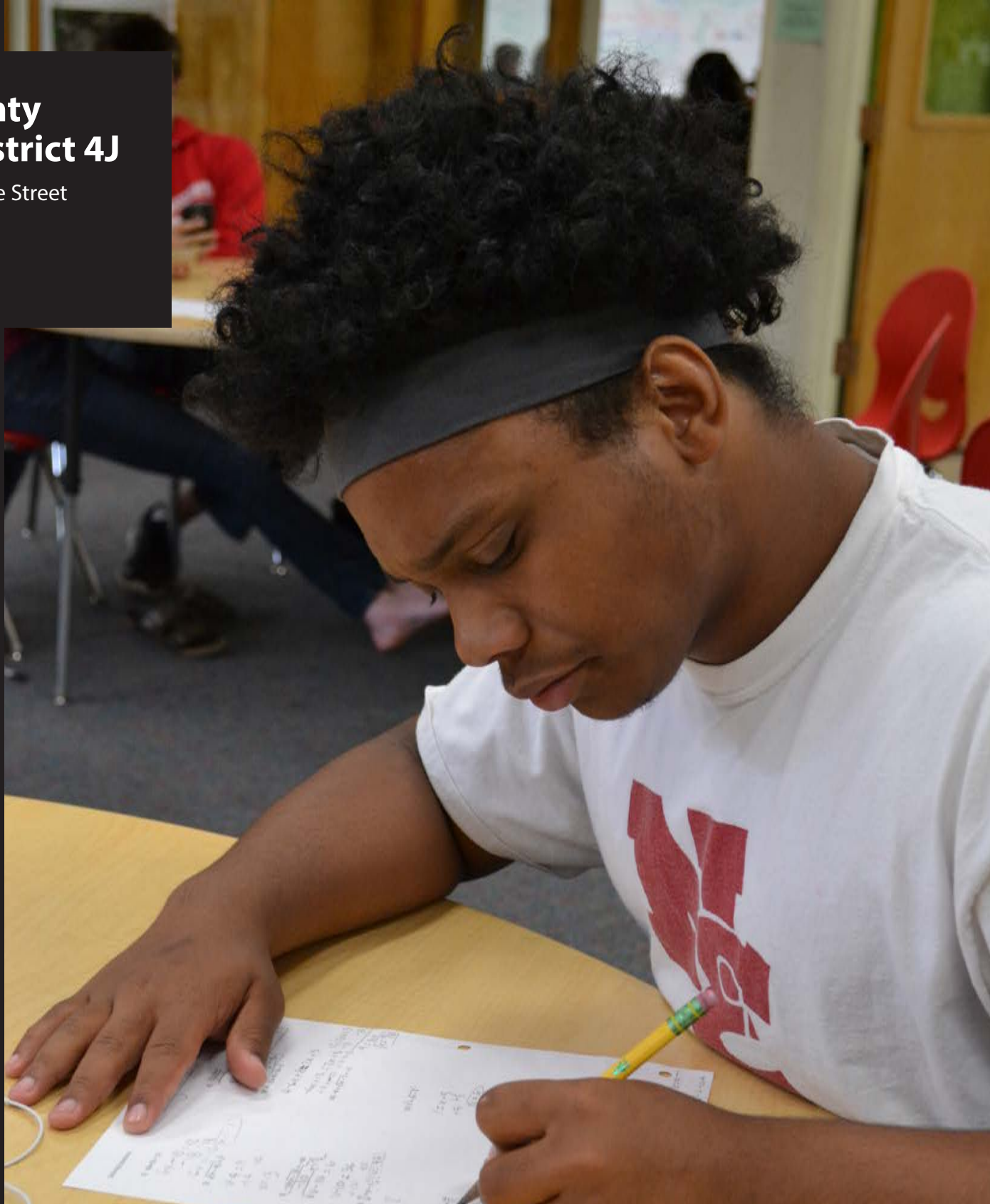


Lane County School District 4J

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Comprehensive Annual Financial Report

for the year ended June 30, 2016

**LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2016**

Prepared by: Financial Services Department

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

	Page
I. INTRODUCTORY SECTION	
Letter of Transmittal	i
GFOA Certificate of Achievement for Excellence in Financial Reporting	vi
Listing of Principal Officials	vii
Organization Chart	viii
 II. FINANCIAL SECTION	
A. Independent Auditor’s Report	1
B. Management’s Discussion and Analysis	7
C. Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	20
Statement of Activities	21
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	22
Reconciliation of Total Governmental Fund Balances to Statement of Net Position	23
Statement of Revenues, Expenditures and Changes in Fund Balances	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	25
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General Fund	28
Federal, State and Local Programs Fund	29
Proprietary Funds:	
Statement of Net Position	32
Statement of Revenues, Expenses and Changes in Net Position	33
Statement of Cash Flows	34
Notes to the Basic Financial Statements	36
D. Required Supplementary Information	
Schedule of Proportionate Share of Net Pension Liability	75
Schedule of Contributions for Pension Plans	75
Changes in Pension Plan Provisions	75
Changes in Assumptions for Pension Plans	76
Schedule of Funding Progress for Other Postemployment Benefits	76
E. Other Supplementary Information	
Combining Statements – Nonmajor Governmental Funds	
Combining Balance Sheet	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	79

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

TABLE OF CONTENTS (Continued)

	Page
II. FINANCIAL SECTION (Continued)	
Proprietary Funds – Internal Service Funds	
Combining Statement of Fund Net Position	80
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	81
Combining Statement of Cash Flows	82
E. Other Supplementary Information (Continued)	
Budgetary Comparisons	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Governmental Funds:	
Debt Service Fund	84
Capital Projects Fund	85
Nonmajor Special Revenue Funds:	
Nutrition Services Fund	86
School Resources Fund	87
Proprietary Funds – Internal Service Funds	
Insurance Reserve Fund	88
Postemployment Benefits Fund	89
F. Capital Assets Used in the Operation of Governmental Funds	
Schedule by Source	93
Schedule by Function and Activity	94
G. Other Financial Schedules	
Computation of District Property Tax Levy	98
Schedule of Property Tax Transactions	99
Debt Information	100
Summary of 2015-16 and 2016-17 Adopted General Fund Budgets	102
Summary Schedule of Cash Receipts and Disbursements - All Schools	103
Schedule of Expenditures of Federal Awards	104
Notes to Schedule of Expenditures of Federal Awards	107
Department of Education Supplemental Information	
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Governmental Funds:	
General Fund	110
Debt Service Fund	114
Capital Projects Fund	118
Federal, State and Local Programs Fund	122
Nonmajor Special Revenue Funds:	
Nutrition Services Fund	126
School Resources Fund	131
Proprietary Funds – Internal Service Funds	
Insurance Reserve Fund	134
Postemployment Benefits Fund	138
Schedule of Supplemental Information for State School Fund	
Apportionment to Other LEAs	141

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

III. STATISTICAL SECTION	Page
A. Financial Trends	
Condensed Statement of Net Position – Last Ten Fiscal Years	143
Changes in Net Position – Last Ten Fiscal Years	144
Fund Balances, Governmental Funds – Last Ten Fiscal Years	145
Revenues, Expenditures and Changes in Fund	
Balances – Last Ten Fiscal Years	146
Government-wide Expenses by Function – Last Ten Fiscal Years	147
General Fund Revenues by Sources (Budgetary Basis) – Last Ten Fiscal Years	149
General Fund Expenditures and Transfers to Other Funds	
(Budgetary Basis) – Last Ten Fiscal Years	151
B. Revenue Capacity	
Property Tax Levies and Collections – Last Ten Fiscal Years	153
Direct District Tax Rates – Last Ten Fiscal Years	154
Schedule of Property Tax Transactions – Last Ten Fiscal Years	155
Assessed Values of Taxable Property within School	
District Boundaries – Last Ten Fiscal Years	157
Comparison of General Fund Budget to Tax Levy – Last Ten Fiscal Years	158
Property Tax Rates – All Overlapping Governments – Last Ten Fiscal Years	159
C. Debt Capacity	
Direct and Overlapping Governmental Activities Debt – June 30, 2016	161
Legal Debt Margin Information – Last Ten Fiscal Years	162
Ratio of Annual Debt Service Requirements for General Bonded Debt	
Total General Fund Expenditures and Transfers – Last Ten Fiscal Years	163
Ratio of Net General Bonded Debt to Assessed Valuation and Net General	
Bonded Debt per Capita and per Student – Last Ten Fiscal Years	164
Outstanding Debt by Type - Last Ten Fiscal Years	165
D. Demographic and Economic Information	
Demographic Statistics – Last Ten Fiscal Years	166
Demographic and Economic Statistics – Last Ten Fiscal Years	167
Major Taxpayers – Current Year and Nine Years Ago	168
Major Taxpayers – Lane County	169
Major Employers – Lane County – Current Year and Nine Years Ago	170
Average Annual Unemployment as a Percent of Labor Force – Last Ten Years	171
Property Value, Construction and Bank Deposits for the City of	
Eugene – Last Ten Fiscal Years	172
E. Operating Information	
Average Daily Membership and Per Pupil Expenditures – Last Ten Fiscal Years	173
Full Time Equivalent Employees by Activity/Function – Last Ten Fiscal Years	174
Licensed, Classified, and Administrative Full-Time Equivalent Employees – General Fund –	
Last Ten Fiscal Years	175
Licensed Professional Salary Plan – June 30, 2016	176
Nutrition and Transportation Services Information – Last Ten Fiscal Years	177

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

III. STATISTICAL SECTION (Continued)	<u>Page</u>
School Building and Student Enrollment Information – Last Ten Fiscal Years.....	178
General Fund Balance – Budget Basis – Last Ten Fiscal Years.....	181
Current Tax Collection – Last Ten Fiscal Years	182
General Fund Expenditures – Year Ended June 30, 2016	183
General Fund Resources – Year Ended June 30, 2016.....	184
 IV. AUDIT COMMENTS SECTION	
Independent Auditor’s Report Required by Oregon State Regulations	186
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	188
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance.....	190
Schedule of Findings and Questioned Costs	192

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Introductory Section



December 19, 2016

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, 2016, 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, 2016 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 Pauly, Rogers and Co. 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, 2016, 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, 2016, 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 Uniform Guidance (Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*). 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, 2016, 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 Uniform Guidance 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 2015-16 school year, the District was responsible for educating over 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 and charter schools reflect particular visions and education philosophies and have such emphases as language and culture immersion.

The secondary program (grades 6–12) consists of seven neighborhood middle schools, one alternative school, four 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, and an international high school program that offers classes on three high school campuses and is accredited by the International Baccalaureate 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–8) are not considered component units of the District. Therefore, information regarding these charter

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

schools is not presented within our financial statements. Each charter school issues their own audited 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 approximately 7.9 percent and 10.6 percent, respectively. While modest population growth continues to be experienced by the City of Eugene and the State, the District's enrollment in regular programs is only expected to grow moderately over the next several years. This trend reflects continued declines in high school enrollment levels offset by growth in elementary and middle school classrooms.

The seasonally adjusted unemployment rate for the Eugene-Springfield metropolitan statistical area (MSA) was 5.5 percent at the end of June 2016, which is higher than the rate reported by the Oregon Employment Department for the State of Oregon (4.8 percent) and the national rate of 4.9 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 11.2 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, 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

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

stability for core programs and legally required activities. Additionally, some allowance is made for unexpected expenditures through a contingency (equal to 2 percent of General Fund expenditures) and an operating reserve has been put in place to blunt the impact of pension rate increases in future years.

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 long-range facilities plan will again be updated in late 2016, with presentation to the Board scheduled for December. 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, function (e.g., instruction, supporting services), and type of expenditure (e.g., salaries, employee benefits).

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 (supplemental budget or board resolution).

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 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 longstanding 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 local option levy to assist with district 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, 2015. This was the twenty-ninth 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.

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, 2015

Executive Director/CEO

BOARD OF DIRECTORS

	<u>Term Expires</u>
Alicia Hays, Position #1	June 30, 2019
Anne Marie Levis, Chair, Position #2	June 30, 2017
Beth Gerot, Position #3	June 30, 2017
Eileen Nittler, Position #4	June 30, 2019
Jim Torrey, Position #5	June 30, 2019
Jennifer Geller, Vice Chair, Position #6	June 30, 2017
Mary Walston, Position #7	June 30, 2019

ADMINISTRATION

Administration Office
200 North Monroe Street
Eugene, Oregon 97402

Dr. Gustavo Balderas
Charis McGaughy
Monica Brown as of July 27, 2015
Andrea Belz

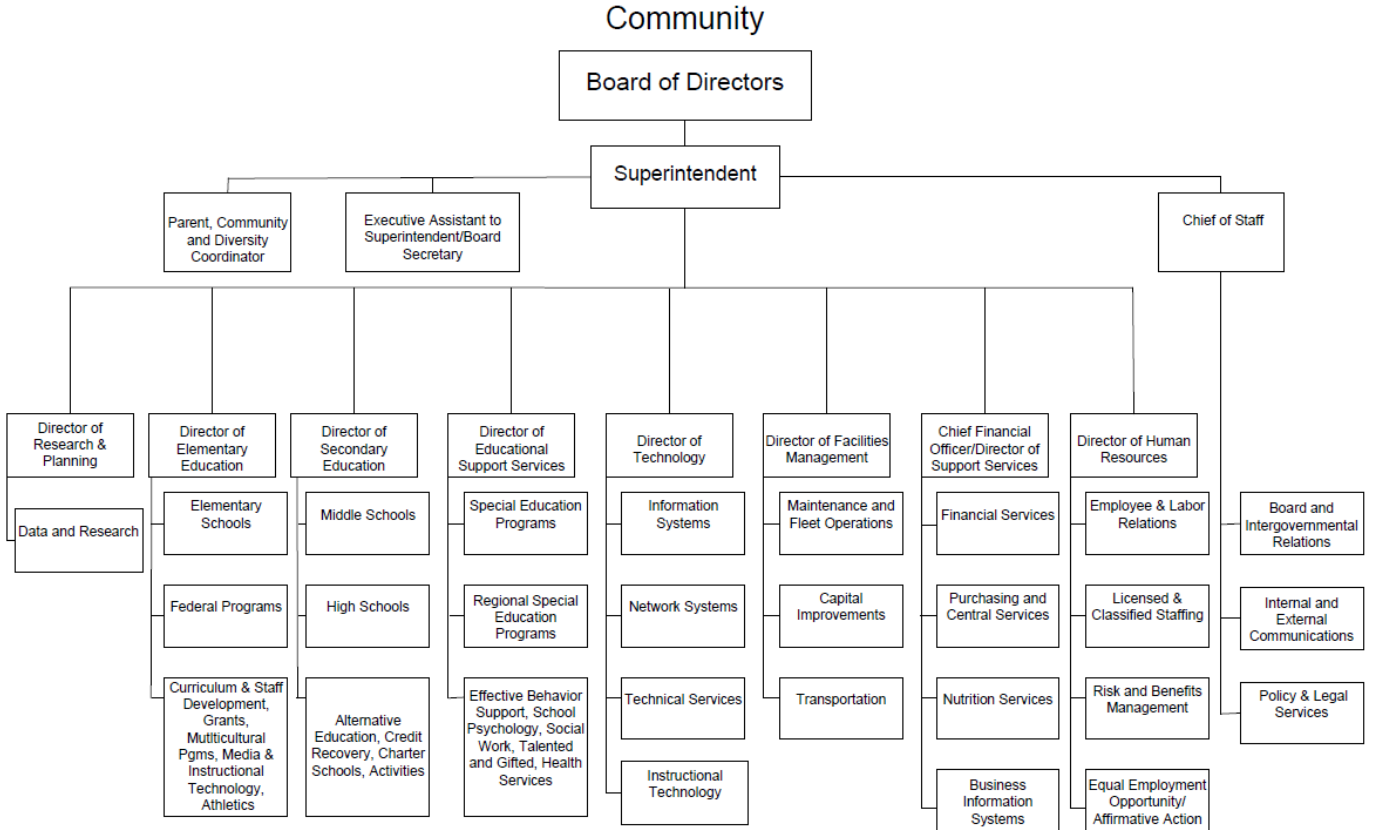
Superintendent and Clerk
Deputy Clerk
Deputy Clerk
Deputy Clerk

LEGAL COUNSEL

Luvaas Cobb, P.C.

DISTRICT ORGANIZATIONAL CHART

Lane County School District 4J - Eugene, Oregon
Organizational Chart
2015-2016





Financial Section

Financial Section

INDEPENDENT AUDITOR'S REPORT

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12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcocpas.com

December 19, 2016

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
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 as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents. The financial statements for the year ended June 30, 2015, were audited by other auditors whose opinion dated December 28, 2015 was unmodified.

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.

Auditors' 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 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 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, as of June 30, 2016, and the respective changes in financial position and budgetary comparisons for the general fund and federal grant fund, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The District adopted the provisions of GASB Statement No. 72, Fair Value Measurement and Application during the year ended June 30, 2016. 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 and the required supplemental information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary and other information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements

The supplementary information, as listed in the table of contents and the schedule of expenditures of federal expenditures 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 supplementary information, as listed in the table of contents and the schedule of federal expenditures, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory, statistical sections and the other information, as listed in the table of contents 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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2015 on our consideration of the internal control over financial reporting and on our tests of 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 internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 19, 2016, on our consideration of 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.



Matthew Graves, CPA
PAULY, ROGERS AND CO., P.C.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

LANE COUNTY SCHOOL DISTRICT 4J

Management's Discussion and Analysis

June 30, 2016

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, 2016. 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 \$50.2 million or 215% during the year ended June 30, 2016 to a negative net position of \$26.9 million. Of this amount, \$24.9 million was a net investment in capital assets, \$10 million was restricted for debt service, and a negative net position of \$61.8 million was unrestricted.

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*" are the primary drivers behind the District's negative net position. GASB 68 requires that the District report pension information directly within the Government-wide Financial Statements (pages 20-21) and expand note disclosures with the Notes to the Basic Financial Statements (pages 36-73) 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 necessary to reflect GASB 68 and 71 entries in the financial statements. The entries made to comply with the requirements of these statements have had the following impact on District reporting (see Note H for additional information):

- **Statement of Net Position – Governmental Activities:** In the prior fiscal year the District reported a net pension asset of \$29.5 million based on investment returns, the impact of legislation designed to reduce future PERS liabilities (Senate Bills 822 and 861), and changes to actuarial methods and assumptions approved by the PERS Board. As a result of the Oregon Supreme Court decision striking down many of the PERS reforms enacted by the Oregon Legislature and poor investment returns for the PERS portfolio in calendar years 2014 and 2015 (7.29% and 2.21%, respectively), the District will report a net pension liability of \$71.4 million in the current fiscal year. This significant change is the primary driver behind the negative net position reported for this statement in fiscal year 2016.

A Deferred Outflow of Resources (\$16.6 million) has been recorded to reflect District contributions, and a Deferred Inflow of Resources (\$16.0 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 \$61.8 million) reflects the amounts noted above as well as a Net Pension Expense for fiscal year 2016.

- **Statement of Activities – Governmental Activities:** The District has recorded a Net Pension Expense of \$70.2 million for fiscal year 2016. This expense has been allocated to each function in the Statement of Activities based on the percentage of PERS charges recorded for each function in the General Ledger.

- Notes to the Basic Financial Statements: Note H, 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 did 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 \$5.7 million primarily as a result of increased collections for property taxes (\$4.3 million) and the State School Fund (\$4.0 million). These increases were offset by a decrease in local revenue related to the sale of Civic Stadium in fiscal year 2015 (\$4.5 million).

The cost of all of the District's programs was \$263 million, an increase of \$106.7 million from the prior year. This increase is essentially due the impact of GASB 68 on District-wide expenses. In fiscal year 2015 expenses were offset by a \$40.5 million net pension income adjustment. In fiscal year 2016 expenses were impacted by a \$70.2 million net pension expense adjustment, a shift of \$110.7 million between years.

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, 2016 was \$117.8 million, which represents a decrease of \$7.2 million for the year due 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 \$77.5 million (a decrease of \$15.6 million over the prior year), the Debt Service Fund, with an ending balance of \$12.2 million (an increase of \$0.8 million over the prior year), and the General Fund, which increased by \$6 million to \$18.2 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 20 and 21 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
	2016	2015	2015 to 2016
Cash and other assets	\$ 153,599	\$ 159,802	\$ (6,203)
Property taxes receivable	7,630	7,199	431
Pension assets	-	29,476	(29,476)
Capital assets	221,809	181,865	39,944
Total assets	<u>383,038</u>	<u>378,342</u>	<u>4,696</u>
Deferred outflow of resources	20,422	18,985	1,437
Accrued and other liabilities	27,056	26,645	411
Long-term debt	387,215	290,429	96,786
Total liabilities	<u>414,271</u>	<u>317,074</u>	<u>97,197</u>
Deferred inflow of resources	16,040	56,877	(40,837)
Net position:			
Net investment in capital assets	24,946	27,777	(2,831)
Restricted	9,996	9,653	343
Unrestricted	(61,793)	(14,054)	(47,739)
Total net position	<u>\$ (26,851)</u>	<u>\$ 23,376</u>	<u>\$ (50,227)</u>

The District's government-wide net position decreased by 215% or \$50.2 million in the year ended June 30, 2016. This decrease is primarily associated with the impact of GASB 68 and 71. As required by this accounting standard, the District has eliminated a net pension asset of \$29.5 million and recorded a net pension liability of \$71.4 million to reflect the impact of the Oregon Supreme Court ruling and lower-than-projected investment returns. Deferred inflows and outflows have been adjusted to reflect the status of pension obligations and advanced debt refunding as of June 30th. Net position as of June 30, 2016, was also impacted by a GASB 68 entry to record net pension expense of \$70.2 million. The combination of these entries was the main driver behind the net position reduction of \$50.2 million.

As of June 30, 2016, liabilities exceeded assets by \$26.9 million. Of this amount, \$24.9 million represents the District's net investment in capital assets, \$10 million is restricted for debt service and (\$61.8) 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 2015-16, a portion of the cash from the September 2014 bond issue of \$80 million and the June 2016 bond issue of \$39.75 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 \$221.8 million (net of accumulated depreciation), which comprises 55% 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>2016</u>	<u>2015</u>	<u>Total Change 2015 to 2016</u>
Land	\$ 1,809	\$ 1,598	\$ 210
Buildings & Improvements	137,570	143,706	(6,136)
Vehicles & Equipment	9,975	12,298	(2,323)
Intangibles	1,089	1,635	(546)
Construction in Progress	<u>71,367</u>	<u>22,628</u>	<u>48,738</u>
Total	<u>\$ 221,810</u>	<u>\$ 181,865</u>	<u>\$ 39,943</u>

The increase in capital assets (net of depreciation) for the current fiscal year was approximately 22%. Capital assets additions totaled \$76.8 million. Major capital events during the year financed through bond funding included the following:

- Construction in progress related to new school buildings – primarily Howard Elementary and Roosevelt Middle School (\$61.1 million)
- Various projects related to building improvements such as HVAC, roofing, boiler replacement, paving and painting (\$9.6 million)
- Crossroads project (classroom technology), network infrastructure and assistive technology for special education students (\$2.7 million)
- Purchase of new buses (\$1.7 million)
- Curriculum adoptions (\$1.1 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 50-51 of this report.

Liabilities

Accrued liabilities, representing 6.5% of the District's total liabilities, consist of payables on accounts, salaries and benefits, interest charges, and unearned revenue. Outstanding long-term liabilities represent 93.5% of the District's total liabilities. These include several different instruments including general obligation bonds, limited pension bonds, the District's net pension liability, other postemployment benefit (OPEB) obligations, and capital leases. The balances include unamortized premiums and early termination benefits.

The balance of long-term debt as of June 30, 2016 was \$387.2 million, of which \$15.7 million is due within one year. Principal payments during the year were \$14.1 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 \$1.6 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 53-57 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

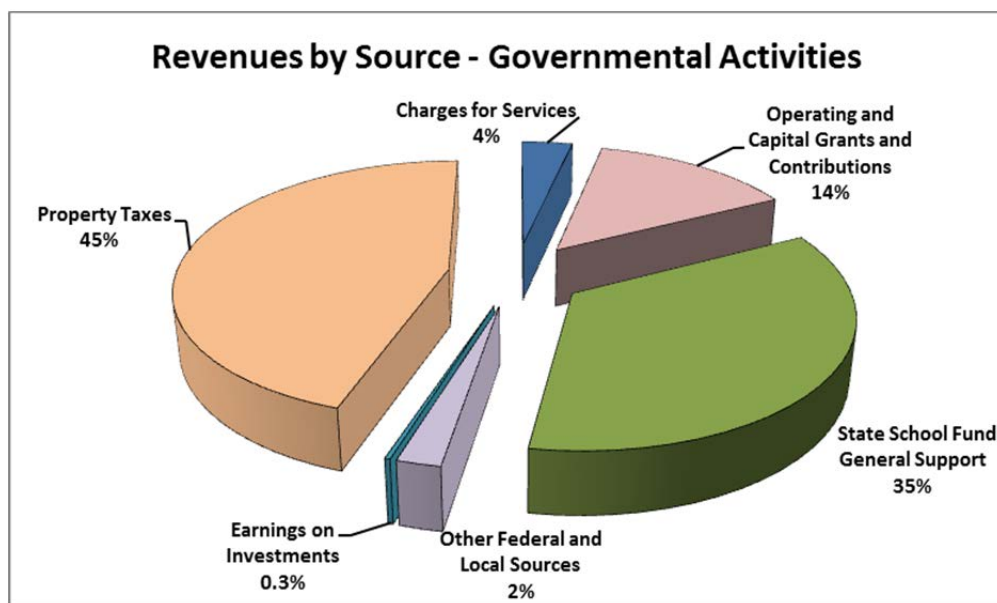
(in thousands)

	Governmental Activities		Total Change
	2016	2015	2015 to 2016
Revenues:			
Program revenues:			
Charges for services	\$ 7,468	\$ 6,964	\$ 504
Operating grants and contributions	28,946	28,367	579
Capital grants and contributions	849	633	216
Program revenues total:	37,263	35,964	1,299
General revenues:			
Property taxes	95,538	91,208	4,330
State school fund - general support	74,732	70,714	4,018
Other federal and local sources	4,702	8,723	(4,021)
Earnings on investments	582	496	86
General revenues total:	175,554	171,141	4,413
Total revenues	212,817	207,105	5,712
Expenses:			
Classroom services	193,335	107,006	86,329
Building support services	38,771	23,905	14,866
Central support services	14,445	10,498	3,947
Nutrition services	5,984	4,435	1,549
Interest on long-term debt	10,510	10,462	48
Total expenses	263,045	156,306	106,739
Change in net position	(50,228)	50,799	(101,027)
Net position – beginning (as restated)	23,377	(27,422)	50,799
Net position - ending	\$ (26,851)	\$ 23,377	\$ (50,228)

During the year ended June 30, 2016, Government-wide net position decreased by \$50.2 million compared to an increase of \$50.8 million in 2015.

