

Lane County School District 4J

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Comprehensive Annual Financial Report

for the year ended June 30, 2017

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2017

Prepared by: Financial Services Department

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Introductory Section



December 14, 2017

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, 2017, 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, 2017 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, 2017, 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, 2017, 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 was also 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

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

year ended June 30, 2017, indicated no material weaknesses or significant deficiencies 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.

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 2016-17 school year, the District was responsible for educating over 16,000 students from kindergarten through grade twelve. The District operates over 36 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, six 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 eight middle schools, four language immersion programs, and two charter schools serving 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.

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

The five District sponsored charter schools—The Village School (K–8), Ridgeline Montessori Public Charter School (K–8), Network Charter School (grades 7–12), Twin Rivers 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 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 (48 percent), government (18 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 12.2 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 4.2 percent at the end of June 2017, which is higher than the rate reported by the Oregon Employment Department for the State of Oregon (3.7 percent) but lower than the national rate of 4.4 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 14.4 percent of General Fund revenues. This amount was above the budgeted amount and above the minimum percentage set by Board policy for

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

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 Board to provide 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 is currently under evaluation and may be updated as part of the District's consideration of future bond measures. The District is 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 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

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

bonded debt to fund equipment and routine capital repairs, and required 50 percent voter participation for bond approval except on general election dates. Beginning in 1999, the legislature allowed districts to seek approval of local option levies within certain limits. Revenue from these levies is outside the State School Fund Formula. In November 2008, voters approved a measure that limited the 50 percent voter participation requirement to March and September elections.

Local support has been a 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, 2016. This was the thirtieth 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.

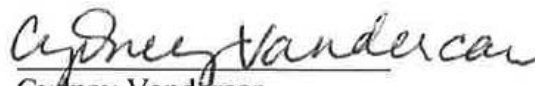
A Certificate of Achievement is valid for a period of one year only. This Comprehensive Annual Financial Report will be submitted to determine its eligibility for another certificate, as we believe it continues to meet the Certificate of Achievement Program requirements.

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



Cydney Vandercar
Assistant Superintendent



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, 2016

Executive Director/CEO

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
LISTING OF PRINCIPAL OFFICIALS
YEAR ENDED JUNE 30, 2017

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
Cydney Vandercar
Andrea Belz

Superintendent and Clerk
Deputy Clerk
Deputy Clerk
Deputy Clerk

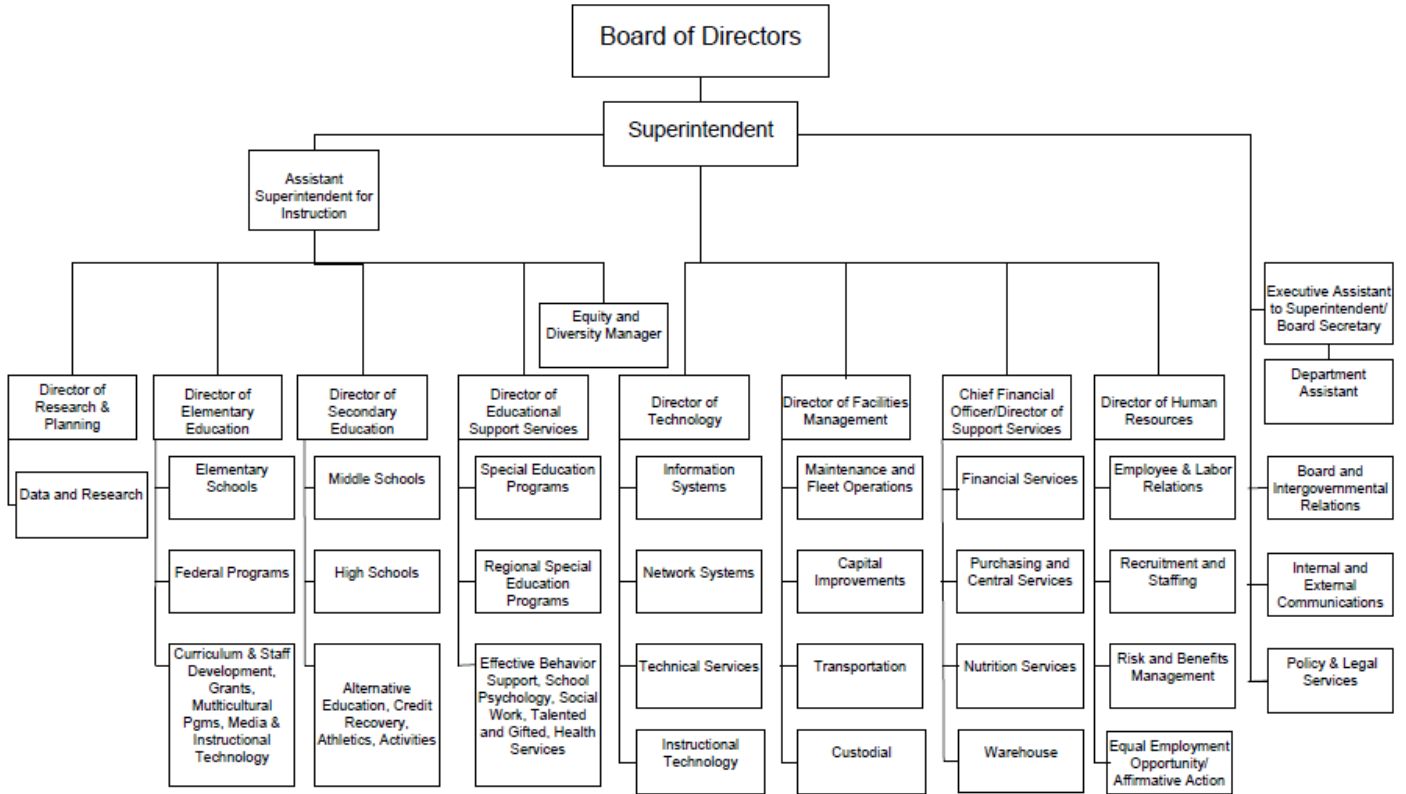
LEGAL COUNSEL

Luvaas Cobb, P.C.

DISTRICT ORGANIZATIONAL CHART

Lane County School District 4J - Eugene, Oregon
Organizational Chart
2016-2017

Community





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 21, 2017

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, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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, 2017, and the respective changes in financial position and budgetary comparisons for the general fund and federal, state and local programs fund, and, where applicable, cash flows 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. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and GASB Statement No. 77, *Tax Abatement Disclosures* during the year ended June 30, 2017. Our opinion is not modified with respect to these matters.

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 Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 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 December 21, 2017 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 21, 2017, 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.

A handwritten signature in black ink that reads "Matthew Graves". The signature is written in a cursive, flowing style.

