,190
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonded Debt	218,820
Less: Amount Available in Debt Service Fund	<u>11,087</u>
Total Net Debt Applicable to Debt Limit	<u>207,733</u>
Legal Debt Margin	<u>\$ 1,347,457</u>

	Fiscal Year									
	<u>2015</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>
Debt Limit	\$ 1,555,190	\$ 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
Total Net Debt Applicable to Debt Limit	<u>207,733</u>	<u>140,444</u>	<u>114,823</u>	<u>125,991</u>	<u>100,828</u>	<u>110,624</u>	<u>121,131</u>	<u>130,576</u>	<u>137,027</u>	<u>153,165</u>
Legal Debt Margin	<u>\$ 1,347,457</u>	<u>\$ 1,592,444</u>	<u>\$ 1,595,388</u>	<u>\$ 1,649,906</u>	<u>\$ 1,682,122</u>	<u>\$ 1,779,059</u>	<u>\$ 1,571,174</u>	<u>\$ 1,461,199</u>	<u>\$ 1,265,726</u>	<u>\$ 996,139</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	13.36%	8.10%	6.71%	7.09%	5.66%	5.85%	7.16%	8.20%	9.77%	13.33%

⁽¹⁾ ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Aggregates are governed by real market values of all taxable properties within the district:
For each grade from kindergarten through eighth for which the District operates schools, fifty-five one-hundredths of one percent (.0055) of the real market value.
For each grade from ninth through twelfth for which the District operates schools, seventy-five one-hundredths of one percent (.0075) of the real market value.

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

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

Year Ended June 30	Principal	Interest	Total Bonded Debt Service	Total General Fund Expenditures and Transfers	Ratio
2015	\$ 10,090,000	\$ 8,588,983	\$ 18,678,983	\$ 153,307,351	0.1218
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

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

Year Ended June 30	District Population (Estimated)	Average Daily Membership (Resident) K-12⁽¹⁾	Assessed Valuation	General Obligation Debt	Ratio of Bonded Debt to Assessed Valuation	Bonded Debt Per Capita	Bonded Debt Per Student
2015	157,381	15,187	\$ 13,244,235,395	\$ 283,511,057	0.0214	\$ 1,801	\$ 18,668
2014	156,143	15,214	12,721,001,567	208,044,931 ⁽²⁾	0.0164	1,332	13,675
2013	154,905	15,184	12,353,361,067	179,680,317 ⁽²⁾	0.0145	1,160	11,834
2012	153,667	15,248	12,070,171,533	189,256,104 ⁽²⁾	0.0157	1,232	12,412
2011	152,428	15,762	11,798,847,376	166,569,886 ⁽²⁾	0.0141	1,093	10,568
2010	150,188	16,027	11,674,870,928	178,367,884 ⁽²⁾	0.0153	1,188	11,129
2009	149,160	16,104	11,193,424,874	189,269,705 ⁽²⁾	0.0169	1,269	11,753
2008	148,132	16,192	10,852,594,702	196,006,353 ⁽²⁾	0.0181	1,323	12,105
2007	147,105	16,476	10,281,818,660	203,427,704 ⁽²⁾	0.0198	1,383	12,347
2006	146,077	16,746	9,859,887,317	210,412,245 ⁽²⁾	0.0213	1,440	12,565

⁽¹⁾ Excludes District sponsored public charter schools and alternative education providers.
976 ADM were excluded from the 2015 count.

⁽²⁾ Revised to include pension bonds and unamortized premiums.

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

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾	Per Student ⁽²⁾
	General Obligation Bonds	Pension Bonds	Unamortized Premium	Capital Leases				
2015	\$ 218,820,401	\$ 47,250,000	\$ 17,440,656	\$ 2,283,827	\$ 285,794,884	NA ⁽⁴⁾	\$ 1,816	\$ 18,818
2014	148,910,401	48,700,000	10,434,530	3,024,038	211,068,969	1.576% ⁽³⁾	1,352	13,873
2013	121,382,258	49,925,000	8,373,059	3,856,623	183,536,940	1.442% ⁽³⁾	1,185	12,088
2012	134,847,258	50,940,000	3,468,846	4,139,746	193,395,850	1.699% ⁽³⁾	1,259	12,683
2011	111,335,000	51,765,000	3,469,886	3,528,428	170,098,314	1.412% ⁽³⁾	1,116	10,792
2010	121,695,000	52,410,000	4,262,884	3,223,243	181,591,127	1.573% ⁽³⁾	1,209	11,330
2009	131,255,000	52,895,000	5,119,705	3,325,396	192,595,101	1.692% ⁽³⁾	1,291	11,959
2008	139,830,000	53,235,000	2,941,353	2,582,834	198,589,187	1.699% ⁽³⁾	1,341	12,265
2007	146,638,929	53,435,000	3,353,775	2,484,059	205,911,763	1.827% ⁽³⁾	1,400	12,498
2006	153,164,719	53,435,000	3,812,526	1,827,233	212,239,478	1.944% ⁽³⁾	1,453	12,674

⁽¹⁾ See page 117 for estimated District population data and 120 for personal income data. These ratios are calculated using personal income for the prior calendar year.

⁽²⁾ See page 117 for average daily membership data.

⁽³⁾ Revised.

⁽⁴⁾ 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

Year Ended June 30	City of Eugene				Average Density Persons/Square Mile	Lane County		State of Oregon	
	Estimated Population	Percent Change	Area (Square Miles)			Estimated Population	Percent Change	Estimated Population	Percent Change
2015	N/A ⁽²⁾	N/A % ⁽²⁾	43.7		N/A ⁽²⁾	362,150 ⁽¹⁾	0.93 %	4,013,845 ⁽¹⁾	1.29 %
2014	160,775	0.75	43.7		3,679	358,805	0.75	3,962,565	1.11
2013	159,580	0.79	43.7		3,652	356,125	0.54	3,919,020	0.91
2012	158,335	0.84	43.7		3,623	354,200	0.30	3,883,735	0.68
2011	157,010	0.46	43.7		3,593	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

⁽¹⁾ Based on preliminary estimates by Population Research Center as of November 19, 2015.