Revenues

Total revenues increased by \$5.7 million from the prior year. This is primarily comprised of an increase in property tax and State School Fund revenues of \$8.3 million and increased program revenues of \$1.3 million offset by a drop in revenues from local sources of \$4.0 million. The drop in local source revenue is related to the sale of Civic Stadium, which increased local source revenue by \$4.5 million in fiscal year 2015. While the District did sell property in fiscal year 2016 (sale of Dunn property to the Family School Foundation), the sale was structured on installment payments so the impact to local sources revenue will be spread over several years.



Expenses

In the year ended June 30, 2016, total expenses increased by \$106.7 million. The main driver for this increase is GASB 68 and 71. As part of the implementation of these statements, 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). For the year ended June 30, 2016, the District recorded a net pension expense of \$70.2 million, a shift of \$110.7 million between years. Without this entry the District would have reported modest growth in service expenses, primarily related to the implementation of full-day kindergarten.

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 41 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 22-25 and the basic proprietary fund financial statements can be found on pages 32-34 of this report.

Combined Ending Fund Balances

At June 30, 2016, the District's governmental funds reported *combined ending fund balances* of approximately \$117.8 million, a decrease of \$7.2 million over the prior year. Under GASBS 54, \$99.8 million (84.7%) 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 \$9.9 million (8.4%) of the ending fund balance is unassigned and available to fund the District's ongoing obligations, and the remaining \$8.1 million (6.9%) 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, 2016, the total ending fund balance is \$18.2 million. In order to maintain minimum fund balance in accordance with Board policy, committed fund balance is \$8.1 million, and the remainder consists of \$0.2 million in inventory and an unassigned fund balance of \$9.9 million. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund revenues. At the end of the fiscal year, the General Fund balance was 11.2% of total General Fund revenues.

General Fund revenues increased by \$8.3 million (5.4%) from the year ended June 30, 2015. This growth was primarily driven by higher property tax and local option levy collections and State School Fund grant payments.

Expenditures increased by approximately \$3.9 million compared with 2014-15 mainly due to the following:

- The implementation of full-day kindergarten
- Increases in staffing costs due to cost of living increases and step movement for eligible employees in all job classifications.

General Fund 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 \$0.2 million in original estimated revenues and a net decrease in expenditure appropriations of \$3.1 million mainly attributable to school and department operational savings, a portion of which were subsequently transferred to the School Resources Fund to support future projects. Additionally, several supplemental budgets and Board resolutions authorized reallocation of appropriations among functions when annual expenditure patterns became clearer.

Final budget compared to actual results. The most significant differences between budgeted revenue and actual revenue were noted for State and Federal Sources. Actual revenue from State Sources was \$1.8 million higher than anticipated due to higher state school payments for 2014-15 and 2015-16 (\$1.7 million) and Common School Fund (\$0.6 million) receipts. These increases were partially offset by lower than expected High Cost Disability Grant payments for 2014-15 and 2015-16 (\$0.6 million). The District also received a federal forest fee payment late in June of 2016 (\$0.8 million).

Actual expenditures were lower than appropriations in the final budget by \$7.7 million. This includes a decrease in expenditure for support services (\$1.1 million) and instructional costs (\$3.3 million) resulting from lower than expected staffing-related costs, a significant number of position vacancies, and savings related to lower costs for utilities and fuel. Additionally, an operating contingency of \$3.3 million was not utilized.

Debt Service Fund

The Debt Service Fund has a total fund balance of \$12.2 million which is an increase of \$0.8 million from June 2015. 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, 2016 is \$77.5 million which is \$15.6 million less than in 2014-15. This decrease reflects the principal (\$39.75 million) and related bond premium (\$2.3 million) generated by the District's bond issuance in June of 2016 offset against significant bond-related spending for new school construction, technology initiatives and curriculum purchases. Of the Capital Projects Fund balance, \$68.6 million is restricted and \$9.0 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 \$0.4 million decrease in fund balance in the current fiscal year. This increased the overall fund balance from a deficit of \$1.3 million in 2014-15 to a deficit of \$1.7 million in 2015-16. 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. The combining proprietary fund financial statements can be found on pages 80-82 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 operations. Interfund transfers for the year ended June 30, 2016 total \$4.8 million. See Section III, Note C on page 48 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 36-73 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 \$7.38 billion, an increase in funding of \$0.73 billion or 10.9% that includes \$220 million for full-day kindergarten. Unlike previous bienniums, the \$7.258 billion is split evenly between 2015-16 and 2016-17 (versus the usual 49% / 51% split), and an additional \$118 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 implemented a full-day kindergarten program in 2015-16, which was partially funded through the State School fund. Other funding for this implementation was 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 was used to make one-time curriculum and equipment purchases.

The 2016-17 budget was adopted by the Board on June 14, 2016. The adopted budget for the General Fund for the year ending June 30, 2017 includes General Fund expenditures (excluding transfers) of \$165.2 million, 3.6% higher than the 2015-16 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 2016-17 budget includes an Operations Reserve of \$3.7 million and a Superintendent's staffing pool of \$1.25 million to support Board priorities such as class size and stable funding, while increasing the General Fund ending fund balance to 4.75% and preparing the District for a PERS rate increase in the 2017-19 biennium.

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 2016-17 General Fund budget includes a 2% operating contingency and the Board approved a 0.25% reduction in the ending fund balance target to 4.75% for the 2016-17 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 2016-17 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, 2016

ASSETS

Cash and investments	\$ 146,578,090
Receivables:	
Property taxes	7,629,727
Accounts and other receivables	6,691,923
Inventories	328,819
Capital assets not being depreciated	
Land and construction in progress	73,175,722
Capital assets, net of accumulated depreciation	
Athletic field improvements	4,246,974
Buildings and improvements	133,323,286
Machinery and equipment	3,783,122
Vehicles	6,191,464
Intangibles	1,088,893

TOTAL ASSETS 383,038,020

DEFERRED OUTFLOWS OF RESOURCES

Oregon PERS	16,600,009
Deferred charge on refunding	3,821,950

LIABILITIES

Current liabilities	
Accounts payable	5,636,969
Accrued payroll and related charges	14,646,242
Accrued interest	3,152,762
Unearned revenue	3,619,644
Bonds and capital leases - due within one year	15,660,559
<i>Total current liabilities</i>	<u>42,716,176</u>
Long-term liabilities	
PERS net pension liability -- See Note H	71,426,997
Bonds and capital leases - due in more than one year	295,310,064
Early termination stipend benefits - due in more than one year	452,554
Net OPEB obligation - due in more than one year	4,365,400

TOTAL LIABILITIES 414,271,191

DEFERRED INFLOWS OF RESOURCES

Oregon PERS	16,040,176
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NET POSITION

Net investment in capital assets	24,946,198
Restricted for debt service	9,995,478
Unrestricted	(61,793,064)

TOTAL NET POSITION \$ (26,851,388)

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, 2016

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	\$ 97,723,456	\$ 82,976	\$ 752,787	\$ -	\$ (96,887,693)
Special programs	41,726,350	22,723	9,363,619	-	(32,340,008)
Total direct classroom services	139,449,806	105,699	10,116,406	-	(129,227,701)
Classroom support services					
Extracurricular activities	6,755,571	368,710	4,259,273	-	(2,127,588)
Student support	16,578,246	-	1,143,715	-	(15,434,531)
Libraries, curriculum and staff development	11,385,209	-	2,217,234	-	(9,167,975)
School administration	18,010,676	-	5,036	-	(18,005,640)
Community services	1,155,500	-	579,744	-	(575,756)
Total classroom support services	53,885,203	368,710	8,205,002	-	(45,311,491)
Building support services					
Facilities operation and maintenance	14,829,004	1,180,456	-	-	(13,648,548)
Student transportation	10,444,319	197,302	5,860,483	849,337	(3,537,197)
Computing and information services	12,740,672	-	189,466	-	(12,551,206)
Warehouse and purchasing	757,228	-	-	-	(757,228)
Total building support services	38,771,223	1,377,758	6,049,949	849,337	(30,494,179)
Central support services					
Executive administration	1,292,001	500	-	-	(1,291,501)
Financial services	2,895,088	750	4,591	-	(2,889,747)
Human resources/employee insurance benefits	7,505,683	4,715,501	-	-	(2,790,182)
District retirement	2,011,413	-	-	-	(2,011,413)
Communications and intergovernmental relations	740,503	-	-	-	(740,503)
Total central support services	14,444,687	4,716,751	4,591	-	(9,723,345)
Nutrition services	5,984,115	899,024	3,910,487	-	(1,174,604)
Interest on long-term liabilities	10,509,861	-	659,800	-	(9,850,061)
Total school district	\$ 263,044,894	\$ 7,467,942	\$ 28,946,235	\$ 849,337	(225,781,380)
General revenues:					
Property taxes levied for:					
General purposes					
					74,284,511
Debt service					
					21,253,272
Federal aid not restricted to specific purposes					
					957,645
State aid not restricted to specific purposes					
					74,732,275
Earnings on investments					
					581,604
Other local revenue					
					3,744,439
Total general revenues					
					175,553,746
Change in net position					
					(50,227,634)
Net position - beginning					
					23,376,246
Net position - ending					
					\$ (26,851,388)

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, 2016

	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	\$ 16,477,197	\$ -	\$ 6,420,760	\$ -	\$ 6,131,425	\$ 29,029,382
Cash and investments	-	11,466,839	87,757,935	-	3,159,821	102,384,595
Receivables						
Property taxes	6,053,364	1,576,363	-	-	-	7,629,727
Accounts and other receivables	2,457,447	345,800	61,628	3,032,761	794,287	6,691,923
Interfund loan receivables	-	-	2,500,000	-	-	2,500,000
Due from other funds	15,056,591	310,263	-	-	42,610	15,409,464
Inventories	201,751	-	-	-	127,068	328,819
Total Assets	\$ 40,246,350	\$ 13,699,265	\$ 96,740,323	\$ 3,032,761	\$ 10,255,211	\$ 163,973,910
Liabilities						
Accounts and interest payable	\$ 5,027,903	\$ -	\$ -	\$ 173,445	\$ 427,864	\$ 5,629,212
Accrued payroll and related charges	10,903,265	-	2,478,827	-	-	13,382,092
Interfund loan payables	-	-	2,500,000	-	-	2,500,000
Due to other funds	352,873	-	14,235,353	821,238	-	15,409,464
Unearned revenue	10,095	-	-	2,038,078	-	2,048,173
Total Liabilities	16,294,136	-	19,214,180	3,032,761	427,864	38,968,941
Deferred inflows of resources						
Unavailable revenue - property taxes	5,735,856	1,488,962	-	-	-	7,224,818
Fund balances						
Nonspendable:						
Inventory	201,751	-	-	-	127,068	328,819
Restricted for:						
Debt service	-	11,621,725	-	-	-	11,621,725
Capital projects	-	-	68,552,360	-	-	68,552,360
Committed for:						
Debt service	-	588,578	-	-	-	588,578
Capital projects	-	-	8,973,783	-	-	8,973,783
Nutrition services	-	-	-	-	123,184	123,184
School resources	-	-	-	-	9,577,095	9,577,095
Minimum fund balance	8,123,315	-	-	-	-	8,123,315
Assigned	-	-	-	-	-	-
Unassigned	9,891,292	-	-	-	-	9,891,292
Total Fund Balances	18,216,358	12,210,303	77,526,143	-	9,827,347	117,780,151
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 40,246,350	\$ 13,699,265	\$ 96,740,323	\$ 3,032,761	\$ 10,255,211	\$ 163,973,910

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, 2016

Total Governmental Fund Balances \$ 117,780,151

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 \$427,681,695 and the accumulated depreciation is \$205,872,235. 221,809,461

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 liability	(71,426,997)	
OPERS deferred outflow of resources	16,600,009	
OPERS deferred inflow of resources	<u>(16,040,176)</u>	
Total long-term pension assets / liabilities		(70,867,164)

The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position. 8,432,498

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. 7,224,818

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. (3,152,762)

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. (929,717)

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)		3,821,950
Limited pension obligation bonds	\$ (45,555,000)	
Bonds payable	(263,773,872)	
Capital leases payable	<u>(1,641,751)</u>	
Total long-term liabilities		<u>(310,970,623)</u>

Total Net Position \$ (26,851,388)

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, 2016

	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	\$ 74,162,496	\$ 21,174,788	\$ -	\$ -	\$ -	\$ 95,337,284
Charges for services	1,556,623	4,508,332	788,401	83,447	5,183,103	12,119,906
Contributions	58,139	-	-	546,686	-	604,825
Interest earnings	223,206	83,220	165,453	-	-	471,879
Miscellaneous	1,358,303	-	73,985	2,399,216	166,573	3,998,077
Intergovernmental						
Intermediate sources	2,667,280	-	-	288,507	-	2,955,787
State sources	81,610,070	-	849,337	1,015,859	99,473	83,574,739
Federal sources	830,186	659,800	-	8,873,368	3,714,703	14,078,057
Total Revenues	162,466,303	26,426,140	1,877,176	13,207,083	9,163,852	213,140,554
EXPENDITURES						
Current						
Instruction	94,068,695	-	1,069,384	8,481,486	4,586,012	108,205,577
Supporting services	59,038,483	-	4,059,777	4,096,252	700,585	67,895,097
Community services	383,464	-	-	629,345	5,026,861	6,039,670
Debt service						
Principal	-	14,120,000	642,075	-	-	14,762,075
Interest	-	11,520,619	56,994	-	-	11,577,613
Capital outlay	17,320	-	54,209,053	-	-	54,226,373
Total Expenditures	153,507,962	25,640,619	60,037,283	13,207,083	10,313,458	262,706,405
REVENUES OVER (UNDER) EXPENDITURES	8,958,341	785,521	(58,160,107)	-	(1,149,606)	(49,565,851)
OTHER FINANCING SOURCES (USES)						
Transfers in	899,974	-	-	-	2,902,192	3,802,166
Transfers out	(3,879,838)	-	(206,801)	-	(165,173)	(4,251,812)
Issuance of debt	-	-	39,750,000	-	-	39,750,000
Bond premium	-	-	2,332,751	-	-	2,332,751
Sale of capital assets	-	-	722,326	-	-	722,326
Total Other Financing Sources (Uses)	(2,979,864)	-	42,598,276	-	2,737,019	42,355,431
NET CHANGE IN FUND BALANCES	5,978,477	785,521	(15,561,831)	-	1,587,413	(7,210,420)
FUND BALANCES, Beginning of year	12,237,881	11,424,782	93,087,974	-	8,239,934	124,990,571
FUND BALANCES, End of year	\$ 18,216,358	\$ 12,210,303	\$ 77,526,143	\$ -	\$ 9,827,347	\$ 117,780,151

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, 2016

Net change in fund balances - total governmental funds		\$ (7,210,420)
Amounts reported for governmental activities in the Statement of Activities 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 (\$54,226,373) exceeded depreciation (\$14,111,410).		
		40,114,963
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.		
		(167,332)
In the Statement of Activities, pension expense is adjusted based on the actuarially determined contribution changes:		
Net change in OPERS net pension liability / asset	(100,903,146)	
Net change in Deferred outflow of resources	2,183,419	
Net change in Deferred inflow of resources	40,836,852	
Total pension expense		(57,882,875)
Long-term debt proceeds are reported as other financing sources in governmental funds, thereby increasing fund balances. In the Statement of Net Position, however, issuing long-term debt increases liabilities and has no effect on net position. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position.		
Issuance of bonds	(39,750,000)	
Bond premium	(2,332,751)	
Debt principal repaid	14,762,075	
Total long-term liabilities		(27,320,676)
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.		
		(326,392)
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.		
		2,144,936
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.		
		(750,793)
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.		
		519,571
Vested compensated absences are accrued when earned in the Statement of Activities while in the governmental funds they are recorded when paid. This year, the amount earned of \$929,717 exceeded the amount paid of \$731,068.		
		(198,649)
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.		
		850,033
Change in net position of governmental activities		<u>\$ (50,227,634)</u>

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, 2016

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Variance with Final Budget</i>	<i>Actual</i>		<i>GAAP Basis</i>
				<i>Budget Basis</i>	<i>Adjustments</i>	
REVENUES						
Local sources						
Taxes	74,362,000	\$ 74,362,000	\$ (199,504)	\$ 74,162,496	\$ -	\$ 74,162,496
Charges for services	1,632,500	1,633,120	(76,497)	1,556,623	-	1,556,623
Contributions	50,000	50,000	8,139	58,139	-	58,139
Interest earnings	117,000	117,000	106,206	223,206	-	223,206
Miscellaneous	1,283,500	1,462,427	(104,124)	1,358,303	-	1,358,303
Intergovernmental						
Intermediate sources	2,734,150	2,734,150	(66,870)	2,667,280	-	2,667,280
State sources	79,855,952	79,855,952	1,754,118	81,610,070	-	81,610,070
Federal sources	-	-	830,186	830,186	-	830,186
Total Revenues	160,035,102	160,214,649	2,251,654	162,466,303	-	162,466,303
EXPENDITURES						
Current						
Instruction	97,776,407	97,359,236	3,284,166	94,075,070	(6,375)	94,068,695
Supporting services	61,203,521	60,156,680	1,107,252	59,049,428	(10,945)	59,038,483
Community services	437,039	438,924	55,460	383,464	-	383,464
Facilities acquisition and construction	1	1	1	-	-	-
Operating contingency	4,916,759	3,251,724	3,251,724	-	-	-
Debt service	1	1	1	-	-	-
Capital outlay	-	-	-	-	17,320	17,320
Total Expenditures	164,333,728	161,206,566	7,698,604	153,507,962	-	153,507,962
REVENUES OVER (UNDER) EXPENDITURES	(4,298,626)	(991,917)	9,950,258	8,958,341	-	8,958,341
OTHER FINANCING SOURCES (USES)						
Transfers in	904,804	904,804	(4,830)	899,974	-	899,974
Transfers out	(1,257,902)	(4,564,611)	684,773	(3,879,838)	-	(3,879,838)
Capital leases	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(353,098)	(3,659,807)	679,943	(2,979,864)	-	(2,979,864)
NET CHANGE IN FUND BALANCE	(4,651,724)	(4,651,724)	10,630,201	5,978,477	-	5,978,477
FUND BALANCE, Beginning of year	9,749,000	9,749,000	2,488,881	12,237,881	-	12,237,881
FUND BALANCE, End of year	\$ 5,097,276	\$ 5,097,276	\$ 13,119,082	\$ 18,216,358	\$ -	\$ 18,216,358

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, 2016

	<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	\$ 105,000	\$ 105,000	\$ (21,553)	\$ 83,447	\$ -	\$ 83,447
Contributions	584,319	615,346	(68,660)	546,686	-	546,686
Miscellaneous	3,791,773	4,086,841	(1,687,625)	2,399,216	-	2,399,216
Intergovernmental						
Intermediate sources	447,184	517,447	(228,940)	288,507	-	288,507
State sources	929,313	1,282,389	(266,530)	1,015,859	-	1,015,859
Federal sources	9,581,242	10,001,420	(1,128,052)	8,873,368	-	8,873,368
<i>Total Revenues</i>	<u>15,438,831</u>	<u>16,608,443</u>	<u>(3,401,360)</u>	<u>13,207,083</u>	<u>-</u>	<u>13,207,083</u>
EXPENDITURES						
Current						
Instruction	10,371,455	10,753,711	2,272,225	8,481,486	-	8,481,486
Supporting services	4,480,349	5,215,416	1,119,164	4,096,252	-	4,096,252
Community services	587,026	639,315	9,970	629,345	-	629,345
Facilities acquisition and construction	1	1	1	-	-	-
<i>Total Expenditures</i>	<u>15,438,831</u>	<u>16,608,443</u>	<u>3,401,360</u>	<u>13,207,083</u>	<u>-</u>	<u>13,207,083</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, 2016

ASSETS

Current assets:	
Equity in pooled cash and investments	\$ 15,164,113
<i>Total Assets</i>	<u>15,164,113</u>

LIABILITIES

Current liabilities:	
Accounts and interest payable	7,757
Accrued payroll and related charges	334,433
Unearned revenue	1,571,471
<i>Total current liabilities</i>	1,913,661
Long-term liabilities:	
Early termination stipend benefits - due in more than one year	452,554
Net OPEB obligation - due in more than one year	<u>4,365,400</u>
<i>Total Liabilities</i>	<u>6,731,615</u>

NET POSITION

Unrestricted	<u>8,432,498</u>
<i>Total Net Position</i>	<u>\$ 8,432,498</u>

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

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
GOVERNMENTAL ACTIVITIES
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2016

OPERATING REVENUES	
Interfund charges for services	\$ 31,684,592
Other reimbursements	246,025
	<hr/>
<i>Total Operating Revenues</i>	31,930,617
OPERATING EXPENSES	<hr/>
	31,566,740
OPERATING INCOME	363,877
NONOPERATING REVENUES	
Interest income	36,510
	<hr/>
INCOME BEFORE TRANSFERS	400,387
TRANSFERS	
Transfers in	1,006,071
Transfers out	(556,425)
	<hr/>
<i>Total Transfers</i>	449,646
CHANGE IN NET POSITION	850,033
TOTAL NET POSITION, Beginning of year	<hr/>
	7,582,465
TOTAL NET POSITION, End of year	<hr/> <hr/>
	\$ 8,432,498

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, 2016

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 246,025
Receipts from interfund services provided	31,764,265
Payments to suppliers	(28,897,641)
Payments to employees	(754,189)
Payments to retirees	<u>(1,819,580)</u>

Net Cash Provided by Operating Activities 538,880

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Transfers in from other funds	1,006,071
Transfers out to other funds	<u>(556,425)</u>

Net Cash Used by Noncapital Financing Activities 449,646

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	<u>36,510</u>
-------------------	---------------

Net Increase in Cash and Cash Equivalents 1,025,036

CASH AND CASH EQUIVALENTS, Beginning of year 14,139,077

CASH AND CASH EQUIVALENTS, End of year \$ 15,164,113

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

Operating income	\$ 363,877
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Increase in accounts and other receivables	19,408
Decrease in accrued payroll and related charges	(96,503)
Increase in accrued postemployment benefits payable	184,076
Increase in unearned revenue	<u>68,022</u>

Total adjustments 175,003

Net Cash Provided by Operating Activities \$ 538,880

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, 2016

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, 2016

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, 2016

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, 2016. 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. The district has placed further restrictions on authorized investments within School Board Policy DFA and Administrative Rule DFA-AR 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 and district policy. 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 financial institutions, 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. Financial institutions are authorized for use by the district annually through a resolution of the Board of Directors.

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 cost of more than \$5,000 and an estimated useful life in excess of one year. 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 an asset or materially extend an asset's useful life 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, 2016

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.

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.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2016

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, 2016, the General Fund ending fund balance is \$18,216,358 which represents an 11.2 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, eligible 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Fair Value Inputs and Methodologies and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access;

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs); and

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments).

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

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, 2016, additional appropriations totaling \$1,349,158 were made to allow expenditure of unexpected revenues. Final budget amounts include the original budget and approved increases and transfers. Budget expenditures were within authorized appropriations for the year ended June 30, 2016.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2016

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Deficit Fund Balance

At June 30, 2016, an Internal Service Fund (Postemployment Benefits Fund) had a GAAP basis deficit fund balance of \$1,703,009. The reason for this deficit is that the District primarily operates this fund on a pay-as-you-go basis, which means that fund assets are not maintained to balance the actuarial liability.

C. Economic Dependency

The District received General Fund revenue of \$162,466,303. Of this amount, \$81,610,070 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.

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, 2016

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, 2016:

	Carrying Amount
Cash and Deposits	\$ 110,816,426
Investments	35,761,664
	<u>\$ 146,578,090</u>
Equity in Pooled Cash and Investments-Governmental Funds, Balance Sheet	\$ 29,029,382
Cash and Investments-Government Funds, Balance Sheet	102,384,595
Equity in Pooled Cash and Investments-Internal Service Fund, Statement of Net Position	15,164,113
	<u>\$ 146,578,090</u>

Deposits	Carrying Amount	Bank Balance
As of June 30, 2016 the District held the following deposits:		
Pooled demand deposits	\$ 94,886,051	\$ 95,177,080
Capital projects fund demand deposits	1,331,754	1,331,721
Special revenue funds demand and savings deposits	3,158,821	3,296,684
Debt service	11,439,800	-
Total Deposits	<u>\$ 110,816,426</u>	<u>\$ 99,805,485</u>

(1) The carrying amount of \$11,439,800 is Cash with Fiscal Agents that is held by the District's debt service corporate trust services for payment to bond holders due July 1, 2016

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 \$1,136,149 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 \$110,816,426 and the bank balance was \$99,805,485.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2016

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash and Investments (Continued)

Investments

As of June 30, 2016, the District held the following investments and maturities:

	Carrying Amount	Weighted Average Maturity in Years	% of Investment Portfolio
Local Government Investment Pool	<u>\$ 35,761,664</u>	0.003	<u>100.00%</u>

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

The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. The District measures these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund’s audited financial report. Amounts in the State Treasurer’s Local Government Investment Pool are not required to be collateralized. As of June 30, 2016, the fair value of the District’s deposits with the LGIP was equal to 100.60% 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. Per statute, the limit increases annually proportionate to the U.S. City Average Consumer Price Index. The limit was \$47,012,858 at June 30, 2016. 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 is supported by a detailed administrative rule regarding investment activities (DFA-AR) designed to minimize custodial credit risk.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2016

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash and Investments (Continued)

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 U.S. 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 is supported by a detailed administrative rule regarding investment activities (DFA-AR) designed to minimize credit risk. 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%

District policy DFA "Investment of Funds" and the related administrative rule regarding investment activities (DFA-AR) address liquidity and interest rate risk.

Concentration of Credit Risk

The District minimizes concentration of credit risk, which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. The District had finalized policy DFA "Investment of Funds" and 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)	100%
Oregon Short Term Fund	Maximum allowed per ORS 294.810
Time Deposits/Savings Accounts/Certificates of Deposit	50%
Per Institution	25%

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2016

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash and Investments (Continued)

Foreign Currency Risk

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

B. Accounts and Other Receivables

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

C. Interfund Receivables, Payables, and Transfers

The composition of due to/due from balances as of June 30, 2016 is as follows:

	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
General Fund	\$ 352,873	\$ 15,056,591	\$ -	\$ -
Debt Service Fund	-	310,263	-	-
Capital Projects Fund	14,235,353	-	2,500,000	2,500,000
Federal, State and Local Programs Fund	821,238	-	-	-
Other Governmental Funds	-	42,610	-	-
Total	<u>\$ 15,409,464</u>	<u>\$ 15,409,464</u>	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>

Interfund receivables and payables (Due to / Due from Other Funds) arise during normal processing of receipts and disbursements for all funds through a single checking account and do not represent interfund loans. Interfund loans are reported as an asset of the lending fund, Property Sale Revenue Fund, and as a liability of the borrowing fund, Capital Improvement Bonds Fund.