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, 2017

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, 2017. 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 \$48.7 million or 181% during the year ended June 30, 2017 to a negative net position of \$75.5 million. Of this amount, \$8.4 million was a net investment in capital assets, \$10.4 million was restricted for debt service, and a negative net position of \$94.3 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 a primary driver behind the District's negative net position. GASB 68 requires that the District report pension information directly within the Government-wide Financial Statements (pages 20-21) and expand note disclosures within the Notes to the Basic Financial Statements (pages 36-79) 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 liability of \$71.4 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 PERS Board changes to the economic and demographic assumptions used to calculate this liability, including reducing the investment return assumption from 7.75% to 7.5%, and poor investment returns for the PERS portfolio in calendar years 2015 and 2016 (2.21% and 6.90%, respectively), the District will report a net pension liability of \$172.0 million in the current fiscal year. This significant change is a primary driver behind the negative net position reported for this statement in fiscal year 2017.

A Deferred Outflow of Resources (\$90.1 million) has been recorded to reflect differences between expected and actual plan experience and investment returns, changes in economic and demographic assumptions, and District contributions. A Deferred Inflow of Resources (\$6.1 million) has been recorded to reflect a change in the District's proportionate share of the PERS Net Pension Liability at the measurement date. 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 2017.

- Statement of Activities – Governmental Activities: The District has recorded a Net Pension Expense of \$29.7 million for fiscal year 2017. 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, has been updated to reflect the disclosures required by GASB 68 and 71.

An additional factor in the District's negative net position is the implementation of GASB 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*" and the partial implementation of GASB 75 "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*" These GASB standards impact reporting for Other Postemployment Benefits (OPEB) plans as detailed in Note I of this report.

GASB 73 impacts reporting for the District's Early Termination – Stipend Benefits program as follows (see Note I for details):

- Restatement of Net Position at July 1, 2016: the net pension obligation recognized under GASB 27 reporting requirements (\$0.5 million) was removed and the total OPEB Liability (\$1.3 million) for this program as of June 30, 2016, was instituted.
- Statement of Net Position – Governmental Activities: A portion of the total OPEB liability (\$1.2 million) presented within the Statement of Net Position reflects the June 30, 2017, liability for this program.

The District has chosen to early-implement this statement for the Postemployment Medical and Life Insurance Benefits program as follows (see Note I for details):

- Restatement of Net Position at July 1, 2016: the net pension obligation recognized under GASB 45 reporting requirements (\$4.4 million) was removed and the total OPEB Medical and Life Liability (\$27.0 million) for this program as of June 30, 2016, was instituted.
- Statement of Net Position – Governmental Activities: A portion of the total OPEB liability (\$26.0 million) presented within the Statement of Net Position reflects the June 30, 2017, liability for this program.

It is important to note that the implementation of GASB 68/71, GASB 73 and GASB 75 have not created new liabilities for the District or modify the District's responsibility regarding Oregon PERS pension benefits or OPEB plans. It simply presents long-term pension and OPEB information on the face of the government-wide financial statements, moving this information to a more prominent place than in past financial reports and presenting a more holistic picture of the ultimate costs for these programs.

Total revenues increased by \$9.3 million primarily as a result of increased collections for property taxes (\$4.4 million) and the State School Fund (\$5.9 million). These increases were partially offset by small decreases in revenue from charges for services and other federal and local sources.

The cost of all of the District's programs was \$247.3 million, a decrease of \$15.7 million from the prior year. This decrease is essentially due the impact of GASB 68 on District-wide expenses. In fiscal year 2016 expenses included a net pension expense of \$70.2 million. In fiscal year 2017 the net pension expense was only \$29.7 million, a shift of \$40.5 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, 2017 was \$119.9 million, which represents an increase of \$2.1 million for the year. This increase is primarily due to growth in the General Fund unassigned fund balance offset by a moderate decline in 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 \$71.7 million (a

decrease of \$5.8 million over the prior year), the Debt Service Fund, with an ending balance of \$13.1 million (an increase of \$0.9 million over the prior year), and the General Fund, which increased by \$6.3 million to \$24.5 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
	2017	2016	2016 to 2017
Cash and other assets	\$ 158,883	\$ 153,599	\$ 5,284
Property taxes receivable	8,282	7,630	652
Capital assets	243,414	221,809	21,605
Total assets	410,579	383,038	27,541
Deferred outflow of resources	93,136	20,422	72,714
Accrued and other liabilities	29,824	27,056	2,768
Long-term debt	543,310	387,215	156,095
Total liabilities	573,134	414,271	158,863
Deferred inflow of resources	6,128	16,040	(9,912)
Net position:			
Net investment in capital assets	8,381	24,946	(16,565)
Restricted	10,390	9,996	394
Unrestricted	(94,318)	(61,793)	(32,525)
Total net position	\$ (75,547)	\$ (26,851)	\$ (48,696)

The District's government-wide net position decreased by 181% or \$48.7 million in the year ended June 30, 2017. This decrease is primarily associated with the continued impact of GASB 68 and 71, and the implementation of GASB 73 and GASB 75 for OPEB plans administered by the District. As required by GASB 68/71 the District has recorded a net pension liability of \$172.0 million, an increase of \$100.6 million over the fiscal year 2016 net pension liability of \$71.4 million. 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, 2017, was also impacted by a GASB 68 entry to record net pension expense of \$29.7 million. The combination of these entries was a significant driver behind the net position reduction of \$48.7 million. With the implementation of GASB 73 and the partial implementation of GASB 75 the District also added a \$27.2 million liability to the Statement of Net Position. Under prior GASB reporting requirements (GASB 27 and GASB 45) information related to the longer-term cost of OPEB plans was contained within the notes to the financial statement but not reflected as a long-term liability within the Statement of Net Position.

As of June 30, 2017, liabilities exceeded assets by \$75.5 million. Of this amount, \$8.4 million represents the District's net investment in capital assets, \$10.4 million is restricted for debt service and (\$94.3) 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 an increase in the District's net pension liability and the implementation of GASB 75 for the District's Postemployment Medical and Life Insurance Benefits program.

Cash and Other Assets

In 2016-17, 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). A final bond issuance of \$45.3 million for the 2011 and 2013 bond authorizations was complete in June of 2017. 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 \$243.4 million (net of accumulated depreciation), which comprises 48.3% of the District's total assets. This investment includes land and construction in progress, athletic field improvements, buildings and improvements, site improvements, intangibles, and vehicles and equipment, net of depreciation. The District's investment in capital assets is shown in the following table:

Capital Assets			
(Net of Depreciation)			
(in thousands)			
	<u>2017</u>	<u>2016</u>	<u>Total Change</u> <u>2016 to 2017</u>
Land	\$ 1,820	\$ 1,809	\$ 11
Buildings & Improvements	128,915	137,570	(8,655)
Vehicles & Equipment	7,106	9,975	(2,869)
Intangibles	543	1,089	(546)
Construction in Progress	105,030	71,367	33,663
Total	<u>\$ 243,414</u>	<u>\$ 221,810</u>	<u>\$ 21,604</u>

The increase in capital assets (net of depreciation) for the current fiscal year was approximately 9.7%. Capital assets additions totaled \$106.3 million and were primarily associated with the construction of two new schools – River Road/El Camino del Rio Elementary and Arts & Technology Academy Middle School.