⁽²⁾ N/A as of 11/19/15; will update when data available

Sources

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

Year Ended December 31	Estimated County Population ⁽¹⁾	County Personal Income (thousands of dollars)	County Per Capita Personal Income	County Unemployment Rate
2014	362,150	N/A ⁽³⁾	N/A ⁽³⁾	7.1 %
2013	358,805	13,392,647 ⁽²⁾	37,374 ⁽²⁾	7.9 %
2012	356,125	12,724,475 ⁽²⁾	35,777 ⁽²⁾	8.9 %
2011	354,200	12,545,269 ⁽²⁾	35,391 ⁽²⁾	9.6 %
2010	353,155	12,047,023 ⁽²⁾	34,080 ⁽²⁾	11.0 %
2009	352,010	11,547,065 ⁽²⁾	32,818 ⁽²⁾	12.3 %
2008	347,690	11,385,410 ⁽²⁾	32,451 ⁽²⁾	6.7 %
2007	345,880	11,690,848 ⁽²⁾	33,577 ⁽²⁾	5.2 %
2006	339,740	11,272,793 ⁽²⁾	32,690 ⁽²⁾	5.4 %
2005	336,085	10,919,089 ⁽²⁾	32,122 ⁽²⁾	6.1 %

⁽¹⁾ Mid-year population estimates.

⁽²⁾ Revised to reflect Census Bureau information updated November 19, 2015.

⁽³⁾ 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, 2015

Name	2015			2006		
	2014-15 Assessed Valuation	Rank ⁽¹⁾	Percentage of District Total Assessed Value	2005-06 Assessed Valuation	Rank ⁽¹⁾	Percentage of District Total Assessed Value
Comcast Corporation	\$ 128,761,900	1	0.97 %			
Valley River Center	113,970,174	2	0.86	\$ 84,545,407	2	0.86 %
Symantec Corporation	87,644,726	3	0.66	39,182,820	7	0.40
PeaceHealth	574,663,262	4	4.34	58,722,220	4	0.60
McKay Investment Company	56,942,365	5	0.43			
CenturyLink ⁽²⁾	47,275,400	6	0.36	89,122,000	3	0.90
Shepard Investment Group LLC	40,932,489	7	0.31			
Chase Village LLC	37,585,917	8	0.28	28,778,598	9	0.29
Northwest Natural Gas Co	44,276,200	9	0.33	39,894,000	6	0.40
United States Bakery	35,012,817	10	0.26			
Hynix Semiconductor Mfg				608,638,524	1	6.18
Guard Publishing Company				36,780,388	5	0.37
Monaco Coach Corp				35,787,088	8	0.36
Kinder Morgan Energy Partner				18,197,500	10	0.18
<i>Total Major Taxpayers</i>	1,167,065,250		8.80	1,039,648,545		10.54
<i>Other</i>	12,066,164,832		91.20	8,812,162,528		89.46
<i>Total All Taxpayers</i>	<u>\$ 13,233,230,082</u>		<u>100.00 %</u>	<u>\$ 9,851,811,073</u>		<u>100.00 %</u>

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

⁽²⁾ 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, 2015

Company	2015			2006		
	Number of Employees ⁽¹⁾	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Peace Health Corp	5,500	1	3.61 %	3,146 ⁽³⁾	2	2.04 %
University of Oregon	5,356	2	3.52	4,000	1	2.59
U.S. Government	1,558	3	1.02	1,800	7	1.17
Symantec	1,429	4	0.94			
Springfield School District	1,306	5	0.86	1,406	10	0.91
City of Eugene	1,301	6	0.85	2,200	4	1.42
Lane County Government	1,255	7	0.82	1,462	9	0.95
Lane County School District 4J	1,138	8	0.75	2,025 ⁽⁵⁾	5	1.31
Lane Community College	1,128	9	0.74	2,000 ⁽⁵⁾	6	1.30
Royal Caribbean	890	10	0.58			
Monaco Coach Corporation				2,400	3	1.55
Country Coach				1,640	8	1.06
<i>Total Major Employers</i>	20,861		13.69	22,079		14.30
<i>Other</i>	131,339		86.31	132,321		85.70
<i>Total All Employers</i>	<u>152,200</u> ⁽²⁾		<u>100.00 %</u>	<u>154,400</u> ⁽⁴⁾		<u>100.00 %</u>

⁽¹⁾ Updated information not available at time of printing; as of June 2014.

⁽²⁾ June 2015 total.

⁽³⁾ Includes PeaceHealth Medical Group, Sacred Heart Medical, Cottage Grove Hospital.

⁽⁴⁾ Annual average for 2006.

⁽⁵⁾ Includes part-time employees and student instructors.

Source: Lane County Department of Budget and Financial Planning, Fiscal Year 2015-2016 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

Year Ending December 31	Eugene MSA	State of Oregon	United States
2014	7.1 %	6.9 %	6.2 %
2013	7.9 ⁽¹⁾	7.9 ⁽¹⁾	7.4
2012	8.9 ⁽¹⁾	8.8	8.1
2011	9.6 ⁽¹⁾	9.5 ⁽¹⁾	8.9
2010	11.0 ⁽¹⁾	10.6 ⁽¹⁾	9.6
2009	12.3 ⁽¹⁾	11.3 ⁽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

⁽¹⁾ 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**

Year Ended June 30	Assessed Property Value ⁽¹⁾ (in thousands)	Commercial Permits	Construction Value (in thousands)	Residential Permits	Construction Value (in thousands)	Bank Deposits (in thousands)
2015	\$ 13,233,230	717	\$ 135,199	922	\$ 165,681	\$ 3,410,974
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

⁽¹⁾ Assessed property value for Lane County School District 4J 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

Year Ended June 30	Average Daily Membership (Resident) K-12 ⁽¹⁾	Total Government- wide Expenses	Government- wide Expenses Per Pupil (ADMr)	Total General Fund Expenditures ⁽³⁾	General Fund Per Pupil (ADMr)	General Fund Instruction Expenditures ⁽³⁾	General Fund Instruction Per Pupil (ADMr)	General Fund Other Expenditures ⁽³⁾	General Fund Other Expenditures Per Pupil (ADMr)	Average Daily Membership (Weighted) K-12 ⁽⁴⁾
2015	16,168	\$ 155,555,369 ⁽⁵⁾	\$ 9,621 ⁽⁵⁾	\$ 149,635,316	\$ 9,255	\$ 89,249,619	\$ 5,520	\$ 60,385,697	\$ 3,735	19,012
2014	16,151 ⁽²⁾	187,420,281	11,637 ⁽²⁾	141,616,674	8,793 ⁽²⁾	83,825,345	5,205 ⁽²⁾	57,791,329	3,588 ⁽²⁾	18,892 ⁽²⁾
2013	16,116	188,666,556	11,707	138,360,478	8,585	82,476,559	5,118	55,883,919	3,468	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

⁽¹⁾ 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.

⁽²⁾ Revised in 2015 to reflect final numbers for fiscal year.

⁽³⁾ Budgetary basis.

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

⁽⁵⁾ Implementation of GASB Statement No. 68 resulted in an impact to the report reducing expenditures by \$40,507,655. Government-wide Expenses per Pupil without reduction is 12,127.