The interfund transfers during the year ended June 30, 2016 are as follows:

	<u>Transfer in</u>	<u>Transfer out</u>
General Fund	\$ 899,974	\$ 3,879,838
Capital Projects Fund	-	206,801
Other Governmental Funds	2,902,192	165,173
Internal Service Funds	1,006,071	556,425
Total	<u>\$ 4,808,237</u>	<u>\$ 4,808,237</u>

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

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2016

III. DETAILED NOTES ON ALL FUNDS (Continued)

C. Interfund Receivables, Payables, and Transfers (Continued)

Further, during the year ended June 30, 2016, the District made the following one-time transfers:

1. A transfer of \$58,767 from the General Fund to the Nutrition Services Fund to contribute to Nutrition Services operations.
2. A transfer of \$528,000 from the Insurance Reserve Fund to the General Fund as negotiated by employee groups for ongoing compensation and benefit increases.

D. Inventories

Inventory balances at June 30, 2016 are as follows:

General Fund

Instructional supplies and materials	\$ 130,818
Gasoline and diesel	70,933
	201,751
<i>Total General Fund</i>	201,751

Other Governmental Funds

Nutrition Services	
Value of commodities on hand from the U.S. Department of Agriculture	127,068
	127,068
<i>Total Inventories</i>	\$ 328,819

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2016

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, 2016 is \$1,641,751.

Capital asset activity for the year ended June 30, 2016 was as follows:

	<i>Balance June 30, 2015</i>	<i>Additions</i>	<i>Reductions</i>	<i>Balance June 30, 2016</i>
Capital assets not being depreciated:				
Land	\$ 1,598,537	\$ 225,000	\$ (14,967)	\$ 1,808,570
Construction in progress	22,628,576	71,367,152	(22,628,576)	71,367,152
<i>Total capital assets not being depreciated</i>	<u>24,227,113</u>	<u>71,592,152</u>	<u>(22,643,543)</u>	<u>73,175,722</u>
Capital assets being depreciated:				
Athletic field improvements	14,185,413	-	-	14,185,413
Buildings and improvements	303,308,683	3,893,379	48,418	307,250,480
Equipment	14,947,993	374,787	(52,154)	15,270,626
Vehicles	14,780,509	966,132	(564,732)	15,181,909
Intangibles	2,617,545	-	-	2,617,545
<i>Total capital assets being depreciated</i>	<u>349,840,143</u>	<u>5,234,298</u>	<u>(568,468)</u>	<u>354,505,973</u>
Accumulated depreciation for:				
Athletic field improvements	(9,524,853)	(413,586)	-	(9,938,439)
Buildings and improvements	(164,263,604)	(9,663,589)		(173,927,193)
Equipment	(9,148,091)	(2,377,213)	37,800	(11,487,504)
Vehicles	(8,282,610)	(1,111,241)	403,406	(8,990,445)
Intangibles	(982,872)	(545,781)	-	(1,528,653)
<i>Total accumulated depreciation</i>	<u>(192,202,030)</u>	<u>(14,111,410)</u>	<u>441,206</u>	<u>(205,872,234)</u>
<i>Total capital assets being depreciated, net</i>	<u>157,638,113</u>	<u>(8,877,112)</u>	<u>(127,262)</u>	<u>148,633,739</u>
<i>Governmental activities capital assets, net</i>	<u>\$ 181,865,226</u>	<u>\$ 62,715,040</u>	<u>\$ (22,770,805)</u>	<u>\$ 221,809,461</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2016

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	\$ 4,382,631
Special programs	1,038,886
Total direct classroom services	<u>5,421,517</u>
Classroom support services	
Extracurricular activities	151,011
Student support	1,183,575
Libraries, curriculum and staff development	745,536
School administration	781,485
Community services	41,569
Total classroom support services	<u>2,903,176</u>
Building support services	
Facilities operation and maintenance	223,599
Student transportation	858,061
Computing and information services	3,157,196
Warehouse and purchasing	196,426
Total building support services	<u>4,435,282</u>
Central support services	
Executive administration	114,954
Financial services	366,714
Human resources/employee insurance benefits	335,306
Communications and intergovernmental relations	68,474
Total central support services	<u>885,448</u>
Nutrition services	<u>465,987</u>
Total depreciation expense, governmental activities	<u><u>\$ 14,111,410</u></u>

Construction Commitments

The District has active construction projects as of June 30, 2016. As of the end of the fiscal year, the District is committed under various accepted bid agreements and contracts for approximately \$59,496,928 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, 2016

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 value of buses currently under lease is \$3,530,035, with accumulated depreciation of \$2,121,716 and a net book value of \$1,408,319 as of June 30, 2016.

Obligations of the District's governmental activities under capital leases at June 30, 2016, were as follows:

<u>Year Ending June 30, 2016</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	70,318	1,309	71,627
Total lease payments	<u>\$ 1,641,751</u>	<u>\$ 118,526</u>	<u>\$ 1,760,277</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2016

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, 2016:

	Principal Issued	Balance June 30, 2015	Additions	Reductions	Balance June 30, 2016	Amounts Due in One Year
General obligation bonds:						
2008 Series Refunding	\$ 47,295,000	\$ 32,680,000	\$ -	\$ (10,105,000)	\$ 22,575,000	\$ 10,895,000
2011 Series	34,997,258	33,712,258	-	-	33,712,258	-
2012 Series Refunding	37,405,000	34,445,000	-	(2,170,000)	32,275,000	2,440,000
2013 Series	39,996,054	38,728,143	-	-	38,728,143	-
2014 Series	80,000,000	79,255,000	-	(150,000)	79,105,000	-
2016 Series	39,750,000	-	39,750,000	-	39,750,000	-
Total G.O. bonds	279,443,312	218,820,401	39,750,000	(12,425,000)	246,145,401	13,335,000
2004 Pension bonds	53,435,000	47,250,000	-	(1,695,000)	45,555,000	1,960,000
Total bonds	332,878,312	266,070,401	39,750,000	(14,120,000)	291,700,401	15,295,000
Issuance premiums:						
2008 Series Refunding	-	643,463	-	(349,222)	294,241	-
2011 Series	-	473,163	-	(80,670)	392,493	-
2012 Series Refunding	-	4,587,935	-	(734,178)	3,853,757	-
2013 Series	-	3,117,594	-	(334,084)	2,783,510	-
2014 Series	-	8,618,501	-	(646,782)	7,971,719	-
2016 Series	-	-	2,332,751	-	2,332,751	-
Total issuance premiums	-	17,440,656	2,332,751	(2,144,936)	17,628,471	-
Total bonds, net of issuance premiums	332,878,312	283,511,057	42,082,751	(16,264,936)	309,328,872	15,295,000
Early termination stipend benefits						
Net OPEB obligation	-	356,394	381,680	(285,520)	452,554	- ¹
Capital lease obligations	3,500,075	2,283,827	-	(642,076)	1,641,751	365,559
Total	\$ 336,378,387	\$ 290,428,762	\$ 45,365,913	\$ (20,006,098)	\$ 315,788,577	\$ 15,660,559

(1) Estimates for Early termination stipend benefits due in one year not yet available.

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 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, 2016

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 \$10,895,000 to \$11,680,000 plus interest, paid semi-annually at 4.0% to 5.0% through July 1, 2017.	\$ 22,575,000
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 \$2,440,000 to \$5,005,000 plus interest, paid semi-annually at 4.0% to 5.0% through June 15, 2025.	32,275,000
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.	79,105,000
General obligation bonds - 2016 Series, future payments due in annual installments of zero to \$4,390,000 plus interest, paid semi-annually at 2.0% to 3.0% through June 15, 2029.	39,750,000
Pension obligation bonds - 2004 Series, future payments due in annual installments of \$1,960,000 to \$6,220,000 plus interest, paid semi-annually at 5.123% to 5.528% through June 30, 2028.	45,555,000
Issuance premiums - 2008 Refunding bond, amortized semi-annually through July 1, 2017.	294,241
Issuance premiums - 2011 Series bond, amortized semi-annually through June 15, 2023.	392,493
Issuance premiums - 2012 Refunding bond, amortized semi-annually through June 15, 2025.	3,853,757
Issuance premiums - 2013 Series bond, amortized semi-annually through June 15, 2031.	2,783,510
Issuance premiums - 2014 Series bond, amortized semi-annually through June 15, 2034.	7,971,719
Issuance premiums - 2016 Series bond, amortized semi-annually through June 15, 2029.	2,332,751
Stipend benefits for participants in the District's postemployment benefit program.	452,554
Net other postemployment benefit (OPEB) obligation.	4,365,400
Capital lease obligations - total of minimum lease payments for all capital leases, through July 30, 2022.	<u>1,641,751</u>
<i>Total</i>	<u><u>\$ 315,788,577</u></u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2016

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, 2016 consist of the following:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Debt Service Fund			
General obligation refunding bonds - 2008	\$ 10,105,000	\$ 1,327,975	\$ 11,432,975
General obligation serial bonds - 2011	-	1,196,300	1,196,300
General obligation refunding bonds - 2012	2,170,000	1,449,950	3,619,950
General obligation serial bonds - 2013	-	1,579,400	1,579,400
General obligation serial bonds - 2014	150,000	3,393,600	3,543,600
General obligation serial bonds - 2016	-	-	-
Subtotal	12,425,000	8,947,225	21,372,225
Pension obligation serial bonds - 2004	1,695,000	2,573,394	4,268,394
<i>Total Debt Service Fund</i>	14,120,000	11,520,619	25,640,619
Capital Projects Fund			
Capital lease payments	642,076	56,994	699,070
<i>Total of All Funds</i>	<u>\$ 14,762,076</u>	<u>\$ 11,577,613</u>	<u>\$ 26,339,689</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, \$15 million of which were issued in August 2013 and \$4 million of which were issued in June 2016. The remaining \$16 million is expected to be issued in 2017.

In May 2013, District voters approved the issuance of general obligation bonds totaling \$170 million, approximately \$25 million of which were issued in August 2013, \$80 million of which were issued in September 2014 and \$36 million of which were issued in June 2016. The remaining \$29 million is expected to be issued in 2017.

General Obligation Bonds Issued Fiscal Year 2015-16

On June 16, 2016, the District issued \$39,750,000 in General Obligation Bonds, Series 2016. The interest rate is fixed at rates ranging from 2.0% to 3.0%. Interest payments on the bonds are payable semiannually in June and December, beginning December 15, 2016. The bonds mature on June 15, 2029 with principal payments due annually on June 15th. The bonds were issued at a premium of \$2,332,751, 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, 2016

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 - 2016 Series		Bonds - 2014 Series		Bonds - 2013 Series		Bonds - 2012 Refunding	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ -	\$ 1,099,724	\$ -	\$ 3,387,600	\$ -	\$ 1,579,400	\$ 2,440,000	\$ 1,363,150
2018	4,115,000	1,102,788	1,370,000	3,387,600	2,235,000	1,579,400	2,720,000	1,265,550
2019	4,390,000	979,338	1,580,000	3,319,100	2,435,000	1,467,650	3,010,000	1,156,750
2020	2,315,000	847,638	1,805,000	3,240,100	2,655,000	1,418,950	3,100,000	1,036,350
2021	2,480,000	778,188	2,050,000	3,149,850	2,875,000	1,286,200	3,420,000	912,350
2022	2,655,000	703,788	2,310,000	3,047,350	3,110,000	1,142,450	3,795,000	741,350
2023	2,835,000	624,137	2,585,000	2,931,850	3,355,000	986,950	4,200,000	551,600
2024	2,995,000	567,437	2,875,000	2,802,600	3,620,000	819,200	4,585,000	383,600
2025	3,190,000	477,587	3,190,000	2,658,850	3,890,000	638,200	5,005,000	200,200
2026	3,400,000	381,888	4,575,000	2,499,350	1,611,288	1,592,412	-	-
2027	3,580,000	313,887	5,020,000	2,270,600	1,563,310	1,730,390	-	-
2028	3,785,000	224,387	5,440,000	2,069,800	1,518,545	1,880,155	-	-
2029	4,010,000	120,300	5,880,000	1,852,200	3,040,000	443,700	-	-
2030	-	-	6,350,000	1,617,000	3,285,000	306,900	-	-
2031	-	-	6,840,000	1,363,000	3,535,000	159,074	-	-
2032	-	-	8,445,000	1,089,400	-	-	-	-
2033	-	-	9,065,000	751,600	-	-	-	-
2034	-	-	9,725,000	389,000	-	-	-	-
Total	\$ 39,750,000	\$ 8,221,087	\$ 79,105,000	\$ 41,826,850	\$ 38,728,143	\$ 17,031,031	\$ 32,275,000	\$ 7,610,900

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>

Bonds - 2011 Series		Bonds - 2008 Refunding		Bonds - 2004 Pension		Total		
Principal	Interest	Principal	Interest	Principal	Interest	Require- ments	Principal	Interest
\$ -	\$ 1,196,300	\$10,895,000	\$ 831,850	\$ 1,960,000	\$ 2,488,256	\$ 27,241,280	\$ 15,295,000	\$ 11,946,280
2,070,000	1,196,300	11,680,000	287,050	2,250,000	2,387,845	37,646,533	26,440,000	11,206,533
2,180,000	1,134,200	-	-	2,565,000	2,270,328	26,487,366	16,160,000	10,327,366
2,420,000	1,068,800	-	-	2,905,000	2,133,793	24,945,631	15,200,000	9,745,631
2,540,000	996,200	-	-	3,275,000	1,977,707	25,740,495	16,640,000	9,100,495
2,660,000	920,000	-	-	3,680,000	1,800,104	26,565,042	18,210,000	8,355,042
2,715,000	813,600	-	-	4,110,000	1,598,698	27,306,835	19,800,000	7,506,835
-	705,000	-	-	4,580,000	1,371,497	25,304,334	18,655,000	6,649,334
-	705,000	-	-	5,085,000	1,118,314	26,158,151	20,360,000	5,798,151
-	705,000	-	-	5,630,000	837,216	21,232,154	15,216,288	6,015,866
-	705,000	-	-	6,220,000	525,989	21,929,176	16,383,310	5,545,866
15,000,000	705,000	-	-	3,295,000	182,148	34,100,035	29,038,545	5,061,490
1,430,517	1,734,483	-	-	-	-	18,511,200	14,360,517	4,150,683
1,375,140	1,879,860	-	-	-	-	14,813,900	11,010,140	3,803,760
1,321,601	2,033,399	-	-	-	-	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
\$33,712,258	\$16,498,142	\$22,575,000	\$ 1,118,900	\$45,555,000	\$18,691,895	\$ 402,699,206	\$ 291,700,401	\$ 110,998,805

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, 2016, \$69,250,000 of general obligation bonds defeased are still outstanding.

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. The 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 either 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 and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. Pension Plan (Continued)

annually through cost-of-living changes. Under current law there are two relevant time periods for COLA:

- Service time before October 1, 2013: 2.0 percent maximum COLA for service time before this date; the 2.0 percent annual cap is tied to the Portland Consumer Price Index (CPI)
- Service time on or after October 1, 2013: 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 there are two relevant time periods for COLA:

- Service time before October 1, 2013: 2.0 percent maximum COLA for service time before this date; the 2.0 percent annual cap is tied to the Portland Consumer Price Index (CPI)
- Service time on or after October 1, 2013: 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

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. Pension Plan (Continued)

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 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, 2015. Employer contributions for the year ended June 30, 2016 were \$12,195,391, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2016 were 16.35 percent for Tier One/Tier Two, 11.66 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, 2016, the District reported a liability of \$71,426,997 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013 rolled forward to June 30, 2015. The District's proportion of the net pension liability 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, 2016, the District's proportion was 1.24 percent, which was a reduction of 0.06% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2016, the District's recognized pension expense is \$70,219,101. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2016

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. Pension Plan (Continued)

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 3,851,705	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	14,972,718
Changes in proportionate share	-	967,221
Differences between District contributions and proportionate share of contributions	552,913	100,237
District contributions subsequent to measurement date	12,195,391	-
Total	<u>\$ 16,600,009</u>	<u>\$ 16,040,176</u>

District contributions subsequent to the measurement date of \$12,195,391 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, 2017. 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>	<u>Amount</u>
2017	\$ (6,357,624)
2018	(6,357,624)
2019	(6,357,624)
2020	7,184,200
2021	253,114
Thereafter	-
	<u>\$ (11,635,558)</u>

4. Actuarial assumptions

The employer contribution rates effective July 1, 2015, through June 30, 2017, 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.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2016

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. Pension Plan (Continued)

The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2013 rolled forward to June 30, 2015
Experience Study Report	2014, published September 18, 2015
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, excluding reserves.
Actuarial Assumptions:	
Inflation Rate	2.75 percent
Investment Rate of Return	7.75 percent
Projected Salary Increases	3.75 percent overall payroll growth Salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service. For COLA, a blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision, blend based on service.
Mortality	<u>Healthy retirees and beneficiaries</u> : RP-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 static 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 2014 Experience Study which reviewed experience for the four-year period ending on December 31, 2013.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2016

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. Pension Plan (Continued)

<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%

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)	\$ 172,386,399	\$ 71,426,997	\$ (13,655,256)

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. Pension Plan (Continued)

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 decision in *Moro v. State of Oregon* (issued on April 30, 2015) occurred after the December 31, 2013 valuation date but affected the plan provisions reflected for financial reporting purposes. The *Moro* decision modified the COLA-related changes of Senate Bills 822 and 861, creating a blended COLA for members who earned service both before and after the effective dates of the legislation. Due to the timing of the Supreme Court decision, this means the COLA change due to *Moro* is reflected in the June 30, 2015 Total Pension Liability, but was not reflected in the June 30, 2014 Total Pension Liability.

The Total Pension Liability as determined is based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available. We are not aware of any changes subsequent to the June 30, 2015 Measurement Date that meet this requirement.

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the District for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of death, disability, resignation, or retirement. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the District.

Individual Account Program - In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for OPERS. The Oregon Public Service Retirement Plan (OPSRP) is effective for all new employees hired on or after August 29, 2003, and applies to any inactive OPERS members who return to employment following a six month or greater break in service. The new plan consists of the defined benefit pension plans and a defined contribution pension plan (the Individual Account Program or IAP). Beginning January 1, 2004, all OPERS member contributions go into the IAP portion of OPSRP. OPERS' members retain their existing OPERS accounts, but any future member contributions are deposited into the member's IAP, not the member's OPERS account. Those employees who had established an OPERS membership prior to the creation of OPSRP will be members of both the OPERS and OPSRP system as long as they remain in covered employment. Members of OPERS and OPSRP are required to contribute six percent of their salary covered under the plan which is invested in the IAP. The District makes this contribution on behalf of its employees. The District contributed approximately \$1,534 for the year ended June 30, 2016.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2016

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. Pension Plan (Continued)

Additional disclosures related to Oregon PERS not applicable to specific employers are available online at the below website, or by contacting PERS at the following address: PO BOX 23700 Tigard, OR 97281-3700.

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

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 OPEB 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 0.53% Tier 1 and Tier 2 payroll and 0.45% of OPSRP of annual covered payroll. The OPERS Board of Trustees sets the rates based on the annual required contribution (ARC) of the employers, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an outgoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed 30 years. The District's contributions to RHIA for the years ended June 30, 2016, 2015, and 2014 were approximately \$435,715, \$446,041 and \$459,933 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

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 6.5 percent for 2015-16 (7.0 percent for 2014-15), 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, 2016, the cost of this benefit amounted to \$285,520.

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, 2016

III. DETAILED NOTES ON ALL FUNDS (Continued)

I. Other Postemployment Benefits (OPEB) (Continued)

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual Required Contribution	\$ 456,792	\$ 443,487	\$ 640,923
Interest on Net Pension Obligation	16,038	18,125	15,543
Adjustment to Annual Required Contribution	<u>(91,150)</u>	<u>(103,013)</u>	<u>(88,337)</u>
Annual Pension Cost	381,680	358,599	568,129
Contributions Made	<u>(285,520)</u>	<u>(404,988)</u>	<u>(510,744)</u>
Increase in Net Pension Obligation	91,160	46,389	57,385
Net Pension Obligation Beginning of Year	<u>356,394</u>	<u>402,783</u>	<u>345,398</u>
Net Pension Obligation – End of Year	<u>\$ 452,554</u>	<u>\$ 356,394</u>	<u>\$ 402,783</u>
Percentage Contributed	74.8%	112.9%	89.9%

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>
2014	\$ 568,129	\$ 510,744	89.9%	\$ 402,783
2015	358,599	404,988	112.9%	356,394
2016	381,680	285,520	74.8%	452,554

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, 2016, 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 \$87,591,258 for the year ended June 30, 2016. 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, 2016

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>2016</u>	<u>2015</u>	<u>2014</u>
Annual Required Contribution	\$ 3,206,425	\$ 3,113,035	\$ 4,238,514
Interest on Net Pension Obligation	192,487	200,959	191,480
Adjustment to Annual Required Contribution	<u>(497,430)</u>	<u>(542,104)</u>	<u>(506,487)</u>
Annual Pension Cost	2,901,482	2,771,890	3,923,507
Contributions Made	<u>(2,813,566)</u>	<u>(2,960,167)</u>	<u>(3,712,887)</u>
Increase in Net Pension Obligation	87,916	188,277	210,620
Net Pension Obligation Beginning of Year	<u>4,277,484</u>	<u>4,465,761</u>	<u>4,255,141</u>
Net Pension Obligation – End of Year	<u>\$ 4,365,400</u>	<u>\$ 4,277,484</u>	<u>\$ 4,465,761</u>
Percentage Contributed	97.0%	106.8%	94.6%

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2016

III. DETAILED NOTES ON ALL FUNDS (Continued)

I. Other Postemployment Benefits (OPEB) (Continued)

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:

<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>
2014	\$ 3,923,507	\$ 3,712,887	94.6%	\$ 4,465,761
2015	2,771,890	2,960,167	106.8%	4,277,484
2016	2,901,482	2,813,566	97.0%	4,365,400

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, 2016, 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 \$87,591,258 for the year ended June 30, 2016. 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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2016

III. DETAILED NOTES ON ALL FUNDS (Continued)

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, settlements, discussions and all levels of litigation arising out of any claim made against the District within the scope of loss protection furnished by the fund.

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

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

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

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

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

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2016

III. DETAILED NOTES ON ALL FUNDS (Continued)

J. Risk Management (Continued)

Changes in the balances of claims liabilities at the end of the year are as follows:

<u>Unemployment</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Accrued claim losses, July 1	\$ 157,976	\$ 156,614	\$ 213,403
Claims incurred, including an estimate of claims incurred but not reported	786,908	598,068	163,410 ¹
Claims payments	(96,203)	(110,694)	(50,526)
Reduction of accrual	(692,067)	(430,585)	(162,877)
Accrued claim losses, June 30	<u>\$ 156,614</u>	<u>\$ 213,403</u>	<u>\$ 163,410</u>

¹Data for an "estimate of claims incurred but not reported" is not available for quarters three and four of 2015 due to a change in the unemployment claims administrator.

Liabilities recorded in the Insurance Reserve Fund at June 30, 2016 are as follows:

<i>Accrued Liabilities</i>	
Unemployment	\$ 163,410
<i>Insurance Premiums Payable</i>	
Medical/dental	-
Deferred medical	1,571,472
Other	161,686
<i>Total</i>	<u>\$ 1,896,568</u>

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, of 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, 2016, the District implemented the following new accounting standards:

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. 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.