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 5.2% of the District’s total liabilities, consist of payables on accounts, salaries and benefits, interest charges, and unearned revenue. Outstanding long-term liabilities represent 94.8% of the District’s total liabilities. These include several different instruments including general obligation bonds, limited pension bonds, the District’s net pension liability and total other postemployment benefit (OPEB) liability, and capital leases. The balances include unamortized premiums and early termination benefits.

The balance of long-term debt as of June 30, 2017 was \$543.3 million, of which \$27.6 million in bonds and capital leases is due within one year. The remaining balance reflects a total OPEB liability of \$27.2 million, a PERS net pension liability of \$172.0 million, and a total of \$316.5 million in bonds and capital leases due in more than one year. Principal payments during the year were \$15.3 million. The District maintains an underlying “Aa2” rating from Moody’s for general obligation debt. State statutes limit the amount of general obligation debt an Oregon school district may issue to 7.95% of its total assessed valuation. The current debt limitation for the District is \$1.7 billion, which is significantly in excess of the District’s outstanding general obligation debt. Additional information on the District’s long-term debt can be found in Section III, Notes G, H and I 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)

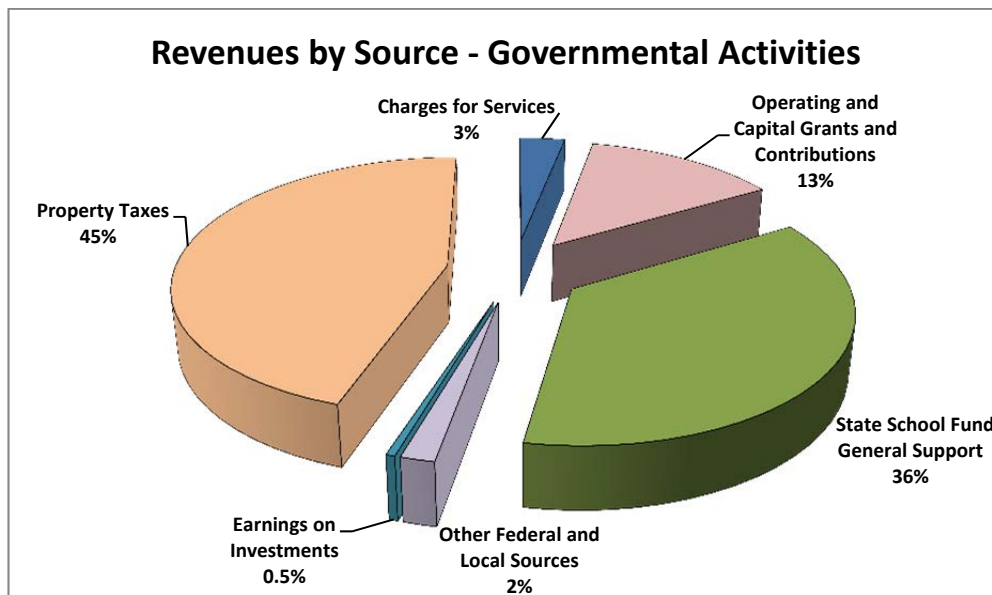
	Governmental Activities		Total Change
	2017	2016	2016 to 2017
Revenues:			
Program revenues:			
Charges for services	\$ 6,929	\$ 7,468	\$ (539)
Operating grants and contributions	29,205	28,946	259
Capital grants and contributions	625	849	(224)
Program revenues total:	36,759	37,263	(504)

	<u>Governmental Activities</u>		Total Change
	<u>2017</u>	<u>2016</u>	<u>2016 to 2017</u>
General revenues:			
Property taxes	99,923	95,538	4,385
State school fund - general support	80,671	74,732	5,939
Other federal and local sources	3,776	4,702	(926)
Earnings on investments	997	582	415
General revenues total:	<u>185,367</u>	<u>175,554</u>	<u>9,813</u>
Total revenues	<u>222,126</u>	<u>212,817</u>	<u>9,309</u>
Expenses:			
Classroom services	166,265	193,335	(27,070)
Building support services	52,597	38,771	13,826
Central support services	11,902	14,445	(2,543)
Nutrition services	5,754	5,984	(230)
Interest on long-term debt	10,806	10,510	296
Total expenses	<u>247,324</u>	<u>263,045</u>	<u>(15,721)</u>
Change in net position	(25,198)	(50,228)	25,030
Net position – beginning (as restated)	<u>(50,349)</u>	<u>23,377</u>	<u>(73,726)</u>
Net position - ending	<u>\$ (75,547)</u>	<u>\$ (26,851)</u>	<u>\$ (48,696)</u>

The beginning net position for the year ended June 30, 2017, has been restated to reflect the implementation of GASB 73 and GASB 75. See Note M of this report for additional details.

Revenues

Total revenues increased by \$9.3 million from the prior year. This is primarily comprised of an increase in property tax and State School Fund revenues of \$10.3 million partially offset by small decreases in revenue from charges for services and other federal and local sources.



Expenses

In the year ended June 30, 2017, total expenses decreased by \$15.7 million. The main driver for this decrease is the impact of GASB 68 and 71 reporting on the Statement of Activities. For the year ended June 30, 2016, the District recorded a net pension expense of \$70.2 million. Net pension expense for the year ended June 30, 2017, was \$29.7 million, a shift of \$40.5 million between years. Without the impact of these entries the District would have reported modest year-over-year growth in most expense categories.

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 current 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, 2017, the District's governmental funds reported *combined ending fund balances* of approximately \$119.9 million, an increase of \$2.1 million over the prior year. Under GASBS 54, \$95.6 million (79.7%) 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 \$15.8 million (13.2%) of the ending fund balance is unassigned and available to fund the District's ongoing obligations, and the remaining \$8.5 million (7.1%) 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, 2017, the total ending fund balance is \$24.5 million. In order to maintain minimum fund balance in accordance with Board policy, committed fund balance is \$8.5 million, and the remainder consists of \$0.2 million in inventory and an unassigned fund balance of \$15.8 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 14.4% of total General Fund revenues.

General Fund revenues increased by \$7.8 million (4.8%) from the year ended June 30, 2016. This growth was primarily driven by higher property tax and local option levy collections and State School Fund grant payments.

Expenditures increased by approximately \$7.6 million (4.9%) compared with 2015-16. This increase was primarily driven by new instructional and support services positions, growth in salary costs due to cost of living and step movement adjustments, and related increase in employee benefits.