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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Direct classroom services										
Regular instruction	657.6	655.8	652.0	661.6	730.6	767.2	789.2	792.6	776.1	775.6
Special programs	326.3	325.4	309.3	321.0	360.5	380.1	350.6	347.0	345.3	338.6
Total direct classroom services	983.9	981.2	961.3	982.6	1,091.1	1,147.3	1,139.8	1,139.6	1,121.4	1,114.2
Classroom support services										
Extracurricular activities	6.3	6.3	6.6	6.6	6.6	5.9	6.2	7.5	6.0	6.4
Student support	110.7	100.4	102.5	101.4	107.7	110.1	122.7	122.2	122.9	120.7
Libraries, curriculum and staff development	50.2	49.5	63.5	48.0	55.7	59.5	62.6	68.5	65.5	60.1
School administration	127.2	124.2	125.0	124.1	130.7	134.2	143.0	139.8	150.3	152.1
Community services	13.1	11.6	11.9	10.3	13.2	10.0	9.9	11.5	12.3	10.7
Total classroom support services	307.5	292.0	309.5	290.4	313.9	319.7	344.4	349.5	357.0	350.0
Building support services										
Facilities operation and maintenance	135.3	131.2	132.0	126.6	145.1	154.1	159.2	152.8	145.2	158.5
Student transportation	73.4	77.1	80.0	76.4	77.5	79.4	85.1	71.1	63.3	59.6
Computing and information services	40.9	39.0	40.7	38.7	38.8	41.5	33.6	30.4	20.7	21.2
Warehouse and purchasing	4.8	3.8	4.6	4.6	4.7	5.7	6.0	7.3	6.3	6.5
Total building support services	254.4	251.1	257.3	246.3	266.1	280.7	283.9	261.6	235.5	245.8
Central support services										
Executive administration	4.0	4.0	4.0	4.2	3.2	4.3	7.8	7.2	6.1	4.7
Financial services	15.9	16.3	17.4	15.4	14.4	15.9	15.9	13.9	14.8	14.8
Human resources/employee insurance benefits	20.3	19.4	17.1	20.0	18.6	17.6	18.2	18.9	25.0	19.6
Communications and intergovernmental relations	3.3	3.3	3.0	2.5	3.0	3.2	3.1	3.0	3.0	3.2
Total central support services	43.5	43.0	41.5	42.1	39.2	41.0	45.0	43.0	48.9	42.3
Nutrition services										
	53.5	56.5	58.3	63.4	68.1	72.1	68.0	71.6	72.1	73.7
Total employees	1,642.8	1,623.8	1,627.9	1,624.8	1,778.4	1,860.8	1,881.1	1,865.3	1,834.9	1,826.0
Licensed staff										
	829.7	829.2	841.8	834.6	922.5	962.9	976.4	969.4	951.5	959.3
Classified staff										
	689.0	677.2	668.8	687.2	752.2	791.5	789.8	784.3	772.3	754.7
Professional staff										
	40.1	35.3	33.4	27.0	19.6	24.3	26.3	25.2	23.2	22.5
Total classified and professional	729.1	712.5	702.2	714.2	771.8	815.8	816.1	809.5	795.5	777.2
Administrative staff										
	71.0	71.1	70.9	64.7	73.1	71.1	77.6	75.4	76.9	78.1
Supervisory staff										
	13.0	11.0	13.0	11.3	11.0	11.0	11.0	11.0	11.0	11.4
Total administrators and supervisors	84.0	82.1	83.9	76.0	84.1	82.1	88.6	86.4	87.9	89.5
Total employees	1,642.8	1,623.8	1,627.9	1,624.8	1,778.4	1,860.8	1,881.1	1,865.3	1,834.9	1,826.0

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</u>	<u>Administrative and Supervisory</u>	<u>Total</u>	<u>Average Daily Membership (Resident) K-12⁽²⁾</u>	<u>Licensed Staffing Ratio</u>
2015	780.9	553.0	77.0	1,410.9	15,187	19.4
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 ⁽¹⁾	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

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

⁽²⁾ Excludes District sponsored public charter schools and alternative education providers.

Note: FTE as of June.

EUGENE SCHOOL DISTRICT NO. 4J
 BARGAINING UNITS & CONTRACT STATUS
 JUNE 30, 2015

<u>Collective Bargaining Unit</u>	<u>No. of Employees</u>	<u>Termination Date of Current Contract</u>
Oregon Education Association/ Eugene Education Association	845	06/30/2017
Oregon School Employees Association	812	06/30/2018

Source: Lane County School District 4J

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
LICENSED PROFESSIONAL SALARY PLAN
JUNE 30, 2015

LEVEL	BACHELORS	BACHELORS + 23	BACHELORS + 45	BACHELORS + 60 MASTERS	BACHELORS + 83 B+68 W/ MASTERS MASTERS + 23	BACHELORS + 105 B+90 W/ MASTERS MASTERS + 45	DOCTORATE MASTERS + 90
1	\$35,245	\$36,549	\$37,901	\$39,303	\$40,757	\$42,265	\$43,829
2	36,549	37,901	39,303	40,757	42,265	43,829	45,451
3	37,901	39,303	40,757	42,265	43,829	45,451	47,133
4	39,303	40,757	42,265	43,829	45,451	47,133	48,877
5	40,030	41,511	43,047	44,639	46,291	48,004	49,780
6	40,771	42,280	43,844	45,466	47,148	48,892	50,701
7	42,280	43,844	45,466	47,148	48,892	50,701	52,577
8	43,844	45,466	47,148	48,892	50,701	52,577	54,522
9	45,466	47,148	48,892	50,701	52,577	54,522	56,539
10	47,148	48,892	50,701	52,577	54,522	56,539	58,631
11	48,892	50,701	52,577	54,522	56,539	58,631	60,800
12	*	50,701	52,577	54,522	56,539	58,631	60,800
13	52,577	54,522	56,539	58,631	60,800	63,050	65,383
14	54,522	56,539	58,631	60,800	63,050	65,383	67,802
15	56,539	58,631	60,800	63,050	65,383	67,802	70,311
16	57,104	59,217	61,408	63,681	66,037	69,836	72,420
17						70,534	73,144

* Highest entry level.