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

GASB Statement No. 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. 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. Subsequent Events

Management has evaluated subsequent events through November 10, 2016, the date on which the financial statements were available to be issued. Management is not aware of any subsequent events except as noted below:

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, 2016

A. Pension Plans

1. Schedule of the Proportionate Share of the Net Pension Liability for PERS

Year Ended June 30,	District's proportion of the net pension liability (asset)	District's proportionate share of the net pension liability (asset)	District's covered payroll	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
2016	1.24405605%	\$ 71,426,997	\$ 81,394,395	87.75%	91.88%
2015	1.30039080%	(29,476,149)	77,155,912	-38.20%	103.60%
2014	1.30039080%	66,360,848	79,685,167	83.28%	91.97%

2. Schedule of Contributions for PERS

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	District's covered payroll	Contributions as a percent of covered payroll
2016	\$ 12,195,391	\$ 12,195,391	\$ -	\$ 87,591,258	13.92%
2015	13,613,624	13,613,624	-	77,155,912	17.64%
2014	12,865,509	12,865,509	-	77,155,912	16.67%

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

The PERS schedules are 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 and Assumptions

A summary of key changes in plan provisions and assumptions implemented since the December 31, 2013 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>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2016

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%	87,591,258	1.8%

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%	87,591,258	24.3%

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, 2016

	Special Revenue Funds		Total
	Nutrition Services	School Resources	
ASSETS			
Equity in pooled cash and investments	\$ -	\$ 6,131,425	\$ 6,131,425
Cash and investments	1,000	3,158,821	3,159,821
Receivables			
Accounts and other receivables	379,857	414,430	794,287
Due from other funds	42,610	-	42,610
Inventories	127,068	-	127,068
Total Assets	\$ 550,535	\$ 9,704,676	\$ 10,255,211
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 300,283	\$ 127,581	\$ 427,864
Fund balances			
Nonspendable	127,068	-	127,068
Restricted	-	-	-
Committed	123,184	9,577,095	9,700,279
Total Fund Balances	250,252	9,577,095	9,827,347
Total Liabilities and Fund Balances	\$ 550,535	\$ 9,704,676	\$ 10,255,211

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, 2016

	Special Revenue Funds		Totals
	Nutrition Services	School Resources	
REVENUES			
Local sources			
Charges for services	\$ 1,142,040	\$ 4,041,063	\$ 5,183,103
Miscellaneous	7,881	158,692	166,573
Intergovernmental			
State sources	99,473	-	99,473
Federal sources	3,714,703	-	3,714,703
Total Revenues	4,964,097	4,199,755	9,163,852
EXPENDITURES			
Current			
Instruction	-	4,586,012	4,586,012
Supporting services	13,655	686,930	700,585
Community services	5,026,861	-	5,026,861
Total Expenditures	5,040,516	5,272,942	10,313,458
REVENUES OVER (UNDER) EXPENDITURES	(76,419)	(1,073,187)	(1,149,606)
OTHER FINANCING SOURCES			
Transfers in	87,192	2,815,000	2,902,192
Transfers out	-	(165,173)	(165,173)
Total Other Financing Sources	87,192	2,649,827	2,737,019
NET CHANGE IN FUND BALANCES	10,773	1,576,640	1,587,413
FUND BALANCES, Beginning of year	239,479	8,000,455	8,239,934
FUND BALANCES, End of year	\$ 250,252	\$ 9,577,095	\$ 9,827,347

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
COMBINING STATEMENT OF NET POSITION
ALL INTERNAL SERVICE FUNDS
JUNE 30, 2016

	<u>Insurance Reserve Fund</u>	<u>Postemployment Benefits Fund</u>	<u>Total</u>
ASSETS			
Current assets:			
Equity in pooled cash and investments	\$ 12,041,411	\$ 3,122,702	\$ 15,164,113
LIABILITIES			
Current liabilities:			
Accounts and interest payable	-	7,757	7,757
Accrued payroll and related charges	334,433	-	334,433
Unearned revenue	1,571,471	-	1,571,471
<i>Total current liabilities</i>	1,905,904	7,757	1,913,661
Long-term liabilities:			
Early termination stipend benefits - due in more than one year		452,554	452,554
Net OPEB obligation - due in more than one year	-	4,365,400	4,365,400
<i>Total Liabilities</i>	<u>1,905,904</u>	<u>4,825,711</u>	<u>6,731,615</u>
NET POSITION			
Unrestricted	<u>10,135,507</u>	<u>(1,703,009)</u>	<u>8,432,498</u>
<i>Total Net Position</i>	<u>\$ 10,135,507</u>	<u>\$ (1,703,009)</u>	<u>\$ 8,432,498</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, 2016

	<u>Insurance Reserve Fund</u>	<u>Postemployment Benefits Fund</u>	<u>Totals</u>
OPERATING REVENUES			
Interfund charges for services	\$ 30,028,823	\$ 1,655,769	\$ 31,684,592
Other reimbursements	246,025	-	246,025
<i>Total Operating Revenues</i>	30,274,848	1,655,769	31,930,617
OPERATING EXPENSES	29,555,327	2,011,413	31,566,740
OPERATING INCOME	719,521	(355,644)	363,877
NONOPERATING REVENUES			
Interest income	36,510	-	36,510
INCOME BEFORE TRANSFERS	756,031	(355,644)	400,387
TRANSFERS			
Transfers in	1,006,071	-	1,006,071
Transfers out	(556,425)	-	(556,425)
<i>Total Transfers</i>	449,646	-	449,646
CHANGE IN NET POSITION	1,205,677	(355,644)	850,033
TOTAL NET POSITION, Beginning of year	8,929,830	(1,347,365)	7,582,465
TOTAL NET POSITION, End of year	<u>\$ 10,135,507</u>	<u>\$ (1,703,009)</u>	<u>\$ 8,432,498</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2016

	<u>Insurance Reserve Fund</u>	<u>Postemployment Benefits Fund</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 246,025	\$ -	\$ 246,025
Receipts from interfund services provided	30,108,496	1,655,769	31,764,265
Payments to suppliers	(28,897,641)	-	(28,897,641)
Payments to employees	(754,189)	-	(754,189)
Payments to retirees	-	(1,819,580)	(1,819,580)
	<u>702,691</u>	<u>(163,811)</u>	<u>538,880</u>
<i>Net Cash Used by Operating Activities</i>			
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in from other funds	1,006,071	-	1,006,071
Transfers out to other funds	(556,425)	-	(556,425)
	<u>449,646</u>	<u>-</u>	<u>449,646</u>
<i>Net Cash Used by Noncapital Financing Activities</i>			
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	36,510	-	36,510
	<u>36,510</u>	<u>-</u>	<u>36,510</u>
<i>Net Decrease in Cash and Cash Equivalents</i>			
	1,188,847	(163,811)	1,025,036
CASH AND CASH EQUIVALENTS, Beginning of year			
	<u>10,852,564</u>	<u>3,286,513</u>	<u>14,139,077</u>
CASH AND CASH EQUIVALENTS, End of year			
	<u>\$ 12,041,411</u>	<u>\$ 3,122,702</u>	<u>\$ 15,164,113</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income	\$ 719,521	\$ (355,644)	\$ 363,877
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Increase in accounts and other receivables	11,651	7,757	19,408
Decrease in accrued payroll and related charges	(96,503)	-	(96,503)
Increase in accrued postemployment benefits payable	-	184,076	184,076
Increase (decrease) in unearned revenue	68,022	-	68,022
	<u>(16,830)</u>	<u>191,833</u>	<u>175,003</u>
Total adjustments	<u>(16,830)</u>	<u>191,833</u>	<u>175,003</u>
Net cash used by operating activities	<u>\$ 702,691</u>	<u>\$ (163,811)</u>	<u>\$ 538,880</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, 2016

	<u>Original and Final Budget</u>	<u>Variance with Final Budget</u>	<u>Actual</u>		<u>GAAP Basis</u>
			<u>Budget Basis</u>	<u>Adjustments</u>	
REVENUES					
Local sources					
Taxes	\$ 21,186,191	\$ (11,403)	\$ 21,174,788	\$ -	\$ 21,174,788
Charges for services	4,262,396	245,936	4,508,332	-	4,508,332
Interest earnings	45,000	38,220	83,220	-	83,220
Intergovernmental					
Federal sources	653,535	6,265	659,800	-	659,800
	<u>26,147,122</u>	<u>279,018</u>	<u>26,426,140</u>	<u>-</u>	<u>26,426,140</u>
<i>Total Revenues</i>					
EXPENDITURES					
Debt service					
Principal	14,120,000	-	14,120,000	-	14,120,000
Interest	11,520,621	2	11,520,619	-	11,520,619
	<u>25,640,621</u>	<u>2</u>	<u>25,640,619</u>	<u>-</u>	<u>25,640,619</u>
<i>Total Expenditures</i>					
REVENUES OVER (UNDER)					
EXPENDITURES	506,501	279,020	785,521	-	785,521
NET CHANGE IN FUND BALANCE	506,501	279,020	785,521	-	785,521
FUND BALANCE,					
<i>Beginning of year</i>	<u>11,327,103</u>	<u>97,679</u>	<u>11,424,782</u>	<u>-</u>	<u>11,424,782</u>
FUND BALANCE,					
<i>End of year</i>	<u>\$ 11,833,604</u>	<u>\$ 376,699</u>	<u>\$ 12,210,303</u>	<u>\$ -</u>	<u>\$ 12,210,303</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, 2016

	<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	\$ -	\$ -	\$ 788,401	\$ 788,401	\$ -	\$ 788,401
Interest earnings	66,000	66,000	99,453	165,453	-	165,453
Miscellaneous	40,000	40,000	33,985	73,985	-	73,985
Intergovernmental						
State sources	579,000	579,000	270,337	849,337	-	849,337
<i>Total Revenues</i>	<u>685,000</u>	<u>685,000</u>	<u>1,192,176</u>	<u>1,877,176</u>	<u>-</u>	<u>1,877,176</u>
EXPENDITURES						
Current						
Instruction	1	1,500,001	430,617	1,069,384	-	1,069,384
Supporting services	16,297,425	14,853,226	6,522,874	8,330,352	(1,122,065)	7,208,287
Community services	1	1	1	-	-	-
Facilities acquisition and construction	74,839,434	74,839,433	24,900,955	49,938,478	(53,086,988)	(3,148,510)
Debt service						
Principal	642,075	642,075	-	642,075	-	642,075
Interest	56,994	56,994	-	56,994	-	56,994
Operating contingency	10,927	10,927	10,927	-	-	-
Capital outlay	-	-	-	-	54,209,053	54,209,053
<i>Total Expenditures</i>	<u>91,846,857</u>	<u>91,902,657</u>	<u>31,865,374</u>	<u>60,037,283</u>	<u>-</u>	<u>60,037,283</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(91,161,857)</u>	<u>(91,217,657)</u>	<u>33,057,550</u>	<u>(58,160,107)</u>	<u>-</u>	<u>(58,160,107)</u>
OTHER FINANCING SOURCES (USES)						
Transfers out	(206,802)	(206,802)	1	(206,801)	-	(206,801)
Construction bonds issued	-	-	39,750,000	39,750,000	-	39,750,000
Premium on refunding bonds issued	-	-	2,332,751	2,332,751	-	2,332,751
Sale of capital assets	-	55,800	666,526	722,326	-	722,326
<i>Total Other Financing Sources (Uses)</i>	<u>(206,802)</u>	<u>(151,002)</u>	<u>42,749,278</u>	<u>42,598,276</u>	<u>-</u>	<u>42,598,276</u>
NET CHANGE IN FUND BALANCE	<u>(91,368,659)</u>	<u>(91,368,659)</u>	<u>75,806,828</u>	<u>(15,561,831)</u>	<u>-</u>	<u>(15,561,831)</u>
FUND BALANCE, Beginning of year	<u>91,368,659</u>	<u>91,368,659</u>	<u>1,719,315</u>	<u>93,087,974</u>	<u>-</u>	<u>93,087,974</u>
FUND BALANCE, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,526,143</u>	<u>\$ 77,526,143</u>	<u>\$ -</u>	<u>\$ 77,526,143</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, 2016

	<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	1,253,325	\$ 1,298,344	\$ (156,304)	\$ 1,142,040	\$ -	\$ 1,142,040
Miscellaneous	-	-	7,881	7,881	-	7,881
Intergovernmental						
State sources	57,600	57,600	41,873	99,473	-	99,473
Federal sources	3,573,551	3,573,551	178,979	3,752,530	(37,827)	3,714,703
Total Revenues	4,884,476	4,929,495	72,429	5,001,924	(37,827)	4,964,097
EXPENDITURES						
Current						
Supporting services	1	16,001	2,346	13,655	-	13,655
Community services	5,049,374	5,078,393	51,532	5,026,861	-	5,026,861
Operating contingency	1	1	1	-	-	-
Total Expenditures	5,049,376	5,094,395	53,879	5,040,516	-	5,040,516
REVENUES OVER (UNDER) EXPENDITURES	(164,900)	(164,900)	126,308	(38,592)	(37,827)	(76,419)
OTHER FINANCING SOURCES						
Transfers in	164,901	164,901	77,709	87,192	-	87,192
NET CHANGE IN FUND BALANCE	1	1	48,599	48,600	(37,827)	10,773
FUND BALANCE, Beginning of year	-	-	74,584	74,584	164,895	239,479
FUND BALANCE, End of year	\$ 1	\$ 1	\$ 123,183	\$ 123,184	\$ 127,068	\$ 250,252

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, 2016

	<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	\$ 5,000,000	\$ (958,937)	\$ 4,041,063	\$ -	\$ 4,041,063
Miscellaneous	10,000	148,691	158,691	-	158,691
Total Revenues	5,010,000	(810,246)	4,199,754	-	4,199,754
EXPENDITURES					
Current					
Instruction	6,500,250	1,914,238	4,586,012	-	4,586,012
Supporting services	3,185,750	2,498,820	686,930	-	686,930
Community services	1	1	-	-	-
Facilities acquisition and construction	1	1	-	-	-
Operating contingency	509,998	509,998	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	10,196,000	4,923,058	5,272,942	-	5,272,942
REVENUES OVER (UNDER) EXPENDITURES	(5,186,000)	(4,112,812)	(1,073,188)	-	(1,073,188)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	2,815,000	2,815,000	-	2,815,000
Transfers out	(170,000)	4,827	(165,173)	-	(165,173)
Capital leases	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Total Other Financing Sources (Uses)	(170,000)	2,819,827	2,649,827	-	2,649,827
NET CHANGE IN FUND BALANCE	(5,356,000)	6,932,639	1,576,639	-	1,576,639
FUND BALANCE , Beginning of year	8,156,000	(155,545)	8,000,455	-	8,000,455
FUND BALANCE , End of year	\$ 2,800,000	\$ 6,777,094	\$ 9,577,094	\$ -	\$ 9,577,094

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, 2016

	<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	\$ 14,510	\$ 36,510	\$ -	\$ 36,510
Miscellaneous	31,521,519	31,521,519	(1,492,696)	30,028,823	-	30,028,823
Intergovernmental						
State sources	300,000	300,000	(53,975)	246,025	-	246,025
<i>Total Revenues</i>	<u>31,843,519</u>	<u>31,843,519</u>	<u>(1,532,161)</u>	<u>30,311,358</u>	<u>-</u>	<u>30,311,358</u>
EXPENSES						
Current						
Instruction	1,000	1,000	1,000	-	-	-
Supporting services	32,964,382	32,964,382	3,409,055	29,555,327	-	29,555,327
Community services	1,000	1,000	1,000	-	-	-
Operating contingency	500,000	500,000	500,000	-	-	-
<i>Total Expenses</i>	<u>33,466,382</u>	<u>33,466,382</u>	<u>3,911,055</u>	<u>29,555,327</u>	<u>-</u>	<u>29,555,327</u>
REVENUES OVER (UNDER) EXPENSES	(1,622,863)	(1,622,863)	2,378,894	756,031	-	756,031
OTHER FINANCING SOURCES (USES)						
Transfers in	1,125,001	1,125,001	(118,930)	1,006,071	-	1,006,071
Transfers out	(560,001)	(560,001)	3,576	(556,425)	-	(556,425)
<i>Total Other Financing Sources (Uses)</i>	<u>565,000</u>	<u>565,000</u>	<u>(115,354)</u>	<u>449,646</u>	<u>-</u>	<u>449,646</u>
NET CHANGE IN FUND NET POSITION	(1,057,863)	(1,057,863)	2,263,540	1,205,677	-	1,205,677
FUND NET POSITION, Beginning of year	<u>6,908,919</u>	<u>6,908,919</u>	<u>2,020,911</u>	<u>8,929,830</u>	<u>-</u>	<u>8,929,830</u>
FUND NET POSITION, End of year	<u>\$ 5,851,056</u>	<u>\$ 5,851,056</u>	<u>\$ 4,284,451</u>	<u>\$ 10,135,507</u>	<u>\$ -</u>	<u>\$ 10,135,507</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, 2016

	<u><i>Final Budget</i></u>	<u><i>Variance with Final Budget</i></u>	<u><i>Budget Basis</i></u>	<u><i>Actual Adjustments</i></u>	<u><i>GAAP Basis</i></u>
REVENUES					
Local sources					
Miscellaneous	\$ 1,500,000	\$ 155,769	\$ 1,655,769	\$ -	\$ 1,655,769
EXPENSES					
Current					
Supporting services	1,985,955	158,618	1,827,337	184,076	2,011,413
Operating contingency	400,000	400,000	-	-	-
Total Expenses	<u>2,385,955</u>	<u>558,618</u>	<u>1,827,337</u>	<u>184,076</u>	<u>2,011,413</u>
REVENUES OVER (UNDER) EXPENSES	(885,955)	714,387	(171,568)	(184,076)	(355,644)
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>(1)</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Financing Sources	<u>(1)</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND NET POSITION	(885,956)	714,388	(171,568)	(184,076)	(355,644)
FUND NET POSITION, Beginning of year	<u>2,296,099</u>	<u>990,414</u>	<u>3,286,513</u>	<u>(4,633,878)</u>	<u>(1,347,365)</u>
FUND NET POSITION, End of year	<u>\$ 1,410,143</u>	<u>\$ 1,704,802</u>	<u>\$ 3,114,945</u>	<u>\$ (4,817,954)</u>	<u>\$ (1,703,009)</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, 2016 AND 2015

	2016	2015
Governmental funds capital assets:		
Land	\$ 1,808,570	\$ 1,598,537
Construction in progress	71,367,152	22,628,576
Athletic field improvements	14,185,413	14,185,413
Buildings and improvements	307,250,480	303,308,683
Equipment	15,270,626	14,947,993
Vehicles	15,181,909	14,780,509
Intangibles	2,617,545	2,617,545
Total governmental funds capital assets	<u>\$ 427,681,695</u>	<u>\$ 374,067,256</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.

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

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY ⁽¹⁾
JUNE 30, 2016

	<u>Land</u>	<u>Athletic Field Improvements</u>	<u>Buildings and Improvements</u>
Direct classroom services			
Regular instruction	\$ 879,146	\$ -	\$ 167,511,964
Special programs	208,049	-	39,641,489
Total direct classroom services	<u>1,087,195</u>	<u>-</u>	<u>207,153,453</u>
Classroom support services			
Extracurricular activities	30,152	14,185,413	5,745,143
Counselors, nurses and student support	78,383	-	18,997,635
Libraries, curriculum and staff development	26,442	-	8,383,900
School administration	155,067	-	29,546,451
Community services	6,892	-	1,313,176
Total classroom support services	<u>296,936</u>	<u>14,185,413</u>	<u>63,986,305</u>
Building support services			
Facilities operation and maintenance	182,542	-	9,491,012
Student transportation	165,100	-	3,209,076
Computing and information services	3,675	-	3,068,224
Warehouse and purchasing	1,492	-	1,245,745
Total building support services	<u>352,809</u>	<u>-</u>	<u>17,014,057</u>
Central support services			
Executive administration	931	-	778,066
Financial services	2,984	-	2,491,490
Human resources	2,743	-	2,290,158
Communications and intergovernmental relations	560	-	467,679
Total central support services	<u>7,218</u>	<u>-</u>	<u>6,027,393</u>
Nutrition Services	<u>64,412</u>	<u>-</u>	<u>13,069,272</u>
Total governmental funds capital assets	<u>\$ 1,808,570</u>	<u>\$ 14,185,413</u>	<u>\$ 307,250,480</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>
\$ 392,382	\$ -	\$ -	\$ 71,367,152	\$ 240,150,644
142,169	-	-	-	39,991,707
534,551	-	-	71,367,152	280,142,351
73,360	-	-	-	20,034,068
328,503	-	-	-	19,404,521
131,907	-	-	-	8,542,249
441,749	-	-	-	30,143,267
588,009	-	-	-	1,908,077
1,563,528	-	-	-	80,032,182
3,390,352	2,155,836	-	-	15,219,742
203,175	12,629,350	-	-	16,206,701
9,462,078	53,019	2,617,545	-	15,204,541
-	343,704	-	-	1,590,941
13,055,605	15,181,909	2,617,545	-	48,221,925
21,293	-	-	-	800,290
50,954	-	-	-	2,545,428
17,415	-	-	-	2,310,316
9,315	-	-	-	477,554
98,977	-	-	-	6,133,588
17,965	-	-	-	13,151,649
\$ 15,270,626	\$ 15,181,909	\$ 2,617,545	\$ 71,367,152	\$ 427,681,695

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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 2016

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 2016 and 2015 follows:

	2016			2015		
	General Fund		Debt Service Fund	General Fund		Debt Service Fund
	Permanent	Local Option		Permanent	Local Option	
Tax Rate	\$ 4.75	\$ 1.50	\$ 1.60	\$ 4.75	\$ 1.50	\$ 1.60
Amount tax rate will raise	65,859,605	21,127,143	21,975,505	62,890,252	20,169,493	21,264,380
Rounding gain (loss)	1,018	171,671	1,863	887	291	1,227
Measure 5 compression loss	(729,941)	(9,535,445)	-	(761,119)	(9,444,268)	-
Taxes imposed for District	<u>\$ 65,130,682</u>	<u>\$ 11,763,369</u>	<u>\$ 21,977,368</u>	<u>\$ 62,130,020</u>	<u>\$ 10,725,516</u>	<u>\$ 21,265,607</u>
District tax rate per \$1,000 of TAV ⁽¹⁾	<u>\$ 4.70</u>	<u>\$ 0.85</u>	<u>\$ 1.56</u>	<u>\$ 4.69</u>	<u>\$ 0.81</u>	<u>\$ 1.58</u>

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

	Lane	Linn
2016	\$ 13,858,170,699	\$ 11,389,069
2015	13,233,230,082	11,005,313

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, 2016

	Current Levy and Taxes July 1, 2015	Tax Collections	Discounts and Adjustments	Taxes Receivable June 30, 2016		
				Total	General Fund	Debt Service Fund
2015-2016	\$ 98,871,419	\$ 92,927,612	\$ 3,190,798	\$ 2,753,009	\$ 2,159,621	\$ 593,388
2014-2015	2,699,273	1,024,370	97,650	1,577,253	1,225,558	351,695
2013-2014	1,444,802	393,228	40,288	1,011,286	777,165	234,121
2012-2013	937,266	270,501	39,465	627,300	518,936	108,364
2011-2012	645,290	174,999	6,291	464,000	376,059	87,941
2010-2011	456,833	19,420	25,570	411,843	334,862	76,981
2009-2010	419,519	13,227	6,544	399,748	323,160	76,588
Prior	595,801	4,472	206,041	385,288	338,003	47,285
Totals	\$ 106,070,203	\$ 94,827,829	\$ 3,612,647	\$ 7,629,727	\$ 6,053,364	\$ 1,576,363

SUMMARY OF PROPERTY TAX REVENUE

	Total
Tax collection shown above	\$ 94,827,829
Decrease in taxes available to meet current demands, net	(88,628)
Interest on tax collection	358,674
Assessment of additional taxes and penalties, Lane County	103,962
Payments in lieu of tax and other adjustments	193,586
Total Tax Revenue (Budgetary Basis)	\$ 95,395,423

GENERAL FUND

DEBT SERVICE FUND

\$ 74,220,635
21,174,788
\$ 95,395,423

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

YEAR ENDED JUNE 30, 2016

	<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	\$ 22,575,000
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	32,275,000
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	79,105,000
2016 School improvement	6/16/16	6/15/29	39,750,000	39,750,000
<i>Total General Obligation Bonds</i>			279,443,312	246,145,401
Pension Bonds	2/19/04	6/30/28	53,435,000	45,555,000
<i>Total GO and Pension Bonds</i>			332,878,312	291,700,401
CAPITAL LEASE PURCHASE AGREEMENTS				
Capital One Public Funding LLC	9/8/06	7/28/16	581,013	68,557
SunTrust	6/13/07	7/15/17	310,575	72,547
SunTrust	7/25/07	7/25/17	104,667	24,840
SunTrust	9/30/08	7/15/18	472,302	163,458
US Bancorp Government Leasing and Finance	7/15/11	7/15/21	1,382,438	846,300
US Bancorp Government Leasing and Finance	8/30/12	7/30/22	649,080	466,049
<i>Total Capital Lease Purchase Agreements</i>			3,500,075	1,641,751
<i>Total Gross Direct and Net Direct Debt</i>			<u>\$ 336,378,387</u>	<u>\$ 293,342,152</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, 2016

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⁾	\$ 246,145,401
Net overlapping debt	74,044,472
Total net property-tax backed plus overlapping debt	<u>\$ 320,189,873</u>

PER CAPITA RATIOS		<u>Amount per Capita</u>	<u>Percentage</u>
2015-16 estimated District population	158,620		
2015-16 real market value	<u>\$ 20,546,652,671</u>	<u>\$ 129,534</u>	
Gross and net property-tax backed debt	\$ 246,145,401	\$ 1,552	1.20%
Net overlapping debt	<u>74,044,472</u>	<u>467</u>	<u>0.36%</u>
Total net direct plus overlapping debt	<u>\$ 320,189,873</u>	<u>\$ 2,019</u>	<u>1.56%</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, 2016

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 (2015-16)	\$ 20,546,652,671
General obligation debt capacity (7.95% of Real Market Value)	1,633,458,887
Outstanding obligations subject to limit	246,145,401
Less: Amount available in debt service fund	<u>11,272,703</u>
Remaining debt capacity	<u>\$ 1,398,586,189</u>
Percent of general obligation debt capacity issued	14.38%

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 2015-16 AND 2016-17 ADOPTED GENERAL FUND BUDGETS
YEAR ENDED JUNE 30, 2016

	2015-16	2016-17
	Budget	Budget
	<i>(in thousands)</i>	
RESOURCES		
State School Funding		
Property taxes	\$ 60,794	\$ 64,144
Property taxes, prior years	2,133	1,979
State School Fund	78,252	80,416
Other SSF revenues	1,773	1,963
Local option property tax	11,485	12,126
Transfers	905	516
Other sources	5,598	5,599
	<hr/>	<hr/>
<i>Total Revenues</i>	160,940	166,743
Beginning net working capital	<hr/>	<hr/>
	9,749	12,414
	<hr/>	<hr/>
<i>Total Budget Resources</i>	<u>\$ 170,689</u>	<u>\$ 179,157</u>
 REQUIREMENTS		
Salaries	\$ 82,897	\$ 86,558
Benefits	53,884	54,652
Services	16,754	17,944
Supplies	4,886	4,998
Equipment	60	69
Other	2,195	2,216
Board Priorities Reserve	284	-
Operations Reserve	1,444	3,701
Contingency	3,188	3,304
	<hr/>	<hr/>
<i>Total Expenditures</i>	165,592	173,442
Unappropriated balance	<hr/>	<hr/>
	5,097	5,715
	<hr/>	<hr/>
<i>Total Budget Requirements</i>	<u>\$ 170,689</u>	<u>\$ 179,157</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, 2016

	Cash Balance 07/01/2015	SBA Cash Receipts	SBA Disbursements	Cash Balance 06/30/2016
High Schools:				
Churchill	\$ 214,997	\$ 682,670	\$ 650,176	\$ 247,491
Comm.Lvg.Prgm	7,456	1,477	138	8,795
Early College & Career Opt	21,415	13,410	5,279	29,546
North Eugene	286,027	462,243	449,854	298,416
Sheldon	467,610	1,091,233	1,112,997	445,846
South Eugene	671,246	1,025,661	1,426,505	270,402
Transition Ed. Network	8,820	307	(44)	9,171
<i>Total High Schools</i>	<u>1,677,571</u>	<u>3,277,001</u>	<u>3,644,905</u>	<u>1,309,667</u>
Middle Schools:				
Arts & Technology	73,545	42,769	61,885	54,429
Cal Young	116,066	98,149	57,732	156,483
Colin Kelly	77,174	66,716	56,969	86,921
Kennedy	46,816	73,457	68,958	51,315
Madison	99,660	98,558	92,802	105,416
Monroe	95,826	84,178	70,816	109,188
Roosevelt	249,476	150,599	192,578	207,497
Spencer Butte	182,861	123,618	123,543	182,936
<i>Total Middle Schools</i>	<u>941,424</u>	<u>738,044</u>	<u>725,283</u>	<u>954,185</u>
Elementary Schools:				
Adams	52,750	18,463	27,163	44,050
Awbrey Park	56,028	32,911	36,988	51,951
Bertha Holt	107,845	35,802	29,720	113,927
Buena Vista	14,473	12,556	18,104	8,925
Camas Ridge	140,970	82,190	110,030	113,130
Cesar Chavez	10,237	48,755	44,262	14,730
Charlemagne	7,846	17,036	11,824	13,058
Corridor	21,187	16,695	14,415	23,467
Edgewood	73,465	108,882	99,005	83,342
Edison	146,763	114,131	143,759	117,135
Family	-	34,876	20,643	14,233
Gilham	34,892	51,674	53,798	32,768
Howard	7,128	29,106	28,189	8,045
McCornack	41,509	46,522	50,414	37,617
River Road/Camino Del Rio	12,056	41,925	32,250	21,731
Spring Creek	23,159	12,937	10,852	25,244
Twin Oaks	36,436	24,879	22,217	39,098
Willagillespie	66,390	30,151	23,715	72,826
Yujin Gakuen	63,500	31,375	35,183	59,692
<i>Total Elementary Schools</i>	<u>916,634</u>	<u>790,865</u>	<u>812,530</u>	<u>894,969</u>
TOTAL ALL SCHOOLS	<u><u>\$ 3,535,629</u></u>	<u><u>\$ 4,805,910</u></u>	<u><u>\$ 5,182,718</u></u>	<u><u>\$ 3,158,821</u></u>