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 \$0.1 million in original estimated revenues and a net decrease in expenditure appropriations of \$2.5 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, a supplemental budget and Board transfers resolution 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 sources. Actual revenue from State Sources was \$4.9 million higher than anticipated due to higher state school payments for 2015-16 and 2016-17 (\$4.6 million) and Common School Fund (\$0.7 million) receipts. These increases were partially offset by lower than expected High Cost Disability Grant payments for 2015-16 and 2016-17 (\$0.4 million).

Actual expenditures were lower than appropriations in the final budget by \$9.1 million. This includes a decrease in expenditure for support services (\$1.3 million) and instructional costs (\$1.3 million) resulting from lower than expected staffing-related costs, position vacancies, and savings related to lower costs for utilities and fuel. Additionally, an operating contingency of \$6.0 million was not utilized.

Debt Service Fund

The Debt Service Fund has a total fund balance of \$13.1 million which is an increase of \$0.9 million from June 2016. 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, 2017 is \$71.7 million which is \$5.8 million less than in 2015-16. This decrease reflects the principal (\$45.3 million) and related bond premium (\$5.9 million) generated by the District's bond issuance in June of 2017 offset against significant bond-related spending for new school construction, technology initiatives and curriculum purchases. Of the Capital Projects Fund balance, \$62.4 million is restricted and \$9.3 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 – the Insurance Reserve Fund and the Postemployment Benefits Fund. These funds are combined into a single, aggregated presentation in the basic financial statements. The combining proprietary fund financial statements can be found on pages 88-90 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, 2017 total \$4.0 million. See Section III, Note C on pages 48-49 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 36-79 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 2017-18 budget was adopted by the Board on June 21, 2017. The adopted budget for the General Fund for the year ending June 30, 2018 includes General Fund expenditures (excluding transfers) of \$173.7 million, 5.2% higher than the 2016-17 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 2017-18 budget includes an Operations Reserve of \$5.3 million (42.2% higher than the 2016-17 adopted budget), a Contingency of \$6.2 million (88.0% higher than the 2016-17 adopted budget), 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 5.0% and addressing 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 2017-18 General Fund budget includes a 3.6% operating contingency and a 5% General Fund ending fund balance.

The District's Budget Committee and School Board considered all of these factors in the preparation of the District's budget for the 2017-18 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 the Financial Services Department, 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, 2017

ASSETS

Cash and investments	\$ 152,207,748
Receivables	
Property taxes	8,282,413
Accounts and other receivables	6,404,945
Inventories	270,164
Capital assets not being depreciated	
Land and construction in progress	106,850,141
Capital assets, net of accumulated depreciation	
Athletic field improvements	3,839,605
Buildings and improvements	125,075,278
Machinery and equipment	1,955,309
Vehicles	5,150,099
Intangibles	543,112

TOTAL ASSETS 410,578,814

DEFERRED OUTFLOWS OF RESOURCES

Oregon PERS	90,065,234
Deferred charge on refunding	3,071,158

LIABILITIES

Current liabilities	
Accounts payable	3,365,657
Accrued payroll and related charges	17,317,400
Accrued interest	3,503,798
Unearned revenue	5,637,473
Bonds and capital leases - due within one year	27,635,172
<i>Total current liabilities</i>	<u>57,459,500</u>
Long-term liabilities	
Total OPEB liability -- See Note I	27,190,006
PERS net pension liability -- See Note H	171,972,020
Bonds and capital leases - due in more than one year	316,511,853

TOTAL LIABILITIES 573,133,379

DEFERRED INFLOWS OF RESOURCES

Oregon PERS	6,128,446
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NET POSITION

Net investment in capital assets	8,380,655
Restricted for debt service	10,390,479
Unrestricted	(94,317,753)

TOTAL NET POSITION \$ (75,546,619)

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, 2017

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	81,894,732	108,545	634,957	-	(81,151,230)
Special programs	38,641,160	74,119	10,305,420	-	(28,261,621)
Total direct classroom services	120,535,892	182,664	10,940,377	-	(109,412,851)
Classroom support services					
Extracurricular activities	5,812,031	407,221	3,562,787	-	(1,842,023)
Student support	14,518,856	-	1,271,109	-	(13,247,747)
Libraries, curriculum and staff development	9,346,052	-	2,366,161	-	(6,979,891)
School administration	14,940,404	-	8,130	-	(14,932,274)
Community services	1,111,782	-	564,144	-	(547,638)
Total classroom support services	45,729,125	407,221	7,772,331	-	(37,549,573)
Building support services					
Facilities operation and maintenance	33,752,840	454,248	3,571	-	(33,295,021)
Student transportation	9,513,395	239,422	5,279,488	624,820	(3,369,665)
Computing and information services	8,736,291	-	147,728	-	(8,588,563)
Warehouse and purchasing	594,274	-	-	-	(594,274)
Total building support services	52,596,800	693,670	5,430,787	624,820	(45,847,523)
Central support services					
Executive administration	892,278	-	-	-	(892,278)
Financial services	2,976,834	-	-	-	(2,976,834)
Human resources/employee insurance benefits	7,431,032	4,762,741	-	-	(2,668,291)
District retirement	286,838	-	-	-	(286,838)
Communications and intergovernmental relations	314,542	-	-	-	(314,542)
Total central support services	11,901,524	4,762,741	-	-	(7,138,783)
Nutrition services	5,754,124	882,833	4,405,192	-	(466,099)
Interest on long-term liabilities	10,806,144	-	656,355	-	(10,149,789)
Total school district	<u>247,323,609</u>	<u>6,929,129</u>	<u>29,205,042</u>	<u>624,820</u>	<u>(210,564,618)</u>
General revenues:					
Property taxes levied for:					
General purposes					
					77,240,271
Debt service					
					22,682,953
Federal aid not restricted to specific purposes					
					181,282
State aid not restricted to specific purposes					
					80,670,650
Earnings on investments					
					996,623
Other local revenue					
					3,595,436
Total general revenues					
					<u>185,367,214</u>
Change in net position					
					(25,197,404)
Net position - July 1, 2016 as restated (see Note N)					
					<u>(50,349,215)</u>
Net position - ending					
					<u>\$ (75,546,619)</u>