LICENSED STAFFING PER LEVEL AND EDUCATION IN FULL-TIME EQUIVALENT EMPLOYEES—JUNE 2015

LEVEL	BACHELORS	BACHELORS + 23	BACHELORS + 45	BACHELORS + 60 MASTERS	BACHELORS + 83 B+68 W/ MASTERS MASTERS + 23	BACHELORS + 105 B+90 W/ MASTERS MASTERS + 45	DOCTORATE MASTERS + 90	TOTAL
1	5.6	0.5	0.0	3.7	11.8	6.1	1.0	28.7
2	2.6	0.0	0.0	4.5	12.3	6.4	0.0	25.8
3	1.0	0.0	0.0	5.0	16.0	7.0	1.5	30.5
4	1.0	0.0	0.0	5.8	6.6	3.1	0.8	17.3
5	2.0	0.0	0.0	5.0	9.3	6.4	1.0	23.7
6	0.0	1.0	0.0	6.5	5.0	8.5	2.0	23.0
7	0.9	0.0	0.0	6.0	14.0	5.7	1.0	27.6
8	0.0	0.0	1.0	11.6	18.1	14.4	0.0	45.1
9	3.0	2.0	0.0	9.3	9.9	14.0	3.0	41.2
10	2.0	0.8	1.0	10.3	11.6	24.3	2.0	52.0
11	2.6	0.0	1.0	12.0	14.8	12.1	4.8	47.3
12	1.5	0.0	1.0	15.4	20.1	16.5	0.7	55.2
13	0.0	1.0	0.0	6.0	8.0	13.8	3.0	31.8
14	0.0	0.0	0.0	11.3	9.9	15.8	3.5	40.5
15	2.0	2.0	0.0	9.0	8.8	16.7	7.6	46.1
16	15.5	9.0	5.0	57.2	56.3	12.6	3.8	159.4
17	0.0	0.0	0.0	0.0	0.0	97.8	36.7	134.5
Total	39.7	16.3	9.0	178.6	232.5	281.2	72.4	829.7

Average Education: Bachelors + 68 with Masters
Average Salary: \$54,648

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 NO. 4J, EUGENE, OREGON
NUTRITION AND TRANSPORTATION SERVICES INFORMATION
LAST TEN FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Breakfast Program:										
Paid Breakfasts Served	73,506	59,889	66,895	69,079	80,617	75,466	86,906	99,441	80,683	67,338
Free Breakfasts Served	342,970	318,389	330,169	347,884	337,179	352,510	325,119	300,421	268,803	242,860
Reduced Breakfasts Served	39,976	39,337	40,900	38,655	39,383	50,529	46,936	46,696	34,128	33,403
Lunch Program:										
Paid Lunches Served	243,470	233,571	251,017	285,617	372,168	425,932	478,193	497,358	504,989	479,532
Free Lunches Served	614,649	600,996	628,675	641,936	650,842	676,620	615,451	569,180	554,097	538,406
Reduced Lunches Served	81,231	80,117	87,096	82,432	93,648	117,056	116,851	117,973	104,879	109,223
Supper/Snack Program:										
Paid Suppers/Snacks Served										
Free Suppers/Snacks Served	34,494	27,732	20,662	17,617	28,913	40,831	35,068	28,840	26,419	18,436
Reduced Suppers/Snacks Served										
A la Carte Sales	\$ 153,657	\$ 163,624	\$ 144,369	\$ 153,006	\$ 186,274	\$ 230,736	\$ 315,740	\$ 574,353	\$ 605,771	\$ 712,648
Percentage of Students Eligible to Receive Free or Reduced-Price Meals	42.34%	42.33%	42.35%	42.37%	40.01%	38.79%	35.60%	32.70%	32.50%	30.70%
Pupil transportation statistics:										
Number of Buses	107	111	107	95	92	93	93	88	87	83
Number of Vans	13	18	12	12	12	12	12	10	10	10
Total Miles Traveled ⁽¹⁾	1,523,519	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
Number of students transported daily	5,040	4,460	4,830	5,042	5,197	4,985	4,832	5,056	4,855	4,407

⁽¹⁾ 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								
	2015	2014	2013	2012	2011	2010	2009	2008	2007
Enrollment Summary: ⁽¹⁾									
Elementary Schools	6,277.0	6,270.0	6,166.5	6,153.5	6,392.0	6,470.5	6,684.0	6,665.0	6,763.5
K - 8 Schools	149.5	175.0	543.5	545.0	525.5	509.0	326.0	281.0	NA
Middle Schools	3,716.0	3,725.0	3,538.0	3,490.0	3,478.0	3,505.0	3,661.0	3,652.0	3,915.0
High Schools	5,293.0	5,253.0	5,226.0	5,336.0	5,547.0	5,584.0	5,592.0	5,839.0	6,056.0
Total Enrollment	15,435.5	15,423.0	15,474.0	15,524.5	15,942.5	16,068.5	16,263.0	16,437.0	16,734.5

⁽¹⁾ 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	410.5	388.0	361.5	361.5	173.0	165.0	179.0	172.5	180.0
Elementary Enrollment - Hillside	-	-	-	-	-	-	-	83.0	115.0

Awbrey Park (1967)

Gross Floor Area (sq ft): 58,375

Elementary Enrollment	358.5	367.0	389.5	430.5	424.5	456.5	449.5	422.5	436.5
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Bailey Hill (1949)

Gross Floor Area (sq ft): 36,442

Elementary Enrollment	-	-	-	-	-	-	-	-	-
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Bertha Holt (2004)

Gross Floor Area (sq ft): 67,389

Elementary Enrollment	507.5	517.0	499.5	474.0	470.0	473.0	485.5	489.0	531.0
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Cesar Chavez (2004)

Gross Floor Area (sq ft): 66,940

Elementary Enrollment - Cesar Chavez	387.0	409.5	418.0	402.5	419.0	415.5	368.5	328.0	332.0
Elementary Enrollment - Family ⁽²⁾	-	-	-	-	-	-	124.0	123.0	121.0

⁽²⁾ Family School moved to a new co-location with Arts and Technology fall of 2009 and added kindergarten and 6th grade classes. 7th grade was added in 2010 and 8th grade in 2011.