LANE COUNTY SCHOOL DISTRICT No. 4J, Eugene, Oregon
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2016

Program Title	Pass-Through/ Entity Identifying Number	Federal CFDA Number	Current Year's Revenues and Expenditures
U.S. Department of Education			
Direct Programs			
Indian Education Grants to Local Education Agencies	S060A151100	84.060A	255,629
Supporting Effective Instruction State Grant - National Writing Project	12-OR01- CTRLSEED	84.367D	700
Total Direct Programs			256,329
Passed through Oregon Department of Education			
Title I - Grants to Local Educational Agencies			
Title I: Grants to Local Educational Agencies	32578	84.010	1,225,052
Title I: Grants to Local Educational Agencies	35969	84.010	2,492,128
Title IAD: Grants to Local Educational Agencies - Priority/Focus Improvement (RR)	37548	84.010	31,509
Title IAD: Grants to Local Educational Agencies - Priority/Focus Improvement (SC)	32773	84.010	828
Title IAD: Grants to Local Educational Agencies - Priority/Focus Improvement (SC)	37549	84.010	16,538
Title ID: Grants to Local Educational Agencies	32504	84.010	15,028
Title ID: Grants to Local Educational Agencies	36556	84.010	33,588
Title IAD: Grants to Local Educational Agencies - ESEA Technical Assistance	35477	84.010	1,066
Subtotal Title I			3,815,738
Title IIA - Supporting Effective Instruction State Grant			
Title IIA: Supporting Effective Instruction State Grant - Class Size Reduction	32902	84.367	348,450
Title IIA: Supporting Effective Instruction State Grant - Class Size Reduction	36166	84.367	267,023
Subtotal Title IIA			615,473
Title IIB - Mathematics & Science Partnerships	34376	84.366	77,794
Title IIB - Mathematics & Science Partnerships (Passed through University of Oregon)		84.366	9,674
Subtotal Title IIB			87,469
Title III - English Language Acquisition State Grants			
Title III: English Language Acquisition State Grants	32322	84.365	11,272
Title III: English Language Acquisition State Grants	36320	84.365	45,731
Title III: English Language Acquisition State Grants - Immigrant	32826	84.365	3,362
Subtotal Title III			60,364
Career & Technical Education			
Career and Technical Education - Basic Grants to States (Perkins; Passed through Lane ESD)	NA	84.048	76,715
Subtotal Career and Technical Education			76,715
Education for Homeless Children and Youth			
Education for Homeless Children and Youth (McKinney Vento; Passed through Lane ESD)	NA	84.196	6,131
Subtotal Education for Homeless Children and Youth			6,131
Twenty-First Century Community Learning Centers			
Twenty-First Century Community Learning Centers (Cohort 3 Year 2)	32268	84.287	118,984
Twenty-First Century Community Learning Centers (Cohort 3 Year 3)	36380	84.287	411,501
Subtotal Twenty-First Century Community Learning Centers			530,485

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, 2016

Program Title	Pass-Through/ Entity Identifying Number	Federal CFDA Number	Current Year's Revenues and Expenditures
Special Education			
Special Education - Grants to States (Regional Orthopedic Impaired; Passed through Lane ESD)	NA	84.027	10,054
Special Education - Grants to States (Traumatic Brain Injury; Passed through Lane ESD)	NA	84.027	19,476
Special Education - Grants to States (Extended Assessment)	35750	84.027	7,200
Special Education - Grants to States (IDEA Enhancement Grant)	38314	84.027	12,731
Special Education - Grants to States (IDEA Part B, Section 611)	33259	84.027	1,330,889
Special Education - Grants to States (IDEA Part B, Section 611)	36846	84.027	1,717,188
Special Education - Grants to States (SPRI)	37855	84.027	9,097
Subtotal Special Education			3,106,634
Special Education Preschool			
Special Education Preschool Grants (IDEA Part B, Section 519)	37158	84.173	10,160
Subtotal Special Education Preschool			10,160
Total U.S. Department of Education			8,565,497
U.S. Department of Transportation			
Passed Through Lane Transit District			
Highway Planning and Construction (Student Traffic Safety Program)	2012-52A	20.205	81,278
Total U.S. Department of Transportation			81,278
U.S. Department of Health and Human Services			
Passed Through Lane County, Oregon			
Promoting Safe and Stable Families (Family Resource Ctr I 2014-2015; Lane County CCF)	50847A2	93.566	6,117
Promoting Safe and Stable Families (Family Resource Ctr II 2014-2015; Lane County CCF)	50847A3	93.566	9,737
Subtotal Promoting Safe and Stable Families			15,854
Passed through Oregon Employment Department - Child Care Division			
Child Care and Development Block Grant	9964	93.575	121,007
Total U.S. Department of Health and Human Services			136,861
U.S. Department of Justice			
Passed through the University of Oregon			
Title V: Delinquency Prevention Program (Project STAY OUT)	224370C A1	16.548	43,857
Total U.S. Department of Justice			43,857
U.S. Department of Agriculture			
Passed Through Oregon State Department of Education			
Child Nutrition Cluster			
School Breakfast Program (USDA Commodities)	NA	10.553	348,936
School Breakfast Program	NA	10.553	1,228,263
National School Lunch Program	NA	10.555	2,343,188
Child and Adult Care Food Program	NA	10.558	119,947
Summer Food Service Program for Children	NA	10.559	67,827
Subtotal Child Nutrition Cluster			4,108,161

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, 2016

Program Title	Pass-Through/ Entity Identifying Number	Federal CFDA Number	Current Year's Revenues and Expenditures
<i>Fresh Fruit and Vegetable Program</i>			
Fresh Fruit and Vegetable Program - Chavez Elementary	34534	10.582	1,575
Fresh Fruit and Vegetable Program - Chavez Elementary	36595	10.582	2,166
Fresh Fruit and Vegetable Program - Chavez Elementary	38583	10.582	18,435
Fresh Fruit and Vegetable Program - Howard Elementary	36596	10.582	1,644
Fresh Fruit and Vegetable Program - Howard Elementary	38584	10.582	15,361
<i>Subtotal Fresh Fruit and Vegetable Program</i>			39,181
<i>Passed Through Lane County, Oregon</i>			
Schools and Roads - Grants to Counties	NA	10.666	830,136
<i>Total U.S. Department of Agriculture</i>			4,977,477
Total Federal Expenditures			\$ 13,804,970
<i>Reconciliation of Federal Expenditures to Federal Revenue</i>			
<i>Federal revenue reported above</i>			\$ 13,804,970
<i>Federal revenue not required to be reported in this schedule:</i>			
Qualified school construction bond subsidy			659,800
Miscellaneous federal revenue			50
<i>Total revenue from Federal sources</i>			\$ 14,464,820

Note: Totals may not foot due to rounding.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2016

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's financial statements and is presented for purposes of additional analysis. Because the Schedule presents only a selected portion of the activities of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.

Federal Financial Assistance

Pursuant to the Uniform Guidance, federal financial assistance is defined as assistance that non-Federal entities receive or administer in the form of grants, cooperative agreements, non-cash contributions of donations of property, direct appropriations, food commodities, loans, loan guarantees, interest subsidies, and insurance. 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. The district has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance. The District did not pass to other agencies or organizations federal awards received and therefore does not report subrecipient payments for the year ended June 30, 2016.

Major Programs

The Uniform Guidance establishes 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 the Uniform Guidance. 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, 2016.

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.

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, 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, 2016

Code	Function	Actual	Budget	Variance
LOCAL REVENUE				
1111	Taxes - current year's levy	\$ 61,524,714	\$ 60,794,000	\$ 730,714
1112	Taxes - prior years' levies	1,068,562	1,758,000	(689,438)
1120	Local option levy	11,323,363	11,485,000	(161,637)
1190	Penalties and interest on taxes	245,857	325,000	(79,143)
1200	Local governmental units	58,139	50,000	8,139
1310	Regular day school tuition	23,166	-	23,166
1500	Earnings on investments	223,206	117,000	106,206
1700	Extracurricular activities income	525,687	618,620	(92,933)
1800	Community service income	104,519	194,500	(89,981)
1910	Rentals	326,043	220,000	106,043
1980	Fees charged to grants	577,208	600,000	(22,792)
1990	Refunds and miscellaneous	1,358,303	1,462,427	(104,124)
1000	<i>Total Local Revenue</i>	77,358,767	77,624,547	(265,780)
INTERMEDIATE REVENUE				
2101	County school fund	2,660,510	2,724,150	(63,640)
2190	Other Intermediate Sources	907	-	907
2900	Revenue for/on behalf of the District	5,863	10,000	(4,137)
2000	<i>Total Intermediate Revenue</i>	2,667,280	2,734,150	(66,870)
STATE REVENUE				
3101	State school fund (except 3102 and 3106)	78,320,906	76,652,035	1,668,871
3103	Common school fund	2,216,070	1,572,917	643,153
3199	Other unrestricted grants-in-aid	1,035,847	1,600,000	(564,153)
3299	Other restricted grants-in-aid	-	-	-
3900	Revenue for/on behalf of the District	37,247	31,000	6,247
3000	<i>Total State Revenue</i>	81,610,070	79,855,952	1,754,118
REVENUE FROM FEDERAL SOURCES				
4801	Federal forest fees	830,136	-	830,136
4900	Other revenue from federal sources	50	-	50
4000	<i>Total Federal Revenue</i>	830,186	-	830,186
Total Revenue				
		162,466,303	160,214,649	2,251,654
OTHER SOURCES				
5200	Transfer from other funds	899,974	904,804	(4,830)
5300	Sale/compensation for loss of assets	-	-	-
5400	FUND BALANCES, Beginning	12,237,881	9,749,000	2,488,881
6000	TOTAL RESOURCES	<u>\$ 175,604,158</u>	<u>\$ 170,868,453</u>	<u>\$ 4,735,705</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, 2016

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Supplies & Materials
INSTRUCTION					
1100	Regular programs				
1111	Elementary	\$ 19,114,002	\$ 11,608,135	\$ 6,564	\$ 403,420
1113	Elementary extracurricular	10,669	3,150	-	-
1121	Middle/JHS	8,678,032	5,011,455	25,645	170,886
1122	Middle/JHS extracurricular	157,064	47,677	-	563
1131	High school	13,460,970	7,617,522	36,297	271,752
1132	High school extracurricular	1,472,118	503,870	164,899	104,285
1200	Special programs				
1210	Talented and gifted	43,436	13,978	243	2,447
1220	Restrictive programs for students with disabilities	3,362,686	2,365,366	554,579	16,880
1250	Less restrictive programs for students with disabilities	5,121,505	3,282,523	94,969	101,099
1260	Treatment and habilitation	78,213	43,798	55,790	2,907
1271	Remediation	12,074	1,432	3,083	140
1280	Early intervention/other special programs	471,945	250,350	2,383,405	66,788
1288	Charter school flow through	-	-	5,114,904	-
1290	Other special programs	900,272	562,497	20,559	12,957
1400	Summer school programs	64,155	16,445	39,571	1,684
	Total Instruction	52,947,141	31,328,198	8,500,508	1,155,808
SUPPORTING SERVICES					
2100	Students				
2110	Attendance and social work	346,280	215,260	465,718	-
2120	Guidance services	1,741,495	1,027,501	5,241	7,728
2130	Health services	790,226	511,701	26,821	11,055
2140	Psychological services	679,245	377,482	-	11,907
2150	Speech pathology and audiology services	971,179	565,843	1,332	3,776
2160	Educational services	426,078	242,598	96	4,443
2190	Service area direction, students	1,002,851	568,279	206,852	71,596
2200	Instructional staff and educational media	3,489,007	1,718,626	504,594	360,806
2300	General administration				
2310	Board of education	-	-	176,350	1,356
2320	Executive administration	401,802	199,506	30,255	11,165
2400	School administration				
2410	Principals services	7,471,870	4,450,524	123,440	507,273
2500	Business				
2520	Fiscal services	1,024,187	599,613	57,658	17,707
2540	Operation and maintenance	4,082,765	2,919,598	3,405,231	1,067,913
2550	Student transportation	3,135,171	2,412,820	355,199	611,636
2570	Internal services	218,794	143,834	25,459	61,174
2600	Central				
2630	Information services	270,773	147,208	86,645	3,317
2640	Staff services	839,783	509,861	113,553	36,127
2660	Technology services	2,273,818	1,260,205	935,937	283,289
2700	District retirement	-	1,500,000	-	-
	Total Supporting Services	29,165,497	19,370,513	6,520,381	3,072,268
ENTERPRISE AND COMMUNITY SERVICES					
3320	Community recreation services	-	-	32,244	-
3500	Custody and care of children services	216,442	134,610	-	-
	Total Enterprise and Community Services	216,442	134,610	32,244	-
FACILITIES ACQUISITION AND CONSTRUCTION					
	Total Facilities Acquisition and Construction	-	-	-	-
DEBT SERVICE					
5100	Debt Service	-	-	-	-
OTHER USES					
5200	Interfund Transfers	-	-	-	-
6110	OPERATING CONTINGENCY	-	-	-	-
7000	ENDING BALANCE	-	-	-	-
8000	Total Expenditures and Ending Balance	\$ 82,329,080	\$ 50,833,321	\$ 15,053,133	\$ 4,228,076

<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>
\$ -	\$ 119	\$ -	\$ 31,132,240		
-	-	-	13,819		
-	210	-	13,886,228		
-	-	-	205,304		
-	25,496	-	21,412,037		
-	10,671	-	2,255,843		
-	-	-	60,104		
-	-	-	6,299,511		
-	-	-	8,600,096		
-	-	-	180,708		
-	-	-	16,729		
1,847	55,369	-	3,229,704		
-	-	49,703	5,164,607		
-	-	-	1,496,285		
-	-	-	121,855		
<u>1,847</u>	<u>91,865</u>	<u>49,703</u>	<u>94,075,070</u>	\$ 97,359,236	\$ 3,284,166
-	-	-	1,027,258		
-	379	-	2,782,344		
-	-	-	1,339,803		
-	-	-	1,068,634		
-	-	-	1,542,130		
-	-	-	673,215		
-	100	-	1,849,678		
-	7,595	-	6,080,628		
-	14,107	-	191,813		
-	9,239	-	651,967		
-	3,580	-	12,556,687		
-	2,780	-	1,701,945		
2,861	714,215	-	12,192,583		
14,707	114,561	-	6,644,094		
-	-	-	449,261		
-	930	-	508,873		
-	35,115	-	1,534,439		
-	600	-	4,753,849		
-	-	-	1,500,000		
<u>17,568</u>	<u>903,201</u>	<u>-</u>	<u>59,049,428</u>	60,156,680	1,107,252
-	-	-	32,244		
-	168	-	351,220		
-	168	-	383,464	438,924	55,460
-	-	-	-	1	1
-	-	-	-	1	1
-	-	3,879,838	3,879,838	4,564,611	684,773
-	-	-	-	3,251,724	3,251,724
-	-	<u>18,216,358</u>	<u>18,216,358</u>	<u>5,097,276</u>	<u>(13,119,082)</u>
<u>\$ 19,415</u>	<u>\$ 995,234</u>	<u>\$ 22,145,899</u>	<u>\$ 175,604,158</u>	<u>\$ 170,868,453</u>	<u>\$ (4,735,705)</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, 2016

<u>Code</u>	<u>Function</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	LOCAL REVENUE			
1111	Taxes - current year's levy	\$ 20,760,422	\$ 20,768,191	\$ (7,769)
1112	Taxes - prior years' levies	341,151	333,000	8,151
1190	Penalties and interest on taxes	73,215	85,000	(11,785)
1200	Local governmental units	-	-	-
1500	Earnings on investments	83,220	45,000	38,220
1900	Charges to other funds	4,508,332	4,262,396	245,936
1000	<i>Total Local Revenue</i>	25,766,340	25,493,587	272,753
	REVENUE FROM FEDERAL SOURCES			
4990	Other revenue from Federal sources	659,800	653,535	6,265
4000	<i>Total Federal Revenue</i>	659,800	653,535	6,265
	<i>Total Revenue</i>	26,426,140	26,147,122	279,018
5400	FUND BALANCES, Beginning	11,424,782	11,327,103	97,679
6000	TOTAL RESOURCES	\$ 37,850,922	\$ 37,474,225	\$ 376,697

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, 2016

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>
\$ -	\$ 14,120,000	\$ -	\$ 14,120,000		
-	11,520,619	-	11,520,619		
-	25,640,619	-	25,640,619	\$ 25,640,621	\$ 2
-	-	12,210,303	12,210,303	11,833,604	(376,699)
<u>\$ -</u>	<u>\$ 25,640,619</u>	<u>\$ 12,210,303</u>	<u>\$ 37,850,922</u>	<u>\$ 37,474,225</u>	<u>\$ (376,697)</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, 2016

Code	Function	Actual	Budget	Variance
LOCAL REVENUE				
1200	Local governmental units other than District	\$ 788,401	\$ -	\$ 788,401
1500	Earnings on investments	165,453	66,000	99,453
1990	Refunds and miscellaneous	73,985	40,000	33,985
1000	<i>Total Local Revenue</i>	1,027,839	106,000	921,839
STATE REVENUE				
3222	SSF Transportation	849,337	579,000	270,337
	<i>Total Revenue</i>	1,877,176	685,000	1,192,176
OTHER FINANCING SOURCES				
5110	Construction bonds issued	39,750,000	-	39,750,000
5120	Bond premium	2,332,751	-	2,332,751
5300	Sale of capital assets	722,326	55,800	666,526
	<i>Total Other Sources</i>	42,805,077	55,800	42,749,277
5400	FUND BALANCES, Beginning	93,087,974	91,368,659	1,719,315
6000	TOTAL RESOURCES	<u>\$ 137,770,227</u>	<u>\$ 92,109,459</u>	<u>\$ 45,660,768</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, 2016

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Supplies & Materials
INSTRUCTION					
1100	Regular programs				
1111	Elementary (curricular)	\$ -	\$ -	\$ -	\$ 428,237
1121	Middle/JHS	-	-	-	606,233
1131	High school	-	-	-	34,914
	<i>Total Instruction</i>	-	-	-	1,069,384
SUPPORTING SERVICES					
2100	Students				
2190	Service area direction, students	-	-	-	23,396
2200	Instructional staff and educational media	-	-	-	929
2500	Business				
2520	Fiscal services	-	-	234,984	-
2540	Operation and maintenance	1,533,912	885,171	129,472	161,422
2550	Student transportation	-	-	-	-
2600	Central				
2660	Technology services	109,571	59,880	417,452	2,709,586
2700	District retirement	-	14,578	-	-
	<i>Total Supporting Services</i>	1,643,483	959,629	781,908	2,895,333
ENTERPRISE AND COMMUNITY SERVICES					
	<i>Total Enterprise and Community Services</i>	-	-	-	-
FACILITIES ACQUISITION AND CONSTRUCTION					
4110	Service area direction	-	-	163	7,169
4120	Site acquisition and development services	-	-	341,774	19,100
4150	Building acquisition, construction and improvement services	74,959	19,200	4,877,552	1,444,480
	<i>Total Facilities Acquisition and Construction</i>	74,959	19,200	5,219,489	1,470,749
DEBT SERVICE					
5100	Principal	-	-	-	-
5100	Interest	-	-	-	-
	<i>Total Debt Service</i>	-	-	-	-
OTHER USES					
5200	Interfund Transfers	-	-	-	-
6000	OPERATING CONTINGENCY	-	-	-	-
7000	ENDING BALANCE	-	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	\$ 1,718,442	\$ 978,829	\$ 6,001,397	\$ 5,435,466

<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>
\$ -	\$ -	\$ -	\$ 428,237		
-	-	-	606,233		
-	-	-	34,914		
-	-	-	1,069,384	\$ 1,500,001	\$ 430,617
8,792	-	-	32,188		
-	-	-	929		
-	-	-	234,984		
228,568	50	-	2,938,595		
1,776,364	-	-	1,776,364		
36,225	-	-	3,332,714		
-	-	-	14,578		
2,049,949	50	-	8,330,352	14,853,226	6,522,874
-	-	-	-	1	1
-	-	-	7,332		
1,394,167	4,427	-	1,759,468		
41,378,610	376,877	-	48,171,678		
42,772,777	381,304	-	49,938,478	74,839,433	24,900,955
-	642,075	-	642,075		
-	56,994	-	56,994		
-	699,069	-	699,069	699,069	-
-	-	206,801	206,801	206,802	1
-	-	-	-	10,927	10,927
-	-	77,526,143	77,526,143	-	(77,526,143)
<u>\$ 44,822,726</u>	<u>\$ 1,080,423</u>	<u>\$ 77,732,944</u>	<u>\$ 137,770,227</u>	<u>\$ 92,109,459</u>	<u>\$ (45,660,768)</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, 2016

Code	Function	Actual	Budget	Variance
LOCAL REVENUE				
1310	Regular day school tuition	\$ 38,930	\$ 60,000	\$ (21,070)
1910	Rentals	44,517	45,000	(483)
1920	Private contributions	546,686	615,346	(68,660)
1940	Services provided to other local education agency	-	36,400	(36,400)
1990	Refunds and miscellaneous	2,399,216	4,050,441	(1,651,225)
1000	<i>Total Local Revenue</i>	3,029,349	4,807,187	(1,777,838)
INTERMEDIATE REVENUE				
2101	County school funds	193,516	427,184	(233,668)
2199	Regular day school tuition	83,195	90,263	(7,068)
2900	Revenue for/on behalf of the District	11,796	-	11,796
2000	<i>Total Intermediate Revenue</i>	288,507	517,447	(228,940)
STATE REVENUE				
3101	State School Fund	118,863	120,000	(1,137)
3204	Drivers education	139,190	-	139,190
3990	Other revenue from State sources	757,806	1,162,389	(404,583)
3000	<i>Total State Revenue</i>	1,015,859	1,282,389	(266,530)
REVENUE FROM FEDERAL SOURCES				
4300	Restricted grants-in-aid; direct	255,629	250,000	5,629
4500	Restricted grants-in-aid; through State	8,592,211	9,725,048	(1,132,837)
4700	Grants-in-aid from the Federal government through other intermediate agencies	15,854	200	15,654
4990	Other revenue from Federal sources	9,674	26,172	(16,498)
4000	<i>Total Federal Revenue</i>	8,873,368	10,001,420	(1,128,052)
	<i>Total Revenue</i>	13,207,083	16,608,443	(3,401,360)
5400	FUND BALANCES, Beginning	-	-	-
6000	TOTAL RESOURCES	<u>\$ 13,207,083</u>	<u>\$ 16,608,443</u>	<u>\$ (3,401,360)</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, 2016

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Supplies & Materials
INSTRUCTION					
1100	Regular programs				
1111	Elementary	\$ 86,400	\$ 64,727	\$ 6,416	\$ 51,081
1113	Elementary extracurricular	-	-	9,804	16,215
1121	Middle/JHS	19,283	10,865	9,864	9,011
1122	Middle/JHS extracurricular	-	-	2,632	6,052
1131	High school	45,017	33,153	107,623	87,131
1132	High school extracurricular	132	52	8,223	8,962
1132	Preschool	9,442	2,961	14	121
1200	Special programs				
1210	Talented and gifted	-	-	-	4,643
1220	Restrictive programs for students with disabilities	1,164,005	786,934	53,303	24,857
1250	Less restrictive programs for students with disabilities	1,135,513	815,520	8,095	7,815
1260	Early intervention	78,074	42,667	-	-
1270	Educationally disadvantaged	1,713,520	1,122,305	280,378	36,307
1280	Early intervention/other special programs	138,824	85,220	187,464	-
1288	Charter school flow through	-	-	-	-
1290	Other special programs	18,684	13,222	-	24,500
1400	Summer school programs	86,425	27,383	3,893	4,498
	<i>Total Instruction</i>	4,495,319	3,005,009	677,709	281,193
SUPPORTING SERVICES					
2100	Students				
2110	Attendance and social work	142,434	97,510	61,759	25,483
2120	Guidance services	30,881	19,798	902	692
2130	Health services	89,746	51,386	24,006	4,190
2140	Psychological services	97,896	57,398	-	-
2150	Speech pathology and audiology services	113,440	61,421	-	-
2160	Educational services	33,072	19,228	121	-
2190	Service area direction, students	89,086	54,936	-	-
2200	Instructional staff and educational media	1,162,506	576,921	272,017	73,565
2400	School administration				
2410	Principals services	2,723	1,297	243	500
2500	Business				
2520	Fiscal services	-	-	-	-
2550	Student transportation	42,418	-	-	9,194
2600	Central				
2640	Staff services	9,188	5,039	1,066	359
2660	Technology services	42,725	24,201	69,135	-
2700	District retirement	-	124,861	-	-
	<i>Total Supporting Services</i>	1,856,115	1,093,996	429,249	113,983
ENTERPRISE AND COMMUNITY SERVICES					
3100	Food services	3,534	3,629	-	73,845
3320	Community recreation services	862	311	6,296	3,230
3390	Other community services	249,609	132,939	132,514	21,707
	<i>Total Enterprise and Community Services</i>	254,005	136,879	138,810	98,782
FACILITIES ACQUISITION AND CONSTRUCTION					
	<i>Total Facilities Acquisition and Construction</i>	-	-	-	-
7000	ENDING BALANCE	-	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	\$ 6,605,439	\$ 4,235,884	\$ 1,245,768	\$ 493,958