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, 2017

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Special Revenue Fund Federal, State and Local Programs Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Equity in pooled cash and investments	\$ 34,691,522	\$ -	\$ 9,245,947	\$ -	\$ 6,596,548	\$ 50,534,017
Cash and investments	-	12,047,290	70,129,582	-	3,201,125	85,377,997
Receivables						
Property taxes	6,547,757	1,734,656	-	-	-	8,282,413
Accounts and other receivables	1,780,375	12,427	57,249	3,733,386	821,384	6,404,821
Interfund loan receivables	-	-	-	-	-	-
Due from other funds	3,640,675	943,019	-	143,363	266,560	4,993,617
Inventories	163,777	-	-	-	106,387	270,164
<i>Total Assets</i>	<u>\$ 46,824,106</u>	<u>\$ 14,737,392</u>	<u>\$ 79,432,778</u>	<u>\$ 3,876,749</u>	<u>\$ 10,992,004</u>	<u>\$ 155,863,029</u>
Liabilities						
Accounts and interest payable	\$ 2,867,741	\$ -	\$ -	\$ 111,525	\$ 386,391	\$ 3,365,657
Accrued payroll and related charges	11,849,947	-	4,069,282	-	-	15,919,229
Due to other funds	1,352,942	-	3,640,675	-	-	4,993,617
Unearned revenue	-	-	-	3,765,224	-	3,765,224
<i>Total Liabilities</i>	16,070,630	-	7,709,957	3,876,749	386,391	28,043,727
Deferred inflows of resources						
Unavailable revenue - property taxes	6,239,610	1,643,931	-	-	-	7,883,541
Fund balances						
Nonspendable:						
Inventory	163,777	-	-	-	106,387	270,164
Restricted for:						
Debt service	-	12,223,197	-	-	-	12,223,197
Capital projects	-	-	62,447,977	-	-	62,447,977
Committed for:						
Debt service	-	870,264	-	-	-	870,264
Capital projects	-	-	9,274,844	-	-	9,274,844
Nutrition services	-	-	-	-	321,468	321,468
School resources	-	-	-	-	10,177,758	10,177,758
Minimum fund balance	8,515,115	-	-	-	-	8,515,115
Assigned	-	-	-	-	-	-
Unassigned	15,834,974	-	-	-	-	15,834,974
<i>Total Fund Balances</i>	<u>24,513,866</u>	<u>13,093,461</u>	<u>71,722,821</u>	<u>-</u>	<u>10,605,613</u>	<u>119,935,761</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 46,824,106</u>	<u>\$ 14,737,392</u>	<u>\$ 79,432,778</u>	<u>\$ 3,876,749</u>	<u>\$ 10,992,004</u>	<u>\$ 155,863,029</u>

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, 2017

Total Governmental Fund Balances \$ 119,935,761

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 \$461,081,270 and the accumulated depreciation is \$217,667,724. 243,413,544

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	(171,972,020)	
OPERS deferred outflow of resources	90,065,234	
OPERS deferred inflow of resources	<u>(6,128,446)</u>	
Total long-term pension assets / liabilities		(88,035,232)

Long-term liabilities are not due and payable in the current period. Therefore, the net other postemployment benefits (OPEB) liability is not reported in the Governmental Funds Balance Sheet. (27,190,006)

The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position. 14,108,149

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. 7,883,541

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. (3,503,798)

Vested compensated absences are reported when earned as a liability in the Statement of Net Position while in the governmental funds only the unpaid balance of reimbursable unused leave is reported as a liability. (1,082,711)

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)		3,071,158
Limited pension obligation bonds	\$ (43,595,000)	
Bonds payable	(299,275,833)	
Capital leases payable	<u>(1,276,192)</u>	
Total long-term liabilities		<u>(344,147,025)</u>

Total Net Position \$ (75,546,619)

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, 2017

	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	\$ 77,004,664	\$ 22,615,193	\$ -	\$ -	\$ -	\$ 99,619,857
Charges for services	1,584,849	4,708,351	45,936	71,358	4,554,499	10,964,993
Contributions	70,371	-	-	829,024	-	899,395
Interest earnings	478,751	144,440	217,904	-	-	841,095
Miscellaneous	1,236,964	-	112,656	3,039,414	9,712	4,398,746
Intergovernmental						
Intermediate sources	2,950,320	-	-	273,116	-	3,223,436
State sources	86,976,383	-	624,820	1,024,413	90,131	88,715,747
Federal sources	-	656,355	-	9,099,003	4,041,355	13,796,713
Total Revenues	170,302,302	28,124,339	1,001,316	14,336,328	8,695,697	222,459,982
EXPENDITURES						
Current						
Instruction	99,722,048	-	767,267	9,297,660	3,947,650	113,734,625
Supporting services	60,768,555	-	4,450,617	4,422,270	861,647	70,503,089
Community services	517,640	-	-	616,398	5,076,910	6,210,948
Facilities acquisition and construction	-	-	17,995,058	-	-	17,995,058
Debt service						
Principal	-	15,295,000	365,559	-	-	15,660,559
Interest	-	11,946,181	39,556	-	-	11,985,737
Capital outlay	60,033	-	34,908,756	-	5,702	34,974,491
Total Expenditures	161,068,276	27,241,181	58,526,813	14,336,328	9,891,909	271,064,507
REVENUES OVER (UNDER) EXPENDITURES	9,234,026	883,158	(57,525,497)	-	(1,196,212)	(48,604,525)
OTHER FINANCING SOURCES (USES)						
Transfers in	499,000	-	429,385	-	1,974,477	2,902,862
Transfers out	(3,435,518)	-	-	-	-	(3,435,518)
Issuance of debt	-	-	45,255,000	-	-	45,255,000
Bond premium	-	-	5,863,383	-	-	5,863,383
Sale of capital assets	-	-	174,407	-	-	174,407
Total Other Financing Sources (Uses)	(2,936,518)	-	51,722,175	-	1,974,477	50,760,134
NET CHANGE IN FUND BALANCES	6,297,508	883,158	(5,803,322)	-	778,265	2,155,609
FUND BALANCES, Beginning of year	18,216,358	12,210,303	77,526,143	-	9,827,348	117,780,152
FUND BALANCES, End of year	\$ 24,513,866	\$ 13,093,461	\$ 71,722,821	\$ -	\$ 10,605,613	\$ 119,935,761

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, 2017

Net change in fund balances - total governmental funds \$ 2,155,609

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 (\$34,974,491) exceeded depreciation (\$13,366,749). 21,607,742

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. (3,657)

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

Net change in OPERS net pension liability / asset	(100,545,023)	
Net change in Deferred outflow of resources	73,465,225	
Net change in Deferred inflow of resources	9,911,730	
Total pension expense	(17,168,068)	(17,168,068)

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	(45,255,000)	
Bond premium	(5,863,383)	
Debt principal repaid	15,660,559	
Total long-term liabilities	(35,457,824)	(35,457,824)

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. (351,036)

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. 2,281,421

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

Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied. 658,723

Other postemployment benefits are reported in the Government-Wide Statement of Activities, but did not require the use of current financial resources. Therefore, the increase or decrease in other postemployment benefits liability was not reported as an expenditure in the governmental funds. 1,125,775

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 \$1,082,711 exceeded the amount paid of \$929,717. (152,994)

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. 857,697

Change in net position of governmental activities \$ (25,197,404)