Charlemagne at Fox Hollow (1967)

Gross Floor Area (sq ft): 29,621

Elementary Enrollment	294.5	286.5	276.5	265.0	261.0	271.0	267.5	267.5	270.0
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Coburg (1950)

Gross Floor Area (sq ft): 27,537

Elementary Enrollment	-	-	-	-	110.0	123.5	135.0	139.5	143.0
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Crest Drive (1963)

Gross Floor Area (sq ft): 27,441

Elementary Enrollment	-	-	-	-	242.0	244.0	242.5	237.0	201.0
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Edgewood (1962)

Gross Floor Area (sq ft): 36,719

Elementary Enrollment - Edgewood	361.0	371.0	364.0	404.0	291.0	286.0	280.5	293.5	267.5
Elementary Enrollment - Evergreen	-	-	-	-	-	-	-	-	-

Edison (1926)

Gross Floor Area (sq ft): 42,195

Elementary Enrollment	318.0	327.5	315.0	303.0	283.0	295.5	275.0	302.5	286.0
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Gilham (1966)

Gross Floor Area (sq ft): 74,500

Elementary Enrollment	458.0	450.5	472.0	466.0	454.5	463.5	475.0	479.0	476.5
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Harris (1949) (Became Camas Ridge 7/1/2009)

Gross Floor Area (sq ft): 41,327

Elementary Enrollment - Camas Ridge	388.0	368.0	392.0	384.0	271.5	256.5	-	-	-
Elementary Enrollment - Harris	-	-	-	-	-	-	166.0	156.5	164.0
Elementary Enrollment - Eastside ⁽³⁾	-	-	-	-	-	-	136.0	-	-

⁽³⁾ 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	345.0	311.5	274.5	282.0	239.5	266.5	275.0	256.5	268.0
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Magnet Arts (K - 8 School: Jefferson)

Elementary Enrollment	-	-	-	-	-	-	-	-	88.0
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McCornack (1968)

Gross Floor Area (sq ft): 56,532

Elementary Enrollment	307.5	313.5	310.0	365.0	375.0	385.0	393.5	375.0	386.0
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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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Elementary Schools (Continued)										
Meadowlark (1960)										
Gross Floor Area (sq ft): 45,911										
Elementary Enrollment - Meadowlark					182.5	213.0	212.5	216.5	207.0	176.5
Elementary Enrollment - Buena Vista	362.5	345.5	297.5	270.5	270.0	247.0	248.0	251.0	251.0	250.0
Parker (1959) ⁽⁴⁾										
Gross Floor Area (sq ft): 42,625										
Elementary Enrollment - Parker					240.5	236.5	239.0	229.0	217.0	220.0
Elementary Enrollment - Eastside	-	-	-	-	-	-	-	146.0	147.0	145.0
⁽⁴⁾ 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.										
River Road (1953)										
Gross Floor Area (sq ft): 49,381										
Elementary Enrollment	290.5	292.0	296.5	312.5	351.5	323.5	309.0	279.0	295.5	280.5
Silver Lea (1961)										
Gross Floor Area (sq ft): 48,645										
Corridor Enrollment	253.0	238.5	244.5	245.0	238.5	232.5	237.0	243.5	249.0	247.5
Yujin Gakuen Enrollment	247.0	249.5	242.0	245.0	249.5	260.5	268.5	270.0	273.5	283.0
Spring Creek (1964)										
Gross Floor Area (sq ft): 41,387										
Elementary Enrollment	318.0	327.0	321.5	295.0	314.5	334.5	359.0	349.0	361.0	384.5
Twin Oaks (1958)										
Gross Floor Area (sq ft): 35,198										
Elementary Enrollment	208.0	218.0	203.5	185.5	198.0	183.0	211.0	221.0	225.0	236.0
Willagillespie (1925)										
Gross Floor Area (sq ft): 57,500										
Elementary Enrollment	462.5	489.5	488.5	462.5	333.0	338.5	347.5	335.0	272.0	240.0
Willard (1954)										
Gross Floor Area (sq ft): 35,454										
Elementary Enrollment	-	-	-	-	-	-	-	-	-	-
K - 8 Schools										
Jefferson (1957)										
Gross Floor Area (sq ft): 100,237										
K - 8 Enrollment - Arts and Technology ⁽⁵⁾	-	-	392.0	403.5	391.5	372.5	326.0	281.0	-	-
K - 8 Enrollment - Family School ⁽⁶⁾	149.5	175.0	151.5	141.5	134.0	136.5	-	-	-	-
⁽⁵⁾ 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.										
⁽⁶⁾ 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.										
Middle Schools										
Cal Young Middle School (2006)										
Gross Floor Area (sq ft): 90,341										
Middle School Enrollment	527.0	539.0	563.0	565.0	559.0	545.0	582.0	610.0	566.0	580.0
Arts and Technology at Jefferson (see also K-8 School: Jefferson)										
Middle School Enrollment - Jefferson	-	-	-	-	-	-	-	-	219.0	262.0
Middle School Enrollment - Arts & Technology ⁽⁷⁾	296.0	260.0	-	-	-	-	-	-	-	-
⁽⁷⁾ 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.										
Kelly Middle School (1945)										
Gross Floor Area (sq ft): 112,356										
Middle School Enrollment	399.0	398.0	406.0	416.0	457.0	491.0	499.0	484.0	511.0	524.0
Kennedy Middle School (1965)										
Gross Floor Area (sq ft): 89,057										
Middle School Enrollment	499.0	506.0	507.0	528.0	511.0	494.0	507.0	498.0	496.0	489.0
Madison Middle School (2005)										
Gross Floor Area (sq ft): 86,953										
Middle School Enrollment	459.0	466.0	470.0	480.0	436.0	462.0	468.0	440.0	415.0	423.0
Monroe Middle School (1965)										
Gross Floor Area (sq ft): 87,401										
Middle School Enrollment	506.0	531.0	549.0	532.0	541.0	534.0	533.0	541.0	587.0	630.0
Roosevelt Middle School (1950)										
Gross Floor Area (sq ft): 105,770										
Middle School Enrollment	582.0	572.0	592.0	546.0	556.0	577.0	650.0	659.0	672.0	673.0
Spencer Butte Middle School (1960)										
Gross Floor Area (sq ft): 82,414										
Middle School Enrollment	448.0	453.0	451.0	423.0	418.0	402.0	422.0	420.0	449.0	443.0