<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>
\$ -	\$ -	\$ -	\$ 208,624		
-	450	-	26,469		
-	-	-	49,023		
-	-	-	8,684		
18,668	-	-	291,592		
-	3,138	-	20,507		
-	-	-	12,538		
-	-	-	4,643		
-	-	-	2,029,099		
-	-	-	1,966,943		
-	-	-	120,741		
-	-	-	3,152,510		
-	-	-	411,508		
-	-	-	-		
-	-	-	56,406		
-	-	-	122,199		
18,668	3,588	-	8,481,486	\$ 10,753,711	\$ 2,272,225
6,017	348	-	333,551		
-	-	-	52,273		
-	-	-	169,328		
-	-	-	155,294		
-	-	-	174,861		
-	-	-	52,421		
-	-	-	144,022		
-	14,993	-	2,100,002		
-	-	-	4,763		
-	581,551	-	581,551		
-	-	-	51,612		
-	-	-	15,652		
-	-	-	136,061		
-	-	-	124,861		
6,017	596,892	-	4,096,252	5,215,416	1,119,164
-	-	-	81,008		
-	-	-	10,699		
-	869	-	537,638		
-	869	-	629,345	639,315	9,970
-	-	-	-	1	1
-	-	-	-	-	-
<u>\$ 24,685</u>	<u>\$ 601,349</u>	<u>\$ -</u>	<u>\$ 13,207,083</u>	<u>\$ 16,608,443</u>	<u>\$ 3,401,360</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, 2016

Code	Function	Actual	Budget	Variance
LOCAL REVENUE				
1600	Food service sales	\$ 1,142,040	\$ 1,298,344	\$ (156,304)
1990	Refunds and miscellaneous	7,881	-	7,881
1000	<i>Total Local Revenue</i>	1,149,921	1,298,344	(148,423)
STATE REVENUE				
3102	State school fund - school lunch match	41,059	45,000	(3,941)
3299	Other restricted grants-in-aid	58,158	12,600	45,558
3900	Revenue for/on behalf of the District	256	-	256
3000	<i>Total State Revenue</i>	99,473	57,600	41,873
REVENUE FROM FEDERAL SOURCES				
4500	Restricted grants-in-aid through the State - school nutrition	3,403,594	3,328,551	75,043
4900	Revenue for/on behalf of the District	348,936	245,000	103,936
4000	<i>Total Federal Revenue</i>	3,752,530	3,573,551	178,979
	<i>Total Revenue</i>	5,001,924	4,929,495	72,429
OTHER SOURCES				
5200	Interfund transfers	87,192	164,901	(77,709)
	<i>Total Other Sources</i>	87,192	164,901	(77,709)
5400	FUND BALANCES, Beginning	74,584	-	74,584
6000	TOTAL RESOURCES	<u>\$ 5,163,700</u>	<u>\$ 5,094,396</u>	<u>\$ 69,304</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, 2016

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Supplies & Materials
SUPPORTING SERVICES					
2500	Business				
2520	Fiscal services	\$ -	\$ -	\$ 3,142	\$ -
2700	District retirement	-	10,513	-	-
	<i>Total Supporting Services</i>	-	10,513	3,142	-
ENTERPRISE AND COMMUNITY SERVICES					
3100	Food services				
3120	Food preparation and dispensing services	1,304,343	1,132,427	69,464	2,515,251
	<i>Total Enterprise and Community Services</i>	1,304,343	1,132,427	69,464	2,515,251
6000	OPERATING CONTINGENCY	-	-	-	-
7000	ENDING BALANCE	-	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 1,304,343</u>	<u>\$ 1,142,940</u>	<u>\$ 72,606</u>	<u>\$ 2,515,251</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>
\$ -	\$ -	\$ -	\$ 3,142		
-	-	-	10,513		
-	-	-	13,655	\$ 16,001	\$ 2,346
-	5,376	-	5,026,861		
-	5,376	-	5,026,861	5,078,393	51,532
-	-	-	-	1	1
-	-	123,184	123,184	1	(123,183)
<u>\$ -</u>	<u>\$ 5,376</u>	<u>\$ 123,184</u>	<u>\$ 5,163,700</u>	<u>\$ 5,094,396</u>	<u>\$ (69,304)</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, 2016

Code	Function	Actual	Budget	Variance
	LOCAL REVENUE			
1700	Extracurricular activities income	\$ 4,041,063	\$ 5,000,000	\$ (958,937)
1990	Refunds and miscellaneous	158,691	10,000	148,691
1000	<i>Total Local Revenue</i>	4,199,754	5,010,000	(810,246)
	OTHER FINANCING SOURCES			
5200	Interfund transfers	2,815,000	-	2,815,000
5000	<i>Total Other Sources</i>	2,815,000	-	2,815,000
	<i>Total Revenue</i>	7,014,754	5,010,000	2,004,754
5400	FUND BALANCES, Beginning	8,000,455	8,156,000	(155,545)
6000	TOTAL RESOURCES	<u>\$ 15,015,209</u>	<u>\$ 13,166,000</u>	<u>\$ 1,849,209</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, 2016

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Supplies & Materials
INSTRUCTION					
1100	Regular programs				
1111	Elementary	\$ 21,894	\$ 18,504	\$ 26,081	\$ 319,304
1113	Elementary extracurricular	-	-	418,883	350,863
1121	Middle/JHS	34,421	22,754	1,022	20,701
1122	Middle/JHS extracurricular	-	-	316,207	260,738
1131	High school	10,319	6,170	-	18,981
1132	High school extracurricular	-	-	1,013,156	1,226,523
	<i>Total Instruction</i>	66,634	47,428	1,775,349	2,197,110
SUPPORTING SERVICES					
2100	Students				
2110	Attendance and social work	80,705	42,623	1,505	-
2190	Service area direction, students	-	-	-	5,014
2200	Instructional staff and educational media	61,395	16,104	19,392	15,672
2300	General administration				
2320	Office of the superintendent	-	595	42,383	34,500
2400	School administration				
2410	Principals services	39,771	26,905	23,440	120,408
2500	Business				
2520	Fiscal services	-	-	-	4,533
2540	Operation and maintenance	-	-	-	2,657
2600	Central				
2630	Information services	-	-	3,881	525
2640	Staff services	26	65	-	-
2660	Technology services	-	-	62,031	67,371
	<i>Total Supporting Services</i>	181,897	86,292	152,632	250,680
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>\$ 248,531</u>	<u>\$ 133,720</u>	<u>\$ 1,927,981</u>	<u>\$ 2,447,790</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>
\$ -	\$ -	\$ -	\$ 385,783		
559	3,165	-	773,470		
-	-	-	78,898		
-	39,606	-	616,551		
-	-	-	35,470		
-	456,161	-	2,695,840		
559	498,932	-	4,586,012	\$ 6,500,250	\$ 1,914,238
-	-	-	124,833		
-	-	-	5,014		
-	-	-	112,563		
-	13,200	-	90,678		
-	-	-	210,524		
-	-	-	4,533		
2,229	-	-	4,886		
-	-	-	4,406		
-	-	-	91		
-	-	-	129,402		
2,229	13,200	-	686,930	3,185,750	2,498,820
-	-	-	-	1	1
-	-	-	-	1	1
-	-	165,173	165,173	170,000	4,827
-	-	-	-	509,998	509,998
-	-	9,577,094	9,577,094	2,800,000	(6,777,094)
<u>\$ 2,788</u>	<u>\$ 512,132</u>	<u>\$ 9,577,094</u>	<u>\$ 15,015,209</u>	<u>\$ 13,166,000</u>	<u>\$ (1,849,209)</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, 2016

<u>Code</u>	<u>Function</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
LOCAL REVENUE				
1500	Earnings on investments	\$ 36,510	\$ 22,000	\$ 14,510
1990	Refunds and miscellaneous	30,028,823	31,521,519	(1,492,696)
1000	<i>Total Local Revenue</i>	30,065,333	31,543,519	(1,478,186)
STATE REVENUE				
3990	Other revenue from State sources	246,025	300,000	(53,975)
3000	<i>Total State Revenue</i>	246,025	300,000	(53,975)
	<i>Total Revenue</i>	30,311,358	31,843,519	(1,532,161)
OTHER SOURCES				
5200	Interfund transfers	1,006,071	1,125,001	(118,930)
5000	<i>Total Other Sources</i>	1,006,071	1,125,001	(118,930)
5400	FUND NET POSITION, Beginning	8,929,830	6,908,919	2,020,911
6000	TOTAL RESOURCES	<u>\$ 40,247,259</u>	<u>\$ 39,877,439</u>	<u>\$ 369,820</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, 2016

<i>Function</i>		100	200	300	400
		Salaries	Employee Benefits	Purchased Services	Supplies & Materials
INSTRUCTION					
1000	Total Instruction	\$ -	\$ -	\$ -	\$ -
SUPPORTING SERVICES					
2300	General administration				
2310	Board of directors	-	-	6,997	-
2500	Business				
2520	Fiscal services	-	27,526,495	765,524	151,341
2540	Operation and maintenance	8,148	6,385	-	-
2550	Student transportation	-	-	-	-
2600	Central				
2640	Staff services	475,078	258,761	53,900	43,328
2660	Technology services	-	-	-	-
2690	Claims	-	-	2,863	117
2700	District retirement	-	5,817	-	-
	<i>Total Supporting Services</i>	483,226	27,797,458	829,284	194,786
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>	<u>\$ 483,226</u>	<u>\$ 27,797,458</u>	<u>\$ 829,284</u>	<u>\$ 194,786</u>

500 Capital Outlay	600 Other Objects	700 Transfers & Flow- through Payments	Actual Fund Total	Appropriations	Variance
\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000
-	-	-	6,997		
-	-	-	28,443,360		
-	-	-	14,533		
-	30,106	-	30,106		
-	173	-	831,240		
-	-	-	-		
187,565	32,729	-	223,274		
-	-	-	5,817		
187,565	63,008	-	29,555,327	32,964,382	3,409,055
-	-	-	-	1,000	1,000
-	-	556,425	556,425	560,001	3,576
-	-	-	-	500,000	500,000
-	-	10,135,507	10,135,507	5,851,056	(4,284,451)
\$ 187,565	\$ 63,008	\$ 10,691,932	\$ 40,247,259	\$ 39,877,439	\$ (369,820)

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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, 2016

Code	Function	Actual	Budget	Variance
	LOCAL REVENUE			
1990	Refunds and miscellaneous	\$ 1,655,769	\$ 1,500,000	\$ 155,769
5400	FUND NET POSITION, Beginning	<u>3,286,513</u>	<u>2,296,099</u>	<u>990,414</u>
6000	TOTAL RESOURCES	<u>\$ 4,942,282</u>	<u>\$ 3,796,099</u>	<u>\$ 1,146,183</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, 2016

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Supplies & Materials
	SUPPORTING SERVICES				
2700	District retirement	\$ 424,852	\$ 1,394,728	\$ 7,757	\$ -
	OTHER USES				
5200	Interfund Transfers	-	-	-	-
6000	OPERATING CONTINGENCY	-	-	-	-
7000	ENDING FUND NET POSITION	-	-	-	-
8000	<i>Total Expenditures and Ending Fund Net Position</i>	<u>\$ 424,852</u>	<u>\$ 1,394,728</u>	<u>\$ 7,757</u>	<u>\$ -</u>

500 Capital Outlay	600 Other Objects	700 Transfers & Flow- through Payments	Actual Fund Total	Appropriations	Variance
\$ -	\$ -	\$ -	\$ 1,827,337		
-	-	-	-	1	1
-	-	-	-	400,000	400,000
-	-	3,114,945	3,114,945	1,410,143	(1,704,802)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,114,945</u>	<u>\$ 4,942,282</u>	<u>\$ 3,796,099</u>	<u>\$ (1,146,183)</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, 2016

A. ENERGY BILLS FOR HEATING – ALL FUNDS

Expenditures for Electricity and Heating Fuel:

Function 2540
 Function 2550

		<u>Objects 325 and 326</u>
\$		1,804,876
		29,676

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

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	143
<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	153
<p>These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.</p>	
Debt Capacity	161
<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	166
<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	173
<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>2016</u>	<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>
ASSETS										
Cash and investments	\$ 146,578,090	\$ 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
Receivables and inventories	14,650,469	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
Pension assets	-	29,476,149 ⁽¹⁾	34,043,605	36,475,291	38,906,977	41,338,663	43,770,349	46,202,035	48,633,721	51,065,407
Capital assets (net)	221,809,461	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
Deferred Outflows of Resources	20,421,959	18,985,938								
<i>Total Assets</i>	<u>403,459,979</u>	<u>397,327,520</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>
LIABILITIES										
Debt due within one year	42,716,176	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
Debt due in more than one year	371,555,015 ⁽²⁾	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
Deferred Inflows of Resources	16,040,176	56,877,028								
<i>Total Liabilities</i>	<u>430,311,367</u>	<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>
NET POSITION										
Net investment in capital assets	24,946,198	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
Restricted for debt service	9,995,478	9,652,517	7,454,649	6,192,930	7,683,373	-	1,045,402	2,790,498	2,933,884	4,033,374
Unrestricted	(61,793,064)	(14,053,592)	17,766,181	16,563,734	27,619,642	41,563,287	49,615,838	53,658,711	55,845,872	64,084,694
<i>Total Net Position</i>	<u>\$ (26,851,388)</u>	<u>\$ 23,376,246</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>

⁽¹⁾ Actuarially determined proportionate share of the system net pension Asset.

⁽²⁾ Includes the actuarially determined proportionate share of the system net pension liability of \$71,426,997.

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

Governmental Activities	Fiscal Year									
	2016 (1)	2015 (1)	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Direct classroom services	\$ 139,449,806	\$ 74,233,076	\$ 94,425,167	\$ 92,380,039	\$ 94,330,605	\$ 99,263,091	\$ 101,930,051	\$ 103,102,339	\$ 102,821,704	\$ 93,067,887
Classroom support services	53,885,203	32,772,729	37,714,817	39,124,612	36,420,795	37,963,462	38,800,754	40,233,622	40,533,869	39,324,976
Building support services	38,771,223	23,905,154	26,544,857	25,483,305	23,909,245	25,925,334	25,179,039	24,324,614	25,394,584	23,093,650
Central support services	14,444,687	10,497,666	15,685,307	17,000,343	17,995,190	16,436,854	16,357,891	16,621,013	16,896,055	11,162,296
Nutrition services	5,984,115	4,435,410	4,909,589	4,690,700	4,783,293	5,009,082	5,091,489	5,156,642	5,424,214	4,945,942
Interest on long-term liabilities	10,509,861	10,462,126	8,140,544	9,987,557	7,924,330	7,288,427	7,679,671	10,374,493	9,025,104	9,179,263
Total expenses	<u>263,044,894</u>	<u>156,306,161</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>
Program revenues										
Charges for services										
Direct classroom services	105,699	328,157	281,984	183,655	354,821	458,433	469,124	515,627	720,467	1,006,531
Classroom support services	368,710	384,597	418,659	617,248	593,553	475,901	644,200	518,340	531,340	809,070
Building support services	1,377,758	697,347	816,570	1,226,758	1,915,050	1,461,292	991,381	1,112,279	1,154,312	1,542,812
Central support services	4,716,751	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
Nutrition services	899,024	964,172	980,454	961,096	999,910	1,176,124	1,369,409	1,543,431	1,970,201	1,861,178
Operating grants and contributions										
Direct classroom services	10,116,406	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
Classroom support services	8,205,002	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
Building support services	6,049,949	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
Central support services	4,591	591	-	6,691	-	-	-	-	93,171	38,375
Nutrition services	3,910,487	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
Interest on long-term liabilities	659,800	653,535	654,240	674,332	595,333	-	-	-	-	-
Capital grants and contributions										
Building support services	849,337	632,601	592,298	649,316	411,213	485,786	656,760	2,678,012	434,949	502,258
Total program revenues	<u>37,263,514</u>	<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>
Total governmental activities net expense	<u>(225,781,380)</u>	<u>(120,342,751)</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>
General revenues										
Property taxes	95,537,783	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
Federal aid not restricted to specific purposes	957,645	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
State aid not restricted to specific purposes	74,732,275	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
Earnings on investments	581,604	495,556	413,225	420,123	586,127	481,152	620,487	2,035,193	4,649,939	5,165,714
Other federal and local sources	3,744,439	7,667,277	3,002,588	914,832	837,793	1,114,166	3,104,115	335,795	246,660	5,794,817
Total general revenues	<u>175,553,746</u>	<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>
Change in net position	<u>\$ (50,227,634)</u>	<u>\$ 50,798,607</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>

(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									
	2016	2015	2014	2013	2012	2011 ⁽¹⁾	2010	2009	2008	2007
General Fund										
Unreserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,125,084	\$ 13,990,673	\$ 17,053,588	\$ 20,845,607
Nonspendable for:										
Inventory	201,751	262,208	214,107	234,160	222,655	226,905	-	-	-	-
Prepaid Items	-	19,526	212,079	-	-	-	-	-	-	-
Committed	8,123,315	7,708,103	7,237,020	6,650,236	6,814,951	6,794,000	-	-	-	-
Unassigned	9,891,292	4,248,044	1,897,507	155,474	1,075,869	966,325	-	-	-	-
Total General Fund	<u>\$ 18,216,358</u>	<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>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,751,242	\$ 16,689,036	\$ 21,081,040	\$ 28,019,482
Unreserved, reported in :										
Capital Projects Fund	-	-	-	-	-	-	10,968,084	10,811,559	12,531,376	13,782,621
Special Revenue Funds ⁽²⁾	-	-	-	-	-	-	17,935,636	19,503,208	19,664,365	20,297,170
Nonspendable:										
Inventory	127,068	164,894	138,748	134,743	102,676	107,993	-	-	-	-
Restricted for:										
Debt Service	11,621,725	11,087,645	8,466,743	6,559,522	8,855,882	10,524,726	-	-	-	-
Capital Projects	68,552,360	84,456,979	34,792,002	8,296,477	24,708,508	-	-	-	-	-
Committed for:										
Debt Service	588,578	337,137	232,583	180,423	60,588	-	-	-	-	-
Capital Projects	8,973,783	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	123,184	74,585	74,585	74,584	74,584	74,584	-	-	-	-
Student Body	-	-	-	-	3,865,762	3,684,988	-	-	-	-
School Resources ⁽³⁾	9,577,095	8,000,455	7,122,042	6,172,303	-	-	-	-	-	-
Total all Other Governmental Funds	<u>\$ 99,563,793</u>	<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>

⁽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)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
REVENUES										
Local sources	112,531,971	\$ 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
Intermediate sources	2,955,787	3,014,975	2,716,382	420,836	510,307	261,882	213,036	244,349	159,545	445,910
State sources	83,574,739	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
Federal sources	14,078,057	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
<i>Total Revenues</i>	<u>213,140,554</u>	<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>
EXPENDITURES										
Current										
Instruction	108,205,577	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
Supporting services	67,895,097	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
Community services	6,039,670	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
Facilities acquisition and construction	-	-	-	-	-	122,895	47,017	36,579	-	2,931
Debt service										
Principal	14,762,075	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
Interest	11,577,613	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
Refunding bonds issuance costs	-	-	-	-	-	-	-	223,320	-	-
Capital outlay	54,226,373	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
<i>Total Expenditures</i>	<u>262,706,405</u>	<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>
REVENUES OVER (UNDER) EXPENDITURES	(49,565,851)	(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)
OTHER FINANCING SOURCES (USES)										
Transfers in	3,802,166	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
Transfers out	(4,251,812)	(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)
Construction bonds issued	39,750,000	80,000,000	39,996,054	-	34,997,258	-	-	-	-	-
Bond premium (discount)	2,332,751	9,100,303	3,718,017	-	792,356	-	-	-	-	-
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
Sale of capital assets	722,326	4,638,265	-	5,200	3,715	17,500	1,380,450	-	-	5,271,907
Insurance recoveries	-	-	-	-	-	-	947,357	-	-	47,595
<i>Total Other Financing Sources (Uses)</i>	<u>42,355,431</u>	<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>
NET CHANGE IN FUND BALANCES	(7,210,420)	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
FUND BALANCES, Beginning of year	124,990,571	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
FUND BALANCES, End of year	<u>\$ 117,780,151</u>	<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>
Debt service as a percentage of noncapital expenditures	12.6%	11.8%	12.3%	11.6%	11.8%	10.5%	10.0%	9.1%	9.3%	9.8%

⁽¹⁾ As restated

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

Year Ended June 30	Total	Direct Classroom Services			Classroom Support Services			
		Regular Programs	Special Programs	Extra- Curricular Activities	Student Support	Libraries, Curriculum and Staff Development	School Adminis- tration	Community Services
2016	(2) \$ 263,044,894	\$ 97,723,456	\$ 41,726,350	\$ 6,755,571	\$ 16,578,246	\$ 11,385,209	\$ 18,010,676	\$ 1,155,500
2015	(2) 156,306,161	48,183,114	26,049,962	5,211,545	9,035,322	7,893,370	9,728,263	904,229
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

⁽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	Interest on Long-term Liabilities
\$ 14,829,004	\$ 10,444,319	\$ 12,740,672	\$ 757,228	\$ 1,292,001	\$ 2,895,088	\$ 7,505,683	\$ 2,011,413	\$ 740,503	\$ 5,984,115	\$ 10,509,861
10,733,050	6,694,221	5,942,910	534,973	921,061	1,809,263	5,387,751	1,929,972	449,619	4,435,410	10,462,126
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

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
2016	\$ 163,366,277	\$ 74,220,635	\$ 223,206	\$ 2,914,926
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

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
\$ 72,460,423	\$ 2,216,070	\$ 5,860,483	\$ 1,073,094	\$ 2,667,280	\$ 830,186	\$ 899,974
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

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
2016	\$ 157,387,800	\$ 94,075,070	\$10,283,062	6,080,628	843,780	12,556,914
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

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
\$ 20,987,883	\$ 6,797,161	\$ 1,500,000	\$ 383,464	\$ 3,879,838
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

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

<u>Year Ended June 30⁽¹⁾</u>	<u>Taxable Assessed Value⁽²⁾</u>	<u>Percent Change</u>	<u>Total Levy⁽³⁾</u>	<u>Percent Change</u>	<u>Tax Rate per \$1,000⁽⁴⁾</u>	<u>Collected and Adjusted within the Fiscal Year of the Levy</u>		<u>Collections and Adjustments in Subsequent Years</u>	<u>Total Collections and Adjustments to Date</u>	
						<u>Amount</u>	<u>Percent Collected Year of Levy⁽⁴⁾</u>		<u>Amount</u>	<u>Percent Collected 06/30/2015⁽⁴⁾</u>
2016	\$ 13,869,559,768	4.72 %	\$ 98,871,418	5.05 %	\$ 7.1234	\$ 96,201,709	97.30 %	\$ -	\$ 96,201,709	97.30 %
2015	13,244,235,395	4.11	94,121,143	7.50	7.1012	91,543,893	98.35	1,020,547	92,564,440	98.35
2014	12,721,001,567	2.98	87,554,404	9.96	6.8829	84,967,664	97.04	1,591,086	86,558,750	98.86
2013	12,353,361,067	2.35	79,624,274	(3.46)	6.4461	77,091,961	96.82	1,919,654	79,011,615	99.23
2012	12,070,171,533	2.30	82,474,939	(0.35)	6.8329	79,774,601	96.73	2,237,019	82,011,620	99.44
2011	11,798,847,376	1.06	82,763,217	(3.15)	7.0142	80,370,202	97.11	1,981,680	82,351,882	99.50
2010	11,674,870,928	4.30	85,457,917	3.02	7.3196	82,595,077	96.65	2,463,305	85,058,382	99.53
2009	11,193,424,874	3.14	82,950,341	3.87	7.4105	80,320,815	96.83	2,584,474	82,905,289	99.95
2008	10,852,594,702	5.55	79,859,440	3.20	7.3584	74,777,925	93.64	5,044,104	79,822,029	99.95
2007	10,281,818,660	4.28	77,379,818	8.56	7.5257	73,242,886	94.65	4,105,478	77,348,364	99.96

⁽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 157.