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, 2017

	Original Budget	Final Budget	Variance with Final Budget	Actual		GAAP Basis
				Budget Basis	Adjustments	
REVENUES						
Local sources						
Taxes	78,199,000	\$ 78,199,000	\$ (1,194,336)	\$ 77,004,664	\$ -	\$ 77,004,664
Charges for services	1,556,475	1,556,475	28,374	1,584,849	-	1,584,849
Contributions	50,000	50,000	20,371	70,371	-	70,371
Interest earnings	167,000	167,000	311,751	478,751	-	478,751
Miscellaneous	1,201,500	1,343,710	(106,746)	1,236,964	-	1,236,964
Intergovernmental						
Intermediate sources	2,942,350	2,942,350	7,970	2,950,320	-	2,950,320
State sources	82,110,574	82,110,574	4,865,809	86,976,383	-	86,976,383
Federal sources	-	-	-	-	-	-
Total Revenues	166,226,899	166,369,109	3,933,193	170,302,302	-	170,302,302
EXPENDITURES						
Current						
Instruction	102,228,993	100,987,002	1,264,954	99,722,048	-	99,722,048
Supporting services	62,488,837	62,148,384	1,319,796	60,828,588	(60,033)	60,768,555
Community services	456,626	556,626	38,986	517,640	-	517,640
Facilities acquisition and construction	1	1	1	-	-	-
Operating contingency	7,004,837	6,011,421	6,011,421	-	-	-
Debt service	1	1	1	-	-	-
Capital outlay	-	-	-	-	60,033	60,033
Total Expenditures	172,179,295	169,703,435	8,635,159	161,068,276	-	161,068,276
REVENUES OVER (UNDER) EXPENDITURES	(5,952,396)	(3,334,326)	12,568,352	9,234,026	-	9,234,026
OTHER FINANCING SOURCES (USES)						
Transfers in	516,365	516,365	(17,365)	499,000	-	499,000
Transfers out	(1,262,494)	(3,880,564)	445,046	(3,435,518)	-	(3,435,518)
Capital leases	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(746,129)	(3,364,199)	427,681	(2,936,518)	-	(2,936,518)
NET CHANGE IN FUND BALANCE	(6,698,525)	(6,698,525)	12,996,033	6,297,508	-	6,297,508
FUND BALANCE, Beginning of year	12,414,000	12,414,000	5,802,358	18,216,358	-	18,216,358
FUND BALANCE, End of year	\$ 5,715,475	\$ 5,715,475	\$ 18,798,391	\$ 24,513,866	\$ -	\$ 24,513,866

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, 2017

	<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	\$ 45,000	\$ 79,224	\$ (7,866)	\$ 71,358	\$ -	\$ 71,358
Contributions	548,875	1,094,922	(265,898)	829,024	-	829,024
Miscellaneous	3,997,747	4,528,432	(1,489,018)	3,039,414	-	3,039,414
Intergovernmental						
Intermediate sources	332,510	357,131	(84,015)	273,116	-	273,116
State sources	616,322	1,133,073	(108,660)	1,024,413	-	1,024,413
Federal sources	9,623,985	11,237,984	(2,138,981)	9,099,003	-	9,099,003
<i>Total Revenues</i>	<u>15,164,439</u>	<u>18,430,766</u>	<u>(4,094,438)</u>	<u>14,336,328</u>	<u>-</u>	<u>14,336,328</u>
EXPENDITURES						
Current						
Instruction	10,506,644	12,129,149	2,831,489	9,297,660	-	9,297,660
Supporting services	4,071,882	5,673,192	1,250,922	4,422,270	-	4,422,270
Community services	585,913	628,425	12,027	616,398	-	616,398
Facilities acquisition and construction	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>15,164,439</u>	<u>18,430,766</u>	<u>4,094,438</u>	<u>14,336,328</u>	<u>-</u>	<u>14,336,328</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, 2017

ASSETS

Current assets:

Equity in pooled cash and investments	\$	16,295,734
Accounts and other receivables		<u>124</u>

<i>Total Assets</i>		<u>16,295,858</u>
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LIABILITIES

Current liabilities:

Accrued payroll and related charges		315,460
Unearned revenue		<u>1,872,249</u>

<i>Total Liabilities</i>		<u>2,187,709</u>
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NET POSITION

Unrestricted		<u>14,108,149</u>
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<i>Total Net Position</i>	\$	<u><u>14,108,149</u></u>
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The accompanying notes are an integral part of the financial statements.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
GOVERNMENTAL ACTIVITIES
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2017

OPERATING REVENUES	
Interfund charges for services	\$ 32,829,704
Other reimbursements	216,665
	<hr/>
<i>Total Operating Revenues</i>	33,046,369
OPERATING EXPENSES	<hr/> 32,789,647
OPERATING INCOME	256,722
NONOPERATING REVENUES	
Interest income	68,319
	<hr/>
INCOME BEFORE TRANSFERS	325,041
TRANSFERS	
Transfers in	1,059,456
Transfers out	(526,800)
	<hr/>
<i>Total Transfers</i>	532,656
CHANGE IN NET POSITION	857,697
TOTAL NET POSITION, Beginning of year¹	<hr/> 13,250,452
TOTAL NET POSITION, End of year	<hr/> <u>\$ 14,108,149</u>

¹ Restated - see Note N

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, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 216,665
Receipts from interfund services provided	33,130,358
Payments to suppliers	(30,454,058)
Payments to employees	(776,179)
Payments to retirees	<u>(1,586,140)</u>

Net Cash Provided by Operating Activities 530,646

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Transfers in from other funds	1,059,456
Transfers out to other funds	<u>(526,800)</u>

Net Cash Used by Noncapital Financing Activities 532,656

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	<u>68,319</u>
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Net Increase in Cash and Cash Equivalents 1,131,621

CASH AND CASH EQUIVALENTS, Beginning of year 15,164,113

CASH AND CASH EQUIVALENTS, End of year \$ 16,295,734

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

Operating income	\$ 256,722
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Decrease (increase) in accounts and other receivables	(124)
Increase (decrease) in accounts and other payables	(7,757)
Increase (decrease) in accrued payroll and related charges	(18,973)
Increase (decrease) in unearned revenue	<u>300,778</u>

Total adjustments 273,924

Net Cash Provided by Operating Activities \$ 530,646

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, 2017

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 five public charter schools: Ridgeline Montessori Public Charter School, The Village School, Network Charter School, Coburg Community Charter School and Twin Rivers Charter School. The District does not report these schools as component units of the District, as none qualify as a component unit as defined by GASB 14, 39 and 61. 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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

expenses not meeting this definition are reported as non-operating revenues and expenses.