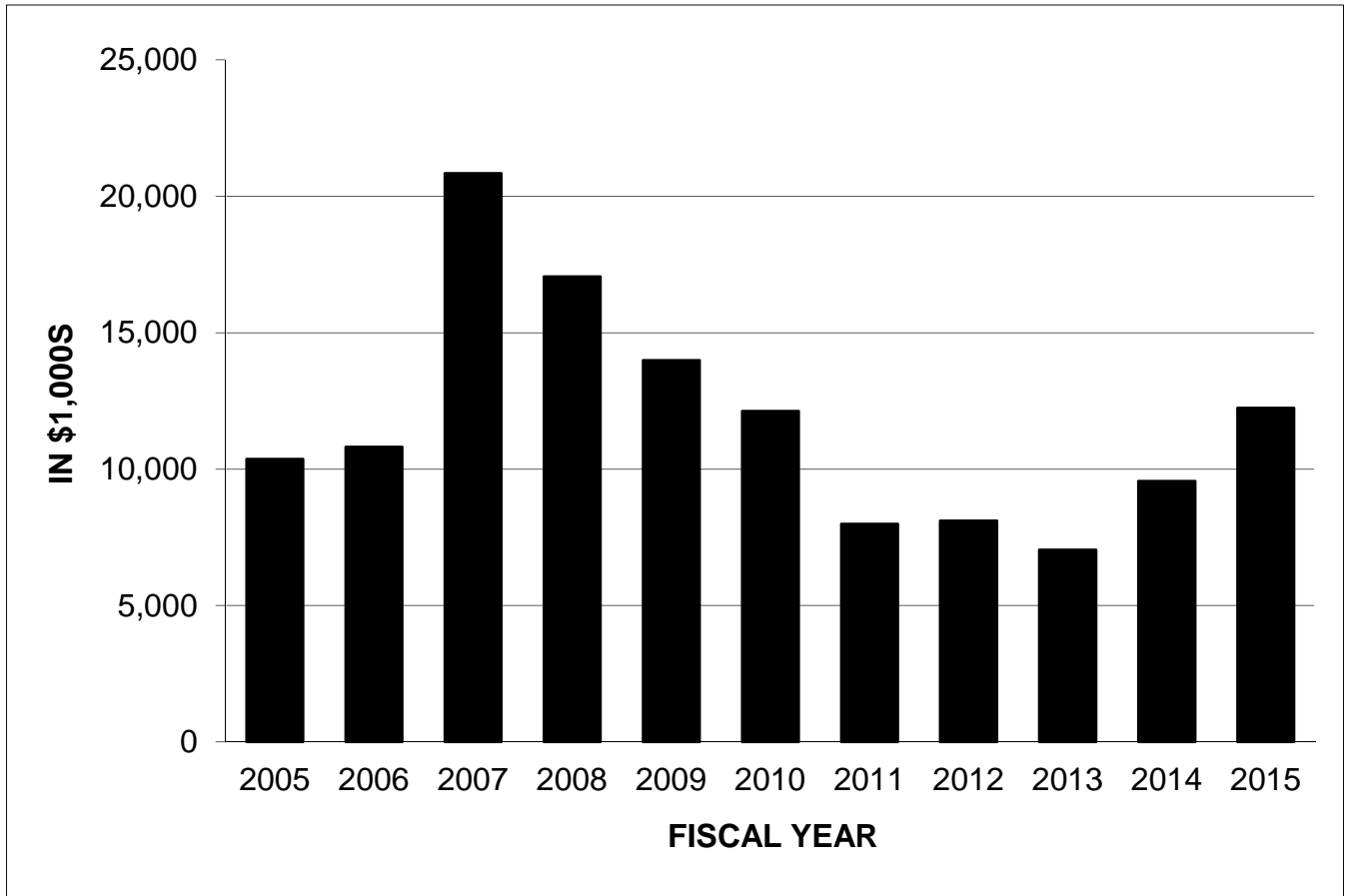
Source: State of Oregon Department of Education
Lane County School District 4J

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
High Schools										
Churchill High School (1966)										
Gross Floor Area (sq ft): 249,982										
High School Enrollment	1,139.0	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
Alternative High School Enrollment	-	-	-	0.0	153.0	74.0	56.0	89.0	97.0	75.0
Eugene Education Options West ⁽⁸⁾	-	-	-	147.0	-	-	-	-	-	-
⁽⁸⁾ In 2012-13 EEO West combined with EEO East at the EEO East location.										
Dunn - Opportunity Center (1929) ⁽⁹⁾										
Gross Floor Area (sq ft): 38,699										
High School Enrollment	-	-	-	-	160.0	163.0	144.0	140.0	137.0	129.0
⁽⁹⁾ Opportunity Center closed and Eugene Education Options East opened as of 7/1/2011.										
Early College & Career Options (formerly Eugene Education Options East)										
High School Enrollment - EEO East at Parker ⁽¹⁰⁾	-	-	286.0	136.0	-	-	-	-	-	-
High School Enrollment - ECCO at LCC ⁽¹¹⁾	310.0	236.0	-	-	-	-	-	-	-	-
⁽¹⁰⁾ In 2012-13, EEO East combined with EEO West at the EEO East location, formerly Parker Elementary.										
⁽¹¹⁾ In 2013-14, EEO East became Early College & Career Options (ECCO) and began renting space at Lane Community College.										
North Eugene High School (1957)										
Gross Floor Area (sq ft): 214,767										
High School Enrollment	961.0	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
Alternative High School Enrollment	-	-	-	-	49.0	32.0	45.0	39.0	34.0	38.0
Sheldon High School (1963)										
Gross Floor Area (sq ft): 234,872										
High School Enrollment	1,415.0	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
Transition Education Network Enrollment ⁽¹²⁾	33.0	33.0	40.0	41.0	37.0	33.0	-	-	-	-
⁽¹²⁾ Transition Education Network (formerly Life Skills) enrollment included beginning 2010.										
South Eugene High School (1953)										
Gross Floor Area (sq ft): 310,831										
High School Enrollment	1,435.0	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
Administrative and Other Facilities										
Education Center (1957)										
Gross Floor Area (sq ft): 74,102										
Facilities (1940)										
Gross Floor Area (sq ft): 42,700										
Transportation (1963)										
Gross Floor Area (sq ft): 30,315										
Gross Floor Area (sq ft) Summary:										
	Age of building (in years)									
	Oldest	Median	Newest							
Elementary Schools			845,074	90	54	11				
K - 8 Schools			100,237	58	58	58				
Middle Schools			654,292	70	50	9				
High Schools			1,010,452	62	55	49				
Other Facilities			147,117	75	58	52				
Total Gross Floor Area (sq ft)			2,757,172	90	55	9				