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
2016	4.7485	\$ 1.5000	\$ 1.5605	7.8090
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

⁽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>2015-2016</u>	<u>2014-2015</u>	<u>2013-2014</u>	<u>2012-2013</u>	<u>2011-2012</u>
GENERAL FUND					
Levy extended by Assessor	<u>\$ 76,894,051</u>	<u>\$ 72,855,536</u>	<u>\$ 66,966,181</u>	<u>\$ 65,539,768</u>	<u>\$ 66,820,808</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	\$ 74,734,430	\$ 70,738,523	\$ 64,897,897	\$ 64,268,147	\$ 65,519,719
1st year prior	891,455	957,895	993,655	1,000,693	757,315
2nd year prior	333,224	404,711	435,862	450,597	155,897
3rd year prior	254,722	309,694	297,898	350,687	311,377
4th year prior	150,006	181,111	222,762	157,729	138,524
5th and prior years	231,619	63,860	120,292	33,600	92,174
<i>Total Prior</i>	<u>1,861,026</u>	<u>1,917,271</u>	<u>2,070,469</u>	<u>1,993,306</u>	<u>1,455,287</u>
<i>Total General Fund</i>	<u>\$ 76,595,456</u>	<u>\$ 72,655,794</u>	<u>\$ 66,968,366</u>	<u>\$ 66,261,453</u>	<u>\$ 66,975,006</u>
DEBT SERVICE FUND					
Levy extended by Assessor	<u>\$ 21,977,368</u>	<u>\$ 21,265,607</u>	<u>\$ 20,588,223</u>	<u>\$ 14,084,506</u>	<u>\$ 15,654,130</u>
Tax rate per \$1,000 assessed value	<u>\$ 1.56</u>	<u>\$ 1.58</u>	<u>\$ 1.60</u>	<u>\$ 1.13</u>	<u>\$ 1.29</u>
Reduction of taxes receivable ⁽¹⁾					
Current year	\$ 21,383,980	\$ 20,683,347	\$ 19,979,969	\$ 13,793,249	\$ 15,359,306
1st year prior	230,565	273,841	200,205	221,285	153,029
2nd year prior	100,292	84,090	99,805	102,895	37,233
3rd year prior	55,244	72,227	69,362	84,153	73,530
4th year prior	31,284	37,217	47,060	31,651	26,918
5th and prior years	43,655	14,412	24,563	8,121	12,962
<i>Total prior</i>	<u>461,040</u>	<u>481,787</u>	<u>440,995</u>	<u>448,105</u>	<u>303,672</u>
<i>Total Debt Service Fund</i>	<u>\$ 21,845,020</u>	<u>\$ 21,165,134</u>	<u>\$ 20,420,964</u>	<u>\$ 14,241,354</u>	<u>\$ 15,662,978</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>2010-2011</u>	<u>2009-2010</u>	<u>2008-2009</u>	<u>2007-2008</u>	<u>2006-2007</u>
<u>\$ 67,274,768</u>	<u>\$ 69,076,852</u>	<u>\$ 67,433,941</u>	<u>\$ 65,196,549</u>	<u>\$ 60,855,183</u>
<u>\$ 6.25</u>	<u>\$ 6.25</u>	<u>\$ 6.25</u>	<u>\$ 6.25</u>	<u>\$ 6.25</u>
\$ 65,216,364	\$ 66,621,682	\$ 63,603,885	\$ 63,256,929	\$ 59,279,706
1,357,575	2,792,548	1,093,583	828,632	899,896
466,929	382,922	311,836	241,694	243,724
249,304	187,743	168,833	147,589	161,223
105,986	96,573	88,995	69,845	89,160
26,304	108,877	33,051	64,278	23,009
<u>2,206,098</u>	<u>3,568,663</u>	<u>1,696,298</u>	<u>1,352,038</u>	<u>1,417,012</u>
<u>\$ 67,422,462</u>	<u>\$ 70,190,345</u>	<u>\$ 65,300,183</u>	<u>\$ 64,608,967</u>	<u>\$ 60,696,718</u>
<u>\$ 15,488,449</u>	<u>\$ 16,381,066</u>	<u>\$ 15,516,400</u>	<u>\$ 14,662,891</u>	<u>\$ 16,524,635</u>
<u>\$ 1.30</u>	<u>\$ 1.39</u>	<u>\$ 1.38</u>	<u>\$ 1.34</u>	<u>\$ 1.61</u>
\$ 15,040,596	\$ 15,819,130	\$ 14,660,649	\$ 14,251,334	\$ 16,125,607
306,272	624,800	226,194	225,016	201,849
102,664	83,727	82,947	58,612	45,362
57,792	51,017	42,515	27,804	31,126
22,753	19,526	14,037	13,671	23,544
5,151	6,290	6,896	5,520	3,840
<u>494,632</u>	<u>785,360</u>	<u>372,589</u>	<u>330,623</u>	<u>305,721</u>
<u>\$ 15,535,228</u>	<u>\$ 16,604,490</u>	<u>\$ 15,033,238</u>	<u>\$ 14,581,957</u>	<u>\$ 16,431,328</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								
	2016	\$ 13,865,699	\$ 389,354	\$ 50,568								
2015	12,851,842	352,004	45,233	257,841	13,528,387	10,195	294,347	13,244,235	7.8771	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	7.8892	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	7.4105	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	7.5647	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	7.5802	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	7.6765	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	7.6548	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	7.6209	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	7.8755	80,974	3,594	77,380

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

Year Ended June 30	General Fund Budget	General Fund Levy	Percentage of Levy to Budget
2016	\$ 170,688,906	\$ 76,894,051	45.05 %
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

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)

	<i>% within School District⁽²⁾</i>	<i>2015-2016</i>	<i>2014-2015</i>	<i>2013-2014</i>	<i>2012-2013</i>
Bailey-Spencer RFPD	100.00 %	\$ 2.39	\$ 2.39	\$ 2.39	\$ 2.39
City of Coburg	100.00	3.37	4.79	4.93	5.28
City of Eugene	81.63	7.97	7.98	8.01	8.03
City of Springfield	10.27	6.78	7.03	7.15	6.94
Coburg RFPD	92.08	1.33	1.34	1.41	1.36
Eugene Urban Renewal Downtown	81.63	0.29	0.27	0.27	0.25
Emerald PUD	8.93	-	-	-	-
Eugene RFPD #1	99.64	2.54	2.54	2.35	2.10
Glenwood Water	99.96	3.44	3.47	3.41	3.48
Goshen RFPD	14.78	2.22	2.22	2.22	2.22
Junction City Water Control	2.48	0.25	0.25	0.25	0.25
Lane Rural Fire/Rescue	3.32	2.12	2.12	2.12	2.12
Lane County	46.35	1.81	1.38	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	0.82	0.86	0.86	0.86
LeBleu Road	100.00	-	-	-	-
Linn County	0.13	7.86	7.83	7.84	7.38
Mohawk Valley RFPD	1.91	1.91	1.91	1.91	1.91
Rainbow Water & Fire District	2.23	3.83	3.62	3.67	3.72
River Road Park & Recreation	98.09	3.53	3.85	3.86	3.87
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	1.49	1.04	1.64	1.64
Santa Clara Water District	85.17	-	-	-	-
South Lane County Fire & Rescue	0.03	1.50	1.50	1.50	1.03
Springfield Economic Development Agency	11.41	0.84	0.71	0.64	0.67
Willakenzie RFPD	51.94	3.07	3.07	3.07	3.07
Willamalane Park & Rec	11.59	2.34	2.37	2.45	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>2011-2012</u>	<u>2010-2011</u>	<u>2009-2010</u>	<u>2008-2009</u>	<u>2007-2008</u>	<u>2006-2007</u>
\$ 2.39	\$ 2.39	\$ 2.39	\$ 2.39	\$ 2.39	\$ 2.39
5.32	5.36	5.50	5.48	5.49	5.38
8.04	8.33	8.32	7.73	7.89	8.79
6.99	7.06	7.13	7.19	6.13	6.12
1.37	1.37	1.37	1.37	1.39	1.65
0.26	0.25	0.24	0.25	0.26	0.26
-	-	-	-	-	-
1.85	1.85	2.00	2.00	2.54	2.54
3.54	3.69	3.85	3.85	3.89	4.14
1.72	1.72	1.72	1.72	1.72	1.72
0.28	0.29	0.29	0.30	0.31	0.31
2.12	2.12	2.12	2.12	2.12	2.12
1.39	1.39	1.40	1.40	1.40	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
0.88	0.86	0.85	0.87	0.83	0.85
-	-	-	-	-	-
7.54	7.55	7.64	7.62	7.59	7.84
1.91	1.91	1.91	2.41	2.41	2.48
3.76	3.58	3.62	3.73	3.73	3.15
3.88	3.89	3.90	3.46	3.48	3.48
0.28	0.28	0.28	0.28	0.28	0.28
1.97	1.97	1.97	1.97	1.97	1.97
1.04	1.04	1.04	1.04	1.04	1.04
-	-	-	-	-	-
1.03	1.03	1.03	1.03	1.03	1.03
0.31	0.30	0.31	0.43	0.41	0.33
3.07	3.07	3.07	3.07	3.07	3.07
2.01	2.01	2.01	2.15	2.15	2.18
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, 2016

Overlapping Issuer	Net Property-tax Backed Debt ⁽¹⁾	Percentage Within School District ⁽²⁾	Overlapping Debt ⁽³⁾
City of Coburg	\$ 2,026,059	100.00 %	\$ 2,026,059
River Road Park & Rec District	270,000	98.16	265,028
Coburg RFPD	113,333	92.68	105,040
City Of Eugene	21,193,000	83.43	17,681,341
Lane ESD	6,790,000	49.89	3,387,599
Lane County	34,545,000	49.73	17,179,850
Lane Community College	54,215,000	49.07	26,602,867
Willamalane Park & Recreation District	17,670,589	19.67	3,476,017
City Of Springfield	17,295,943	18.85	3,260,891
Emerald People's Utility District	636,506	8.80	55,981
Harrisburg RFPD 6	105,000	2.94	3,085
South Lane County Fire & Rescue	2,605,000	0.03	714
Total			74,044,472
District direct debt ⁽⁴⁾			309,328,872
Total direct and overlapping debt			<u>\$ 383,373,344</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 \$17,628,471.

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, 2016

Real Market Value	<u>\$ 20,546,653</u>
Debt Limit (7.95%) ⁽¹⁾	\$ 1,633,459
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonded Debt	246,145
Less: Amount Available in Debt Service Fund	<u>11,622</u>
Total Net Debt Applicable to Debt Limit	<u>234,523</u>
Legal Debt Margin	<u>\$ 1,398,936</u>

Fiscal Year

	<u>2016</u>	<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>
Debt Limit	\$ 1,633,459	\$ 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
Total Net Debt Applicable to Debt Limit	<u>234,523</u>	<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>
Legal Debt Margin	<u>\$ 1,398,936</u>	<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>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	14.36%	13.36%	8.10%	6.71%	7.09%	5.66%	5.85%	7.16%	8.20%	9.77%

⁽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
2016	\$ 12,425,000	\$ 8,947,225	\$ 21,372,225	\$ 157,387,800	0.1358
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
2016	158,620	15,980	\$ 14,268,248,108	\$ 309,328,872	0.0217	\$ 1,950	\$ 19,357
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	0.0164	1,332	13,675
2013	154,905	15,184	12,353,361,067	179,680,317	0.0145	1,160	11,834
2012	153,667	15,248	12,070,171,533	189,256,104	0.0157	1,232	12,412
2011	152,428	15,762	11,798,847,376	166,569,886	0.0141	1,093	10,568
2010	150,188	16,027	11,674,870,928	178,367,884	0.0153	1,188	11,129
2009	149,160	16,104	11,193,424,874	189,269,705	0.0169	1,269	11,753
2008	148,132	16,192	10,852,594,702	196,006,353	0.0181	1,323	12,105
2007	147,105	16,476	10,281,818,660	203,427,704	0.0198	1,383	12,347
2006	146,077	16,746	9,859,887,317	210,412,245	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.

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				
2016	\$ 246,145,401	\$ 45,555,000	\$ 17,628,471	\$ 1,641,751	\$ 310,970,623	NA ⁽⁴⁾	\$ 1,960	\$ 19,460
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%	1,352	13,873
2013	121,382,258	49,925,000	8,373,059	3,856,623	183,536,940	1.442%	1,185	12,088
2012	134,847,258	50,940,000	3,468,846	4,139,746	193,395,850	1.542% ⁽³⁾	1,259	12,683
2011	111,335,000	51,765,000	3,469,886	3,528,428	170,098,314	1.412%	1,116	10,792
2010	121,695,000	52,410,000	4,262,884	3,223,243	181,591,127	1.573%	1,209	11,330
2009	131,255,000	52,895,000	5,119,705	3,325,396	192,595,101	1.692%	1,291	11,959
2008	139,830,000	53,235,000	2,941,353	2,582,834	198,589,187	1.699%	1,341	12,265
2007	146,638,929	53,435,000	3,353,775	2,484,059	205,911,763	1.827%	1,400	12,498

⁽¹⁾ See page 164 for estimated District population data and 167 for personal income data. These ratios are calculated using personal income for the prior calendar year.

⁽²⁾ See page 164 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				Lane County		State of Oregon	
	Estimated Population	Percent Change	Area (Square Miles)	Average Density Persons/Square Mile	Estimated Population	Percent Change	Estimated Population	Percent Change
2016	165,885	⁽¹⁾ 1.48 %	43.7	3,796	365,940	⁽¹⁾ 1.05 %	4,076,350	⁽¹⁾ 1.56 %
2015	163,460	1.67	43.7	3,741	362,150	0.93	4,013,845	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

⁽¹⁾Based on preliminary estimates by Population Research Center as of 11/29/2016.

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	
2015	362,895	\$ 14,468,971	\$ 39,871	5.9	%
2014	358,506 ⁽²⁾	13,575,594 ⁽²⁾	37,867 ⁽²⁾	6.9	%
2013	355,650 ⁽²⁾	12,760,064 ⁽²⁾	35,878 ⁽²⁾	8.0	%
2012	354,610 ⁽²⁾	12,696,903 ⁽²⁾	35,805 ⁽²⁾	8.9	%
2011	353,637 ⁽²⁾	12,175,709 ⁽²⁾	34,430 ⁽²⁾	9.7	%
2010	351,966 ⁽²⁾	11,739,756 ⁽²⁾	33,355 ⁽²⁾	11.0	%
2009	350,850 ⁽²⁾	11,590,896 ⁽²⁾	33,037 ⁽²⁾	12.3	%
2008	348,176 ⁽²⁾	11,951,855 ⁽²⁾	34,327 ⁽²⁾	6.7	%
2007	344,844 ⁽²⁾	11,542,563 ⁽²⁾	33,475 ⁽²⁾	5.2	%
2006	339,926 ⁽²⁾	11,257,821 ⁽²⁾	33,118 ⁽²⁾	5.4	%

⁽¹⁾ Mid-year population estimates.

⁽²⁾ Revised to reflect Census Bureau information updated November 17, 2016.

*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, 2016

<u>Name</u>	<u>2016</u>			<u>2007</u>		
	<u>2015-16 Assessed Valuation</u>	<u>Rank ⁽¹⁾</u>	<u>Percentage of District Total Assessed Value</u>	<u>2006-07 Assessed Valuation</u>	<u>Rank ⁽¹⁾</u>	<u>Percentage of District Total Assessed Value</u>
Comcast Corporation	\$ 132,624,500	1	0.96 %			
Valley River Center	117,328,763	2	0.85	\$ 84,629,867	2	0.86 %
CCC-Eugene LLC	66,539,333	3	0.48			
McKay Investment Company	62,751,584	4	0.45	21,877,484	9	
PeaceHealth	256,375,088	5	1.85	92,400,862	3	0.94
Symantec Corporation	53,540,363	6	0.39	41,380,987	5	0.42
CenturyLink ⁽²⁾	53,062,000	7	0.38	82,514,000	4	0.80
Shepard Investment Group LLC	41,966,604	8	0.30			
Chase Village LLC	38,713,494	9	0.28	29,670,669	8	0.30
Northwest Natural Gas Co	44,859,600	10	0.32	40,081,000	6	0.41
Hynix Semiconductor Mfg				614,685,640	1	5.98
Guard Publishing Company				30,777,873	7	0.30
Workstage-Oregon LLC				21,201,979	10	
<i>Total Major Taxpayers</i>	867,761,329		6.26	1,059,220,361		10.75
<i>Other</i>	12,990,409,370		93.74	8,792,590,712		89.25
<i>Total All Taxpayers</i>	<u>\$ 13,858,170,699</u>		<u>100.00 %</u>	<u>\$ 9,851,811,073</u>		<u>100 %</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 TAXPAYERS - LANE COUNTY
JUNE 30, 2016

<i>Taxpayer</i>	<i>Business/Service</i>	<i>Tax¹</i>	<i>Assessed Value²</i>	<i>Percent of Value</i>
International Paper (IP Eat Three LLC)	Wood Products	\$4,105,572	\$ 238,680,589	0.78
Comcast Corporation	Telecommunications	3,328,032	181,325,100	0.60
Valley River Center	Retail/Commercial	2,002,869	117,328,763	0.39
Shepard Investment Group LLC	Apartments	1,786,434	100,789,869	0.33
Verizon Communications	Telecommunications	1,608,907	101,624,000	0.33
CenturyLink	Telecommunications	1,451,632	93,289,000	0.31
Northwest Natural Gas Co.	Natural Gas Utility	1,379,528	95,996,500	0.32
CCC-Eugene LLC	Counseling Services	1,249,689	66,539,333	0.22
Weyerhaeuser Company	Wood Products	1,246,121	136,769,619	0.45
McKay Investment Company LLC	Propt Management	1,132,135	62,751,584	0.21
<i>Total Major Taxpayers</i>			1,195,094,357	3.92
All other County's taxpayers			29,269,157,766	96.08
<i>Total All County Taxpayers</i>			30,464,252,123	100.00

⁽¹⁾ Tax amount is the total tax paid by the taxpayer within the boundaries of the County. This amount is distributed to individual local governments by the County. A breakdown of amounts paid to each individual local government is not available.

⁽²⁾ Assessed value does not exclude offsets such as urban renewal and farm tax credits.

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 2016

<u>Company</u>	<u>2016</u>			<u>2007</u>		
	<u>Number of Employees</u> ⁽¹⁾	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Peace Health Corp	5,500	1	3.62 %	4,300 ⁽³⁾	1	2.74 %
University of Oregon	5,406	2	3.55	3,676	2	2.34
U.S. Government	1,528	3	1.00	1,800	5	1.15
City of Eugene	1,408	4	0.93	1,452	7	0.92
Springfield School District	1,283	5	0.84	1,162	8	0.74
Lane County Government	1,279	6	0.84	1,786	6	1.14
Eugene 4J School District	1,163	7	0.76	2,119	4	1.35
Lane Community College	1,009	8	0.66	2,531 ⁽⁵⁾	5	1.61
Mckenzie-Willamette Medical Center	895	9	0.59	750 ⁽⁵⁾	10	0.48
Royal Caribbean	890	10	0.59			
State of Oregon				1,100	9	0.72
<i>Total Major Employers</i>	20,361		13.38	20,676		12.47
<i>Other</i>	131,739		86.62	136,524		87.53
<i>Total All Employers</i>	152,100 ⁽²⁾		100.00 %	157,200 ⁽⁴⁾		100.00 %

⁽¹⁾ Updated information not available at time of printing; as of December 2016.

⁽²⁾ June 2016 total.

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

⁽⁴⁾ Annual average for 2007.

⁽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
2015	6.0 %	5.7 %	5.3 %
2014	6.9 ⁽¹⁾	6.8 ⁽¹⁾	6.2
2013	8.0 ⁽¹⁾	7.9	7.4
2012	8.9	8.8	8.1
2011	9.7 ⁽¹⁾	9.5	8.9
2010	11.0	10.6	9.6
2009	12.3	11.3	9.3
2008	6.7	6.5	5.8
2007	5.2	5.2	4.6
2006	5.4	5.3	4.6

⁽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)
2016	\$13,858,171	671	\$171,938	940	102,463	3,507,325
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

⁽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 ⁽²⁾	General Fund Per Pupil (ADMr)	General Fund Instruction Expenditures ⁽²⁾	General Fund Instruction Per Pupil (ADMr)	General Fund Other Expenditures ⁽²⁾	General Fund Other Per Pupil (ADMr)	Average Daily Membership (Weighted) K-12 ⁽³⁾
2016	16,994	\$ 263,044,894 ⁽⁴⁾	\$ 15,478 ⁽⁴⁾	\$ 153,507,962	\$ 9,033	\$ 94,068,695	\$ 5,535	\$ 59,539,267	\$ 3,503	19,864
2015	16,168	156,306,161 ⁽⁴⁾	9,668 ⁽⁴⁾	149,635,316	9,255	89,249,619	5,520	60,385,697	3,735	19,012
2014	16,151	187,420,281	11,637	141,616,674	8,793	83,825,345	5,205	57,791,329	3,588	18,892
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

⁽¹⁾ Average daily membership of students who live within District boundaries. Kindergarten students counted as half-time fiscal year 2015 and prior. Includes District sponsored public charter schools and alternative education providers.

⁽²⁾ Expenditures are reported on budgetary basis.

⁽³⁾ Average daily membership of daily student enrollment increased by a variety of weighting factors. Includes District sponsored public charter schools and alternative education providers.

⁽⁴⁾ Reporting of Government Wide expenses is impacted by GASB Statement No. 68 as pension expense/(income) is adjusted based on the actuarially determined contribution changes. In fiscal year 2015, pension income reduced expenses by \$40 million while in fiscal year 2016 pension expenses increased \$70 million.

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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Direct classroom services										
Regular instruction	707.8	657.6	655.8	652.0	661.6	730.6	767.2	789.2	792.6	776.1
Special programs	348.5	326.3	325.4	309.3	321.0	360.5	380.1	350.6	347.0	345.3
Total direct classroom services	1,056.3	983.9	981.2	961.3	982.6	1,091.1	1,147.3	1,139.8	1,139.6	1,121.4
Classroom support services										
Extracurricular activities	6.5	6.3	6.3	6.6	6.6	6.6	5.9	6.2	7.5	6.0
Student support	120.2	110.7	100.4	102.5	101.4	107.7	110.1	122.7	122.2	122.9
Libraries, curriculum and staff development	49.5	50.2	49.5	63.5	48.0	55.7	59.5	62.6	68.5	65.5
School administration	129.5	127.2	124.2	125.0	124.1	130.7	134.2	143.0	139.8	150.3
Community services	12.0	13.1	11.6	11.9	10.3	13.2	10.0	9.9	11.5	12.3
Total classroom support services	317.7	307.5	292.0	309.5	290.4	313.9	319.7	344.4	349.5	357.0
Building support services										
Facilities operation and maintenance	124.2	135.3	131.2	132.0	126.6	145.1	154.1	159.2	152.8	145.2
Student transportation	73.7	73.4	77.1	80.0	76.4	77.5	79.4	85.1	71.1	63.3
Computing and information services	35.5	40.9	39.0	40.7	38.7	38.8	41.5	33.6	30.4	20.7
Warehouse and purchasing	3.3	4.8	3.8	4.6	4.6	4.7	5.7	6.0	7.3	6.3
Total building support services	236.7	254.4	251.1	257.3	246.3	266.1	280.7	283.9	261.6	235.5
Central support services										
Executive administration	3.0	4.0	4.0	4.0	4.2	3.2	4.3	7.8	7.2	6.1
Financial services	18.0	15.9	16.3	17.4	15.4	14.4	15.9	15.9	13.9	14.8
Human resources/employee insurance benefits	19.9	20.3	19.4	17.1	20.0	18.6	17.6	18.2	18.9	25.0
Communications and intergovernmental relations	1.5	3.3	3.3	3.0	2.5	3.0	3.2	3.1	3.0	3.0
Total central support services	42.4	43.5	43.0	41.5	42.1	39.2	41.0	45.0	43.0	48.9
Nutrition services	51.2	53.5	56.5	58.3	63.4	68.1	72.1	68.0	71.6	72.1
Total employees	<u>1,704.3</u>	<u>1,642.8</u>	<u>1,623.8</u>	<u>1,627.9</u>	<u>1,624.8</u>	<u>1,778.4</u>	<u>1,860.8</u>	<u>1,881.1</u>	<u>1,865.3</u>	<u>1,834.9</u>
Licensed staff	857.8	829.7	829.2	841.8	834.6	922.5	962.9	976.4	969.4	951.5
Classified staff	724.5	689.0	677.2	668.8	687.2	752.2	791.5	789.8	784.3	772.3
Professional staff	35.0	40.1	35.3	33.4	27.0	19.6	24.3	26.3	25.2	23.2
Total classified and professional	759.5	729.1	712.5	702.2	714.2	771.8	815.8	816.1	809.5	795.5
Administrative staff	74.0	71.0	71.1	70.9	64.7	73.1	71.1	77.6	75.4	76.9
Supervisory staff	13.0	13.0	11.0	13.0	11.3	11.0	11.0	11.0	11.0	11.0
Total administrators and supervisors	87.0	84.0	82.1	83.9	76.0	84.1	82.1	88.6	86.4	87.9
Total employees	<u>1,704.3</u>	<u>1,642.8</u>	<u>1,623.8</u>	<u>1,627.9</u>	<u>1,624.8</u>	<u>1,778.4</u>	<u>1,860.8</u>	<u>1,881.1</u>	<u>1,865.3</u>	<u>1,834.9</u>

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⁽¹⁾</u>	<u>Licensed Staffing Ratio</u>
2016	811.1	578.3	81.2	1,470.6	15,980 ⁽²⁾	19.7
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	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

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

⁽²⁾ Full day kindergarten implemented fiscal year 2016 with kindergartner students counted as 1.0 ADMr; however, in prior years, kindergartner students are counted as 0.50 ADMr.

EUGENE SCHOOL DISTRICT NO. 4J
 BARGAINING UNITS & CONTRACT STATUS
 JUNE 30, 2016

<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, 2016

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	\$35,632	\$36,950	\$38,317	\$39,735	\$41,205	\$42,730	\$44,311
2	36,950	38,317	39,735	41,205	42,730	44,311	45,951
3	38,317	39,735	41,205	42,730	44,311	45,951	47,561
4	39,735	41,205	42,730	44,311	45,951	47,651	49,414
5	41,205	42,730	44,311	45,951	47,651	49,414	51,242
6	41,967	43,520	45,130	46,800	48,532	50,328	52,190
7	42,743	44,324	45,964	47,665	49,429	51,258	53,155
8	44,324	45,964	47,665	49,429	51,258	53,155	55,122
9	45,964	47,665	49,429	51,258	53,155	55,122	57,162
10	47,665	49,429	51,258	53,155	55,122	57,162	59,277
11	49,429	51,258	53,155	55,122	57,162	59,277	61,470
12	51,258	53,155	55,122	57,162	59,277	61,470	63,744
13	*	53,155	55,122	57,162	61,470	63,744	66,103
14		55,122	57,162	59,277	63,744	66,103	68,549
15		59,277	61,470	63,744	66,103	68,549	71,085
16		60,463	62,669	65,019	67,425	70,605	73,218
17						72,017	74,682

* Highest entry level.