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

D. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reporting amounts of certain assets, liabilities, revenues and expenses as of, and for the year ended, June 30, 2017. 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, banker's 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, 2017

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 statement of net position and 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/fund balance 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 net position and balance sheet 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/fund balance 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 Board of Directors. 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 Board of Directors 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, 2017

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, 2017, the General Fund ending fund balance is \$24,513,866 which represents a 14.4 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 access to various tax deferred annuity plans 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 received during the year. Management can transfer appropriations within a major program category. During the year ended June 30, 2017, additional appropriations totaling \$142,210 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, 2017.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2017

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Economic Dependency

The District received General Fund revenue of \$170,302,302. Of this amount, \$86,976,383 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.

C. 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 payment 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, and 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.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

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, 2017:

	Carrying Amount
Cash and Deposits	\$ 124,629,818
Investments	27,577,930
	<u>\$ 152,207,748</u>
Equity in Pooled Cash and Investments-Governmental Funds, Balance Sheet	\$ 50,534,017
Cash and Investments-Government Funds, Balance Sheet	85,377,997
Equity in Pooled Cash and Investments-Internal Service Fund, Statement of Net Position	16,295,734
	<u>\$ 152,207,748</u>

Deposits	Carrying Amount	Bank Balance
As of June 30, 2017 the District held the following deposits:		
Pooled demand deposits	\$ 108,322,685	\$ 109,821,663
Capital projects fund demand deposits	1,140,058	1,140,058
Special revenue funds demand and savings deposits	3,200,025	3,387,290
Debt service	11,967,050	-
Total Deposits	<u>\$ 124,629,818</u>	<u>\$ 114,349,011</u>

¹ The carrying amount of \$11,967,050 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, 2017

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 \$1,134,497 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 \$124,629,818 and the bank balance was \$114,349,011.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2017

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash and Investments (Continued)

Investments

As of June 30, 2017, the District held the following investments and maturities:

	Carrying Amount	Weighted Average Maturity in Years	% of Investment Portfolio
Local Government Investment Pool	<u>\$ 27,577,930</u>	<u>0.003</u>	<u>100.00%</u>

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

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, 2017, the fair value of the District’s deposits with the LGIP was equal to 100.57% 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 \$47,390,998 at June 30, 2017. 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, 2017

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, 2017

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, 2017 is as follows:

	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>
General Fund	\$ 1,352,942	\$ 3,640,675
Debt Service Fund	-	943,019
Capital Projects Fund	3,640,675	-
Federal, State and Local Programs Fund	-	143,363
Other Governmental Funds	-	266,560
Total	<u>\$ 4,993,617</u>	<u>\$ 4,993,617</u>

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

The interfund transfers during the year ended June 30, 2017 are as follows:

	<u>Transfer in</u>	<u>Transfer out</u>
General Fund	\$ 499,000	\$ 3,435,518
Capital Projects Fund	429,385	-
Other Governmental Funds	1,974,477	-
Internal Service Funds	1,059,456	526,800
Total	<u>\$ 3,962,318</u>	<u>\$ 3,962,318</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, 2017

III. DETAILED NOTES ON ALL FUNDS (Continued)

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

Further, during the year ended June 30, 2017, the District made the following one-time transfers:

1. A transfer of \$50,136 from the General Fund to the Nutrition Services Fund to contribute to Nutrition Services operations.
2. A transfer of \$499,000 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, 2017 are as follows:

General Fund

Instructional supplies and materials	\$	107,193
Gasoline and diesel		56,584
<i>Total General Fund</i>		163,777

Other Governmental Funds

Nutrition Services		
Value of commodities on hand from the U.S. Department of Agriculture		106,387
<i>Total Inventories</i>	\$	270,164

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

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, 2017 is \$1,276,192.

Capital asset activity for the year ended June 30, 2017 was as follows:

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017
Capital assets not being depreciated:				
Land	\$ 1,808,570	\$ 11,764	\$ -	\$ 1,820,334
Construction in progress	71,367,152	105,029,807	(71,367,152)	105,029,807
<i>Total capital assets not being depreciated</i>	<u>73,175,722</u>	<u>105,041,571</u>	<u>(71,367,152)</u>	<u>106,850,141</u>
Capital assets being depreciated:				
Athletic field improvements	14,185,413	-	-	14,185,413
Buildings and improvements	307,250,480	1,170,865	-	308,421,345
Equipment	15,270,626	83,423	(32,737)	15,321,312
Vehicles	15,181,909	45,783	(1,542,180)	13,685,512
Intangibles	2,617,545	-	-	2,617,545
<i>Total capital assets being depreciated</i>	<u>354,505,973</u>	<u>1,300,071</u>	<u>(1,574,917)</u>	<u>354,231,127</u>
Accumulated depreciation for:				
Athletic field improvements	(9,938,439)	(407,368)	-	(10,345,807)
Buildings and improvements	(173,927,193)	(9,418,874)	-	(183,346,067)
Equipment	(11,487,504)	(1,907,578)	29,079	(13,366,003)
Vehicles	(8,990,445)	(1,087,148)	1,542,180	(8,535,413)
Intangibles	(1,528,653)	(545,781)	-	(2,074,434)
<i>Total accumulated depreciation</i>	<u>(205,872,234)</u>	<u>(13,366,749)</u>	<u>1,571,259</u>	<u>(217,667,724)</u>
<i>Total capital assets being depreciated, net</i>	<u>148,633,739</u>	<u>(12,066,678)</u>	<u>(3,658)</u>	<u>136,563,403</u>
<i>Governmental activities capital assets, net</i>	<u>\$ 221,809,461</u>	<u>\$ 92,974,893</u>	<u>\$ (71,370,810)</u>	<u>\$ 243,413,544</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2017

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	\$ 4,293,912
Special programs	1,018,376
Total direct classroom services	<u>5,312,288</u>
Classroom support services	
Extracurricular activities	148,346
Student support	1,148,839
Libraries, curriculum and staff development	718,149
School administration	765,349
Community services	39,920
Total classroom support services	<u>2,820,603</u>
Building support services	
Facilities operation and maintenance	181,761
Student transportation	839,360
Computing and information services	2,714,964
Warehouse and purchasing	190,064
Total building support services	<u>3,926,149</u>
Central support services	
Executive administration	109,944
Financial services	353,990
Human resources/employee insurance benefits	323,610
Communications and intergovernmental relations	66,085
Total central support services	<u>853,629</u>
Nutrition services	454,080
Total depreciation expense, governmental activities	<u>\$ 13,366,749</u>

Construction Commitments

The District has active construction projects as of June 30, 2017. As of the end of the fiscal year, the District is committed under various accepted bid agreements and contracts for approximately \$14,219,072 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, 2017

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 \$2,949,022, with accumulated depreciation of \$1,893,707 and a net book value of \$1,055,315 as of June 30, 2017.