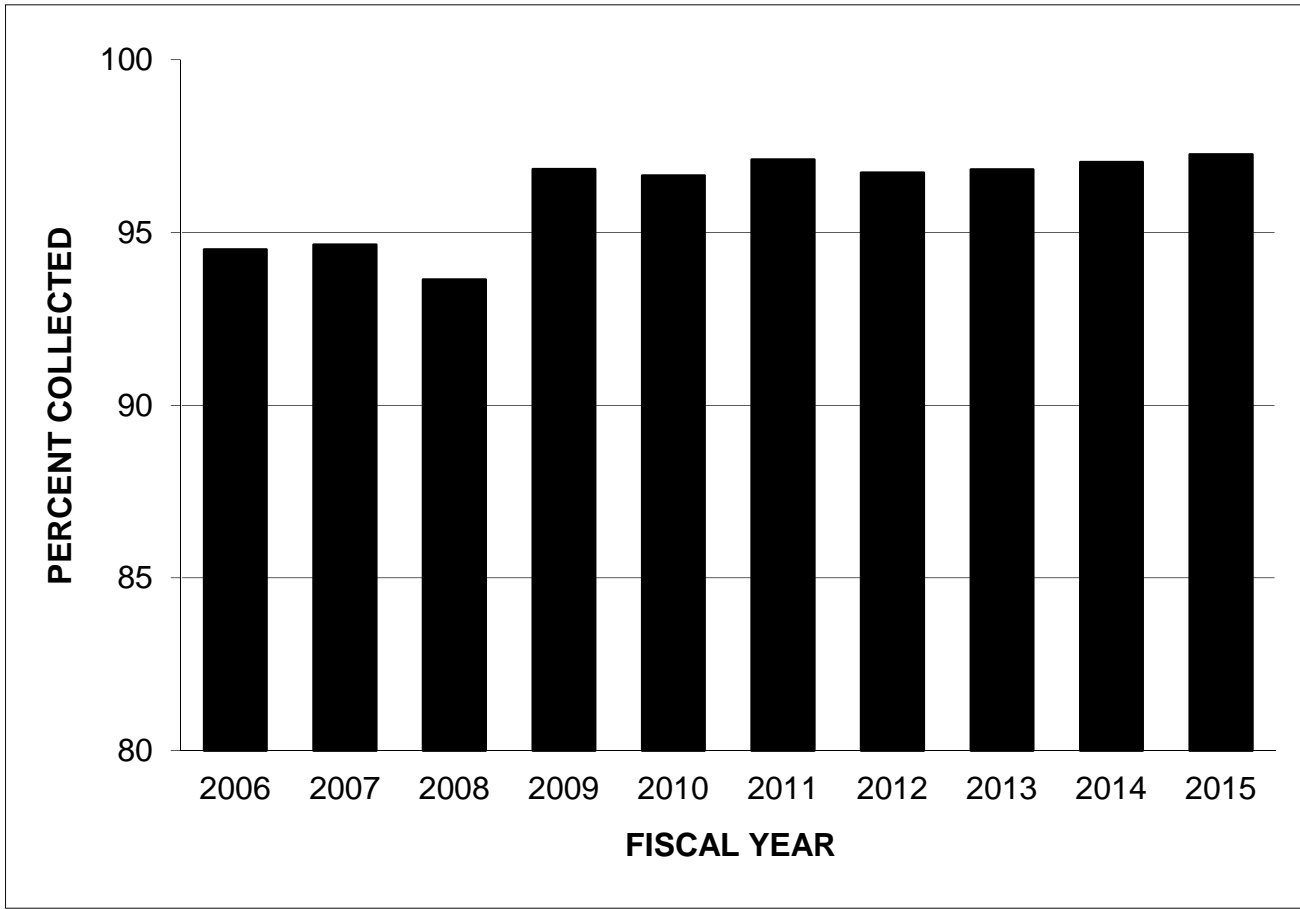
Source: State of Oregon Department of Education
Lane County School District 4J

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



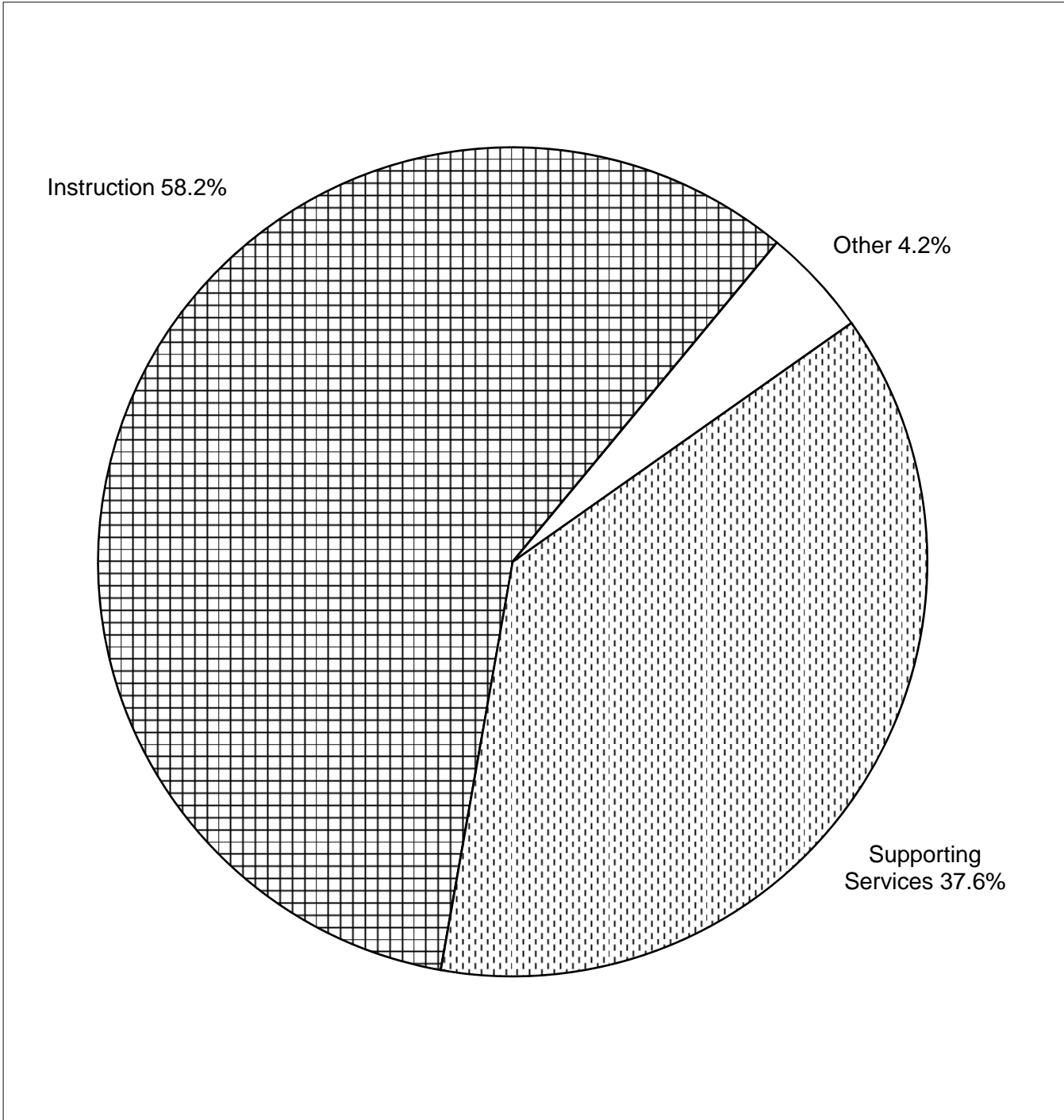
Source: Statement of Revenues, Expenditures and Changes in Fund Balance