LICENSED STAFFING PER LEVEL AND EDUCATION IN FULL-TIME EQUIVALENT EMPLOYEES—JUNE 2016

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	1.0	0.0	0.0	2.0	5.5	4.4	2.0	14.9
2	4.0	0.0	1.0	2.9	6.4	5.0	0.0	19.3
3	5.8	0.0	0.0	7.5	15.7	7.8	2.8	39.6
4	4.3	0.0	0.0	4.5	14.7	6.8	0.5	30.8
5	3.0	0.0	0.0	3.0	16.5	12.0	2.0	36.5
6	1.0	0.0	0.0	6.8	6.8	6.6	1.0	22.2
7	1.0	0.0	0.0	4.0	10.0	10.1	2.4	27.5
8	0.0	2.0	0.0	6.0	6.3	6.1	2.6	23.0
9	1.0	0.0	0.0	5.0	14.0	8.0	1.0	29.0
10	0.0	0.0	0.0	12.7	16.9	16.8	1.0	47.4
11	3.0	1.0	0.0	15.2	6.9	16.0	3.6	45.7
12	1.0	0.8	0.0	12.4	13.5	25.8	2.0	55.5
13	1.6	0.0	0.0	13.0	15.0	11.9	5.0	46.5
14	4.6	0.0	3.3	16.1	16.8	23.4	2.4	66.6
15	0.0	1.0	0.0	3.0	8.0	11.3	2.0	25.3
16	13.4	9.0	2.0	69.6	63.7	16.9	3.7	178.3
17	0.0	0.0	0.0	0.0	0.0	108.9	40.8	149.7
Total	44.7	13.8	6.3	183.7	236.7	297.8	74.8	857.8

Average Education: Bachelors + 68 with Masters

Average Salary: \$56,914

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

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

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

	<u>2016</u>	<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>
Breakfast Program:										
Paid Breakfasts Served	96,735	73,506	59,889	66,895	69,079	80,617	75,466	86,906	99,441	80,683
Free Breakfasts Served	389,102	342,970	318,389	330,169	347,884	337,179	352,510	325,119	300,421	268,803
Reduced Breakfasts Served	56,272	39,976	39,337	40,900	38,655	39,383	50,529	46,936	46,696	34,128
Lunch Program:										
Paid Lunches Served	259,157	243,470	233,571	251,017	285,617	372,168	425,932	478,193	497,358	504,989
Free Lunches Served	639,705	614,649	600,996	628,675	641,936	650,842	676,620	615,451	569,180	554,097
Reduced Lunches Served	100,780	81,231	80,117	87,096	82,432	93,648	117,056	116,851	117,973	104,879
Supper/Snack Program:										
Paid Suppers/Snacks Served										
Free Suppers/Snacks Served	32,898	34,494	27,732	20,662	17,617	28,913	40,831	35,068	28,840	26,419
Reduced Suppers/Snacks Served										
A la Carte Sales	\$ 143,431	\$ 153,657	\$ 163,624	\$ 144,369	\$ 153,006	\$ 186,274	\$ 230,736	\$ 315,740	\$ 574,353	\$ 605,771
Percentage of Students Eligible to Receive Free or Reduced-Price Meals	42.34%	42.34%	42.33%	42.35%	42.37%	40.01%	38.79%	35.60%	32.70%	32.50%
Pupil transportation statistics:										
Number of Buses	108	107	111	107	95	92	93	93	88	87
Number of Vans	13	13	18	12	12	12	12	12	10	10
Total Miles Traveled ⁽¹⁾	1,488,200	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
Number of students transported daily	5,432	5,040	4,460	4,830	5,042	5,197	4,985	4,832	5,056	4,855

⁽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

	<i>Fiscal Year</i>									
	<u>2016</u>	<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>
Enrollment Summary: ⁽¹⁾										
Elementary Schools	7,218.0	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	3,643.0	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	5,394.0	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	<u>16,255.0</u>	<u>15,435.5</u>	<u>15,423.0</u>	<u>15,474.0</u>	<u>15,524.5</u>	<u>15,942.5</u>	<u>16,068.5</u>	<u>16,263.0</u>	<u>16,437.0</u>	<u>16,734.5</u>

⁽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	472.0	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	418.0	358.5	367.0	389.5	430.5	424.5	456.5	449.5	422.5	436.5

Bailey Hill (1949)

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

Bertha Holt (2004)

Gross Floor Area (sq ft): 67,389										
Elementary Enrollment	534.0	507.5	517.0	499.5	474.0	470.0	473.0	485.5	489.0	531.0

Cesar Chavez (2004)

Gross Floor Area (sq ft): 66,940										
Elementary Enrollment - Cesar Chavez	434.0	387.0	409.5	418.0	402.5	419.0	415.5	368.5	328.0	332.0
Elementary Enrollment - Family	-	-	-	-	-	-	-	124.0	123.0	121.0

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

Coburg (1950)

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

Crest Drive (1963)

Gross Floor Area (sq ft): 27,441										
Elementary Enrollment - Family School ⁽²⁾	143.0	-	-	-	-	-	-	-	-	-
Elementary Enrollment	-	-	-	-	-	242.0	244.0	242.5	237.0	201.0

⁽²⁾ Family School moved to Crest Drive from Jefferson (ATA) in fall of 2015.

Edgewood (1962)

Gross Floor Area (sq ft): 36,719										
Elementary Enrollment - Edgewood	393.0	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	366.0	318.0	327.5	315.0	303.0	283.0	295.5	275.0	302.5	286.0

Gilham (1966)

Gross Floor Area (sq ft): 74,500										
Elementary Enrollment	545.0	458.0	450.5	472.0	466.0	454.5	463.5	475.0	479.0	476.5

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

Gross Floor Area (sq ft): 41,327										
Elementary Enrollment - Camas Ridge	420.0	388.0	368.0	392.0	384.0	271.5	256.5	-	-	164.0
Elementary Enrollment - Harris	-	-	-	-	-	-	-	166.0	156.5	-
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	412.0	345.0	311.5	274.5	282.0	239.5	266.5	275.0	256.5	268.0

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	361.0	307.5	313.5	310.0	365.0	375.0	385.0	393.5	375.0	386.0

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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Meadowlark (1960)										
Gross Floor Area (sq ft): 45,911										207.0
Elementary Enrollment - Meadowlark	-	-	-	-	-	182.5	213.0	212.5	216.5	251.0
Elementary Enrollment - Buena Vista	428.0	362.5	345.5	297.5	270.5	270.0	247.0	248.0	251.0	
Parker (1959) ⁽⁴⁾										
Gross Floor Area (sq ft): 42,625										217.0
Elementary Enrollment - Parker	-	-	-	-	-	240.5	236.5	239.0	229.0	147.0
Elementary Enrollment - Eastside	-	-	-	-	-	-	-	-	146.0	
Elementary Enrollment - Charlamagne	331.0	-	-	-	-	-	-	-	-	-
⁽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. Charlamagne immersion program moved to Parker from Fox Hollow.										
River Road (1953)										
Gross Floor Area (sq ft): 49,381										295.5
Elementary Enrollment	339.0	290.5	292.0	296.5	312.5	351.5	323.5	309.0	279.0	
Silver Lea (1961)										
Gross Floor Area (sq ft): 48,645										249.0
Corridor Enrollment	260.0	253.0	238.5	244.5	245.0	238.5	232.5	237.0	243.5	273.5
Yujin Gakuen Enrollment	295.0	247.0	249.5	242.0	245.0	249.5	260.5	268.5	270.0	
Spring Creek (1964)										
Gross Floor Area (sq ft): 41,387										361.0
Elementary Enrollment	322.0	318.0	327.0	321.5	295.0	314.5	334.5	359.0	349.0	
Twin Oaks (1958)										
Gross Floor Area (sq ft): 35,198										225.0
Elementary Enrollment	243.0	208.0	218.0	203.5	185.5	198.0	183.0	211.0	221.0	
Willagillespie (1925)										
Gross Floor Area (sq ft): 57,500										272.0
Elementary Enrollment	502.0	462.5	489.5	488.5	462.5	333.0	338.5	347.5	335.0	
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. Family School then moved to Crest Drive in fall of 2015.										
Middle Schools										
Cal Young Middle School (2006)										
Gross Floor Area (sq ft): 90,341										566.0
Middle School Enrollment	501.0	527.0	539.0	563.0	565.0	559.0	545.0	582.0	610.0	
Arts and Technology at Jefferson (see also K-8 School: Jefferson)										
Middle School Enrollment - Jefferson	-	-	-	-	-	-	-	-	-	-
Middle School Enrollment - Arts & Technology ⁽⁷⁾	312.0	296.0	260.0	-	-	-	-	-	-	219.0
⁽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										511.0
Middle School Enrollment	399.0	399.0	398.0	406.0	416.0	457.0	491.0	499.0	484.0	
Kennedy Middle School (1965)										
Gross Floor Area (sq ft): 89,057										496.0
Middle School Enrollment	436.0	499.0	506.0	507.0	528.0	511.0	494.0	507.0	498.0	
Madison Middle School (2005)										
Gross Floor Area (sq ft): 86,953										415.0
Middle School Enrollment	434.0	459.0	466.0	470.0	480.0	436.0	462.0	468.0	440.0	
Monroe Middle School (1965)										
Gross Floor Area (sq ft): 87,401										587.0
Middle School Enrollment	520.0	506.0	531.0	549.0	532.0	541.0	534.0	533.0	541.0	
Roosevelt Middle School (1950)										
Gross Floor Area (sq ft): 105,770										672.0
Middle School Enrollment	599.0	582.0	572.0	592.0	546.0	556.0	577.0	650.0	659.0	
Spencer Butte Middle School (1960)										
Gross Floor Area (sq ft): 82,414										449.0
Middle School Enrollment	442.0	448.0	453.0	451.0	423.0	418.0	402.0	422.0	420.0	

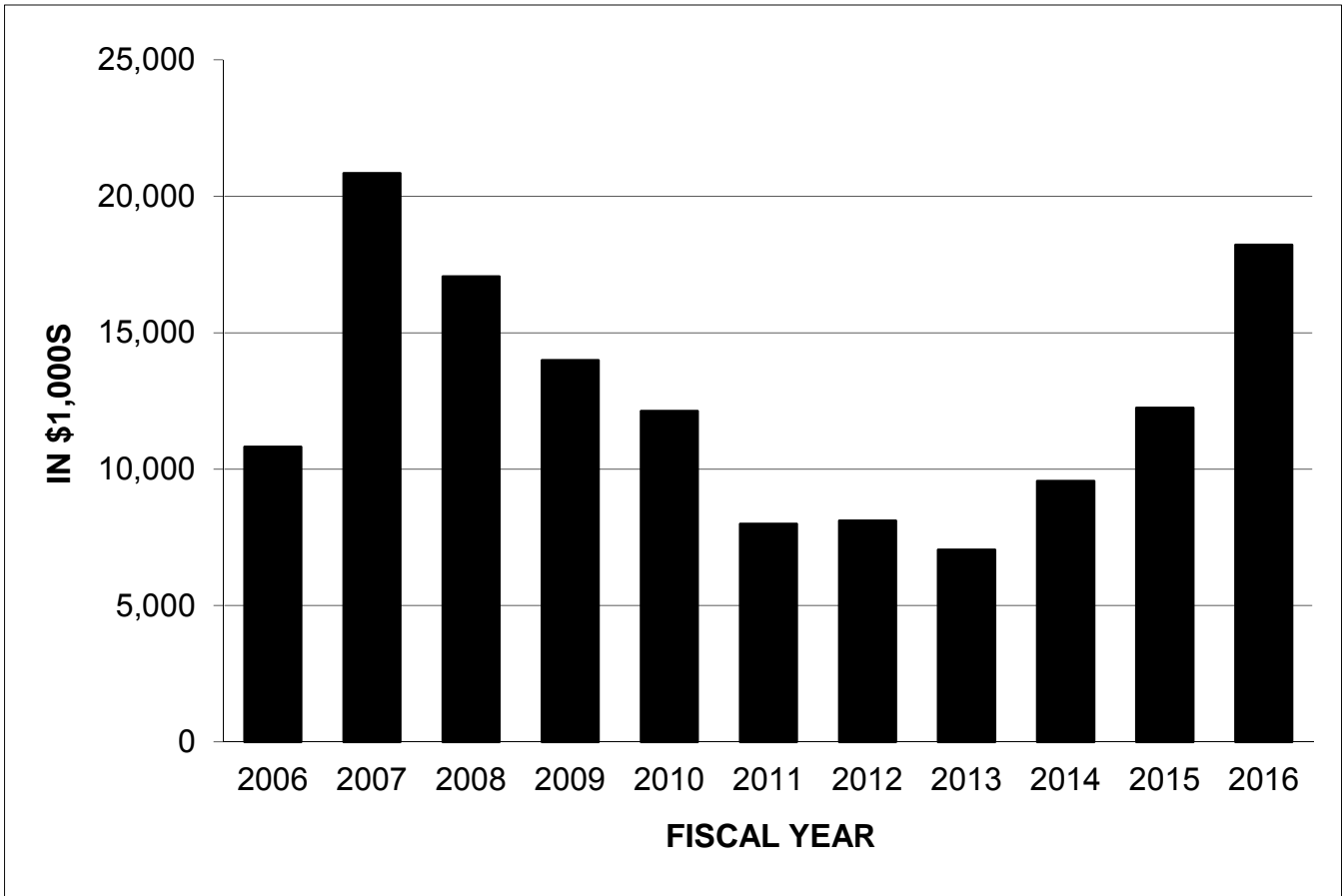
Source: State of Oregon Department of Education
Lane County School District 4J

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

	<u>Fiscal Year</u>									
	<u>2016</u>	<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>
High Schools										
Churchill High School (1966)										
Gross Floor Area (sq ft): 249,982										1,287.0
High School Enrollment	1,207.0	1,139.0	1,095.0	1,079.0	1,013.0	1,109.0	1,151.0	1,158.0	1,195.0	97.0
Alternative High School Enrollment	-	-	-	-	-	153.0	74.0	56.0	89.0	-
Eugene Education Options West ⁽⁸⁾	306.0	-	-	-	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): Property Sold										137.0
High School Enrollment	-	-	-	-	-	160.0	163.0	144.0	140.0	-
⁽⁹⁾ Sold to Village Charter School in fiscal year 2016										
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										1,159.0
High School Enrollment	924.0	961.0	1,024.0	1,001.0	1,068.0	1,027.0	1,006.0	1,006.0	1,068.0	34.0
Alternative High School Enrollment	-	-	-	-	-	49.0	32.0	45.0	39.0	-
Sheldon High School (1963)										
Gross Floor Area (sq ft): 234,872										1,642.0
High School Enrollment	1,463.0	1,415.0	1,453.0	1,453.0	1,475.0	1,500.0	1,561.0	1,610.0	1,662.0	-
Transition Education Network Enrollment ⁽¹²⁾	33	33	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										1,700.0
High School Enrollment	1,461.0	1,435.0	1,412.0	1,367.0	1,456.0	1,512.0	1,564.0	1,573.0	1,646.0	-
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										
Family Shelter (Unknown)										
Gross Floor Area (sq ft): 10,752										
Gross Floor Area (sq ft) Summary:							<u>Age of building (in years)</u>			
							<u>Oldest</u>	<u>Median</u>	<u>Newest</u>	
Elementary Schools							91	55	12	
K - 8 Schools							59	59	59	
Middle Schools							71	51	10	
High Schools							63	56	50	
Other Facilities							76	59	53	
Total Gross Floor Area (sq ft)							91	56	10	

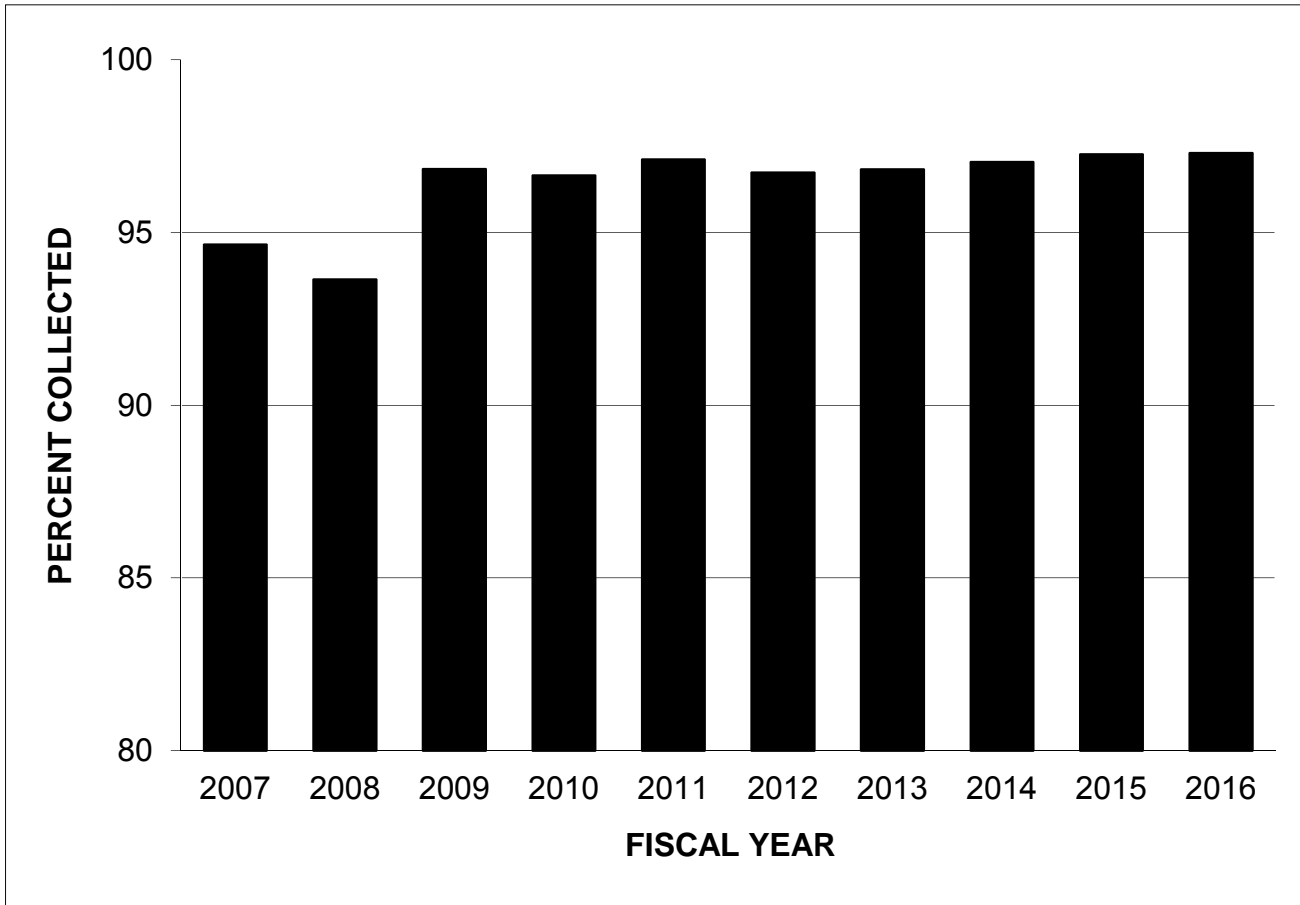
Source: State of Oregon Department of Education
Lane County School District 4J

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



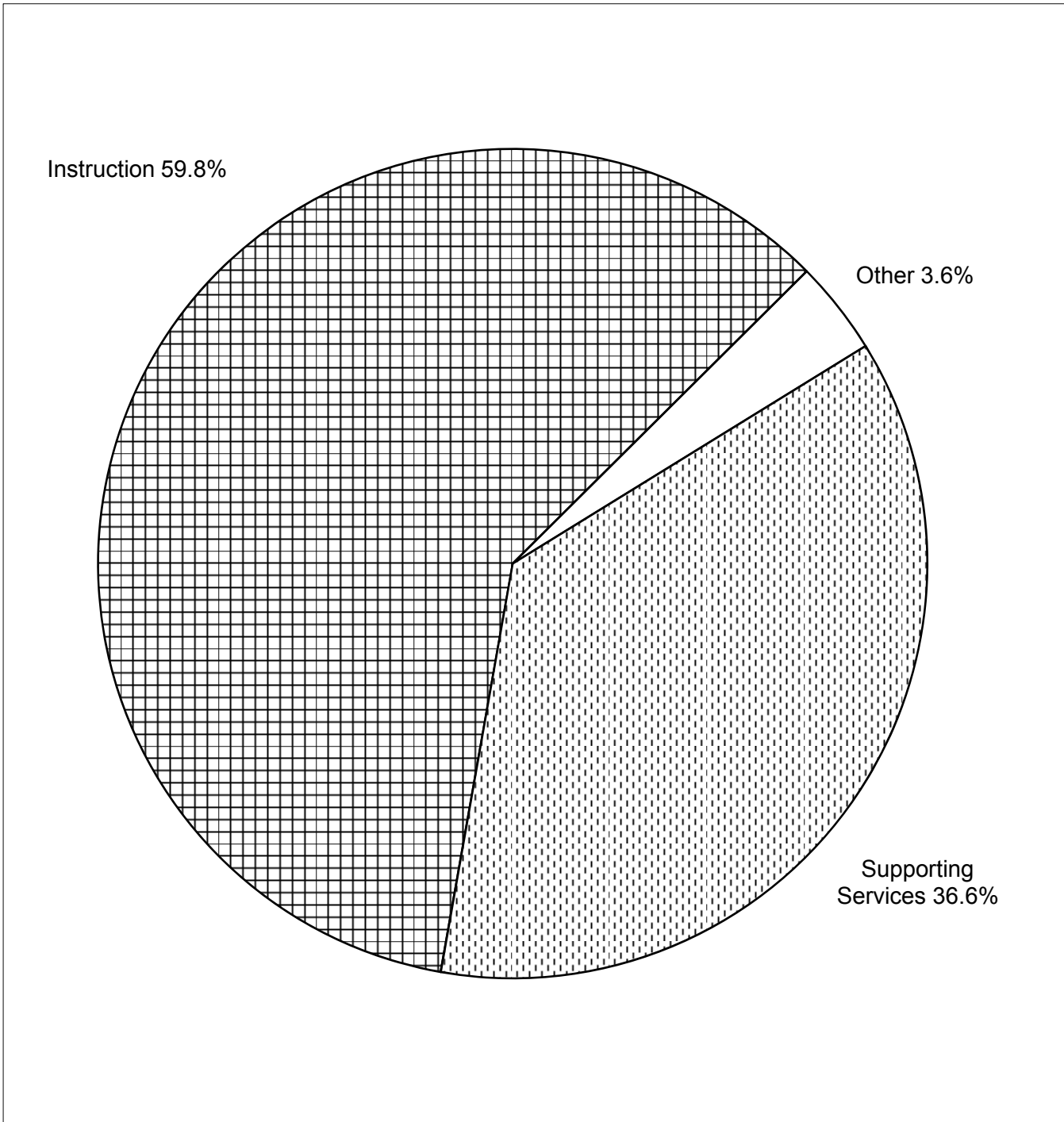
Source: Statement of Revenues, Expenditures and Changes in Fund Balance

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



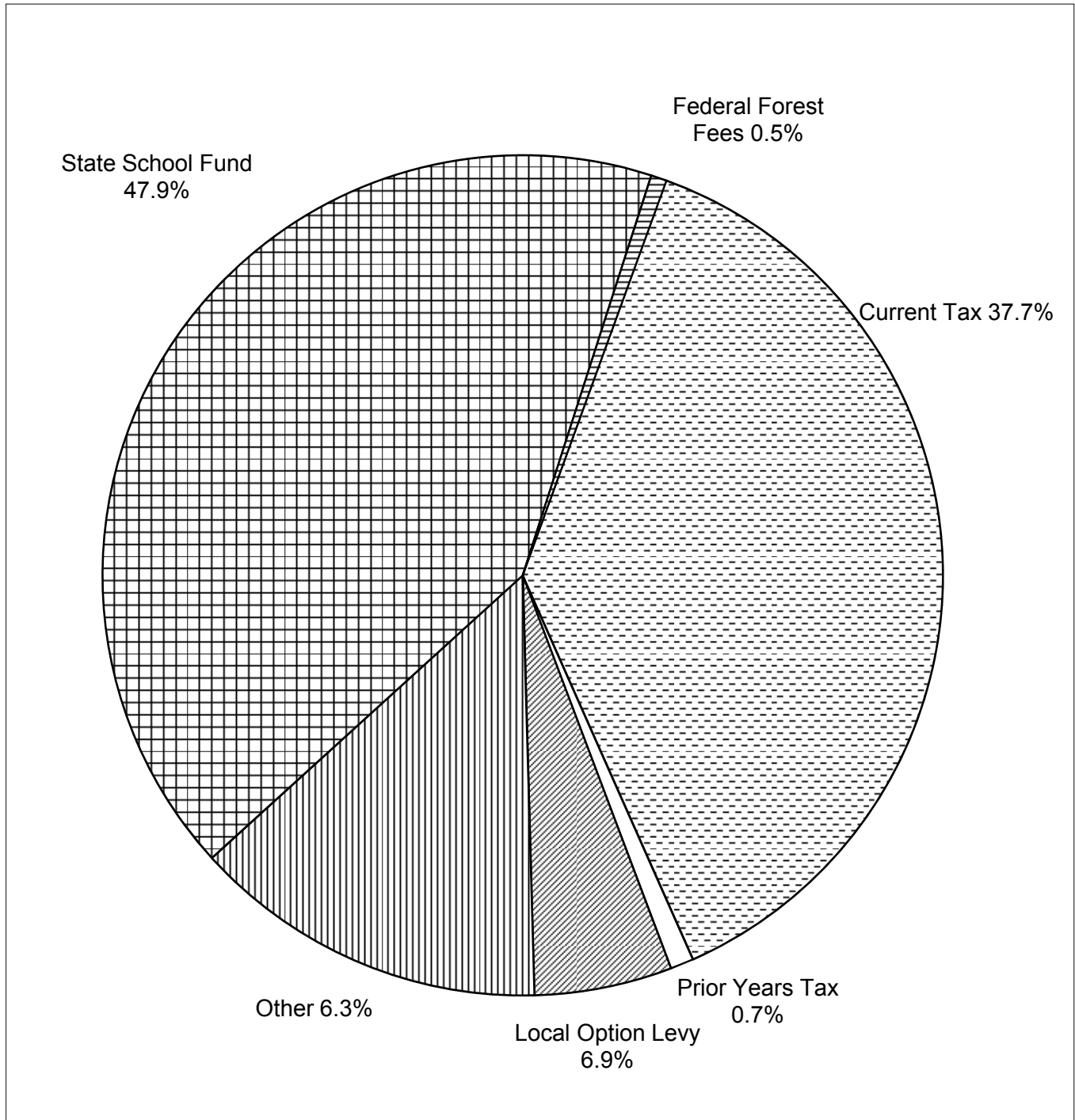
Source: Property Tax Levies and Collections

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
GENERAL FUND EXPENDITURES
YEAR ENDED JUNE 30, 2016



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, 2016



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

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Audit Comments

Audit Comments



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Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Lane County School District No. 4J as of and for the year ended June 30, 2016, and have issued our report thereon dated December 19, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our testing nothing came to our attention that caused us to believe the Lane County School District No. 4J 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 Corporation.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the internal controls over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting.

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



Matthew Graves, CPA
PAULY, ROGERS AND CO., P.C.



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December 19, 2016

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

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*

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 Lane County School District No. 4J as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 19, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 internal control. Accordingly, we do not express an opinion on the effectiveness of 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 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 financial statements are free from material misstatement, we performed tests of 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 internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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December 19, 2016

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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 Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2016. The 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 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance 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 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 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, 2016.

Report on Internal Control Over Compliance

Management 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 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 the Uniform Guidance, 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 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.

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.



Matthew Graves, CPA
PAULY, ROGERS AND CO., P.C.

LANE COUNTY SCHOOL DISTRICT NO. 4J
EUGENE, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiency(s) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Any GAGAS audit findings disclosed that are required to be reported in accordance with section 505(d)(2) of OMB Circular A-133? yes no

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(s) identified that are not considered to be material weaknesses? yes none reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, section 510(a)? yes no

IDENTIFICATION OF MAJOR PROGRAMS

CFDA NUMBER

84.010
10.666

NAME OF FEDERAL PROGRAM CLUSTER

Title IA – Grants to Local Education Agencies
Schools and Roads

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?

yes no

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL EXPENDITURES

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal grant activity under programs of the federal government. The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations, it is not intended to and does not present the net position, changes in net position, or cash flows of the entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The entity has not elected to use the ten percent de minimus indirect cost rate as allowed under Uniform Guidance, due to the fact that they already have a negotiated indirect cost rate with Oregon Department of Education, and thus is not allowed to use the de minimus rate.