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



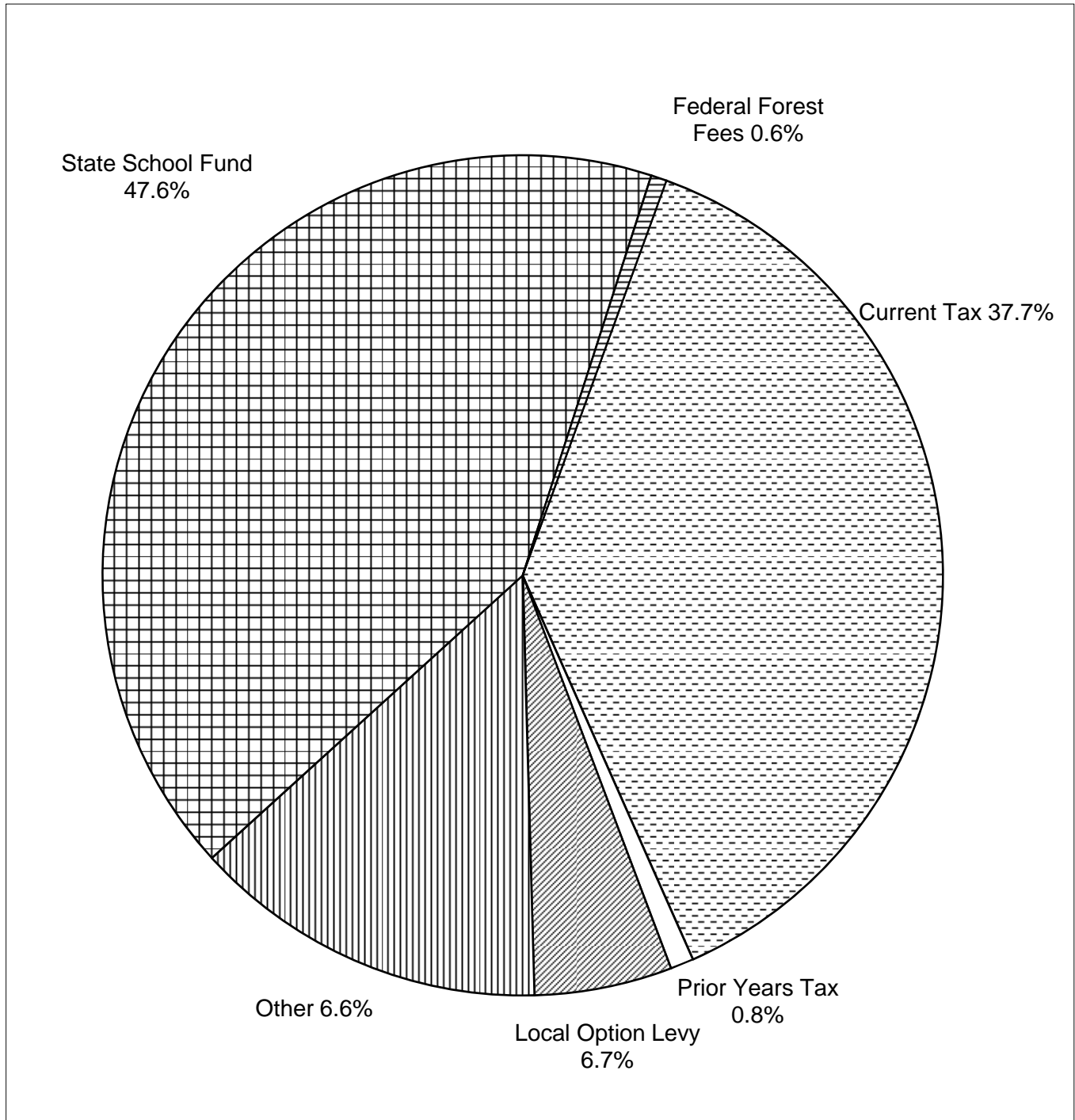
Source: Property Tax Levies and Collections

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
GENERAL FUND EXPENDITURES
YEAR ENDED JUNE 30, 2015



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, 2015



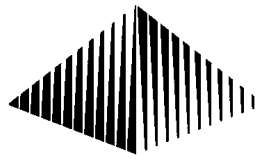
Source: Schedule of Revenues, Expenditures and Changes in Fund Balance



Audit Comments

Audit Comments

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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 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, 2015, and have issued our report thereon dated December 28, 2015.

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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

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

- In our testing of teacher experience, six of 25 teachers tested were reported in error. The District has subsequently corrected their reporting with the Oregon Department of Education.

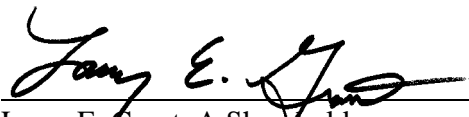
Internal Control

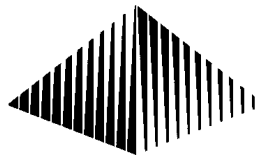
In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the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

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 28, 2015



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
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(503) 581-7788

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, 2015, 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 28, 2015.

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. 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.

Compliance and Other Matters

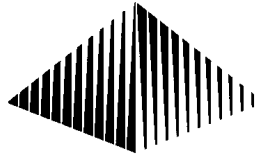
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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*.

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 28, 2015



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, 2015. 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, 2015.

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.

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. *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.

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

Purpose of this Report

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 28, 2015

LANE COUNTY SCHOOL DISTRICT 4J, EUGENE, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

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?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
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?	No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555 & 10.559	Child Nutrition Cluster
84.060	Indian Education – Grants to Local Educational Agencies
84.367	Improving Teacher Quality State Grants

Dollar threshold used to distinguish between type A and type B programs:	\$377,195
Auditee qualified as low-risk auditee?	Yes

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

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LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

PRIOR YEAR 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.

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.

Current year update: The finding has been resolved during the year under audit.

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.

LANE COUNTY SCHOOL DISTRICT 4J, EUGENE, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

PRIOR YEAR FINANCIAL STATEMENT FINDINGS (Continued)

2014-002 Revenue Recognition, Significant Deficiency (Continued)

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.

Current year update: The finding has been resolved during the year under audit.

PRIOR YEAR 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.

PRIOR YEAR 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 (Continued)

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.

Current year update: The finding has been resolved during the year under audit.

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.

Current year update: The finding has been resolved during the year under audit.