Obligations of the District's governmental activities under capital leases at June 30, 2017, were as follows:

<u>Year Ending June 30, 2017</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 1,276,192</u>	<u>\$ 78,970</u>	<u>\$ 1,355,162</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

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, 2017:

	Principal Issued	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017	Amounts Due in One Year
General obligation bonds:						
2008 Series Refunding	\$ 47,295,000	\$ 22,575,000	\$ -	\$ (10,895,000)	\$ 11,680,000	\$ 11,680,000
2011 Series	34,997,258	33,712,258	-	-	33,712,258	2,070,000
2012 Series Refunding	37,405,000	32,275,000	-	(2,440,000)	29,835,000	2,720,000
2013 Series	39,996,054	38,728,143	-	-	38,728,143	2,235,000
2014 Series	80,000,000	79,105,000	-	-	79,105,000	1,370,000
2016 Series	39,750,000	39,750,000	-	-	39,750,000	4,115,000
2017 Series	45,255,000	-	45,255,000	-	45,255,000	890,000
Total G.O. bonds	324,698,312	246,145,401	45,255,000	(13,335,000)	278,065,401	25,080,000
2004 Pension bonds	53,435,000	45,555,000	-	(1,960,000)	43,595,000	2,250,000
Total bonds	378,133,312	291,700,401	45,255,000	(15,295,000)	321,660,401	27,330,000
Issuance premiums:						
2008 Series Refunding	-	294,241	-	(218,754)	75,487	-
2011 Series	-	392,493	-	(80,669)	311,824	-
2012 Series Refunding	-	3,853,757	-	(690,227)	3,163,530	-
2013 Series	-	2,783,509	-	(334,084)	2,449,425	-
2014 Series	-	7,971,719	-	(645,638)	7,326,081	-
2016 Series	-	2,332,751	-	(312,049)	2,020,702	-
2017 Series	-	-	5,863,383	-	5,863,383	-
Total issuance premiums	-	17,628,470	5,863,383	(2,281,421)	21,210,432	-
Total bonds, net of issuance premiums	378,133,312	309,328,871	51,118,383	(17,576,421)	342,870,833	27,330,000
Capital lease obligations	2,919,062	1,641,751	-	(365,559)	1,276,192	305,172
Total	\$ 381,052,374	\$ 310,970,622	\$ 51,118,383	\$ (17,941,980)	\$ 344,147,025	\$ 27,635,172

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 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, 2017

III. DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-term Debt (Continued)

General obligation bonds - 2008 Refunding Series, final payment of \$11,680,000 plus interest at 4.0% due July 1, 2017.	\$ 11,680,000
General obligation bonds - 2011 Series, future payments due in annual installments of zero to \$15,000,000 plus interest, paid semi-annually at 3.0% to 4.75% through June 15, 2031.	33,712,258
General obligation bonds - 2012 Refunding Series, future payments due in annual installments of \$2,720,000 to \$5,005,000 plus interest, paid semi-annually at 4.0% to 5.0% through June 15, 2025.	29,835,000
General obligation bonds - 2013 Series, future payments due in annual installments of \$1,518,545 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 \$1,370,000 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 \$2,315,000 to \$4,390,000 plus interest, paid semi-annually at 2.0% to 3.0% through June 15, 2029.	39,750,000
General obligation bonds - 2017 Series, future payments due in annual installments of \$435,000 to \$7,180,000 plus interest, paid semi-annually at 3.0% to 5.0% through June 15, 2037.	45,255,000
Pension obligation bonds - 2004 Series, future payments due in annual installments of \$2,250,000 to \$6,220,000 plus interest, paid semi-annually at 5.223% to 5.528% through June 30, 2028.	43,595,000
Issuance premiums - 2008 Refunding bond, amortized semi-annually through July 1, 2017.	75,487
Issuance premiums - 2011 Series bond, amortized semi-annually through June 15, 2023.	311,824
Issuance premiums - 2012 Refunding bond, amortized semi-annually through June 15, 2025.	3,163,530
Issuance premiums - 2013 Series bond, amortized semi-annually through June 15, 2031.	2,449,425
Issuance premiums - 2014 Series bond, amortized semi-annually through June 15, 2034.	7,326,081
Issuance premiums - 2016 Series bond, amortized semi-annually through June 15, 2029.	2,020,702
Issuance premiums - 2017 Series bond, amortized semi-annually through June 15, 2037.	5,863,383
Capital lease obligations - total of minimum lease payments for all capital leases, through July 30, 2022.	1,276,192
<i>Total</i>	<u>\$ 344,147,025</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2017

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, 2017 consist of the following:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Debt Service Fund			
General obligation refunding bonds - 2008	\$ 10,895,000	\$ 831,850	\$ 11,726,850
General obligation serial bonds - 2011	-	1,196,300	1,196,300
General obligation refunding bonds - 2012	2,440,000	1,363,150	3,803,150
General obligation serial bonds - 2013	-	1,579,400	1,579,400
General obligation serial bonds - 2014	-	3,387,529	3,387,529
General obligation serial bonds - 2016	-	1,099,724	1,099,724
Subtotal	<u>13,335,000</u>	<u>9,457,953</u>	<u>22,792,953</u>
Pension obligation serial bonds - 2004	<u>1,960,000</u>	<u>2,488,227</u>	<u>4,448,227</u>
<i>Total Debt Service Fund</i>	15,295,000	11,946,180	27,241,180
Capital Projects Fund			
Capital lease payments	<u>365,559</u>	<u>39,556</u>	<u>405,115</u>
<i>Total of All Funds</i>	<u>\$ 15,660,559</u>	<u>\$ 11,985,736</u>	<u>\$ 27,646,295</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, \$4 million of which were issued in June 2016 and the remaining \$16 million of which were issued in June 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, \$36 million of which were issued in June 2016 and the remaining \$29 million of which was issued in June 2017.

General Obligation Bonds Issued Fiscal Year 2016-17

On June 15, 2017, the District issued \$45,255,000 in General Obligation Bonds, Series 2017. The interest rate is fixed at rates ranging from 3.0% to 5.0%. Interest payments on the bonds are payable semiannually in June and December, beginning December 15, 2017. The bonds mature on June 15, 2037 with principal payments due annually on June 15th. The bonds were issued at a premium of \$5,863,383, 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, 2017

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 - 2017 Series		Bonds - 2016 Series		Bonds - 2014 Series		Bonds - 2013 Series		Bonds - 2012 Refunding	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	890,000	1,882,500	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	1,005,000	1,855,800	4,390,000	979,338	1,580,000	3,319,100	2,435,000	1,467,650	3,010,000	1,156,750
2020	435,000	1,815,600	2,315,000	847,638	1,805,000	3,240,100	2,655,000	1,418,950	3,100,000	1,036,350
2021	520,000	1,793,850	2,480,000	778,188	2,050,000	3,149,850	2,875,000	1,286,200	3,420,000	912,350
2022	615,000	1,767,850	2,655,000	703,788	2,310,000	3,047,350	3,110,000	1,142,450	3,795,000	741,350
2023	715,000	1,737,100	2,835,000	624,137	2,585,000	2,931,850	3,355,000	986,950	4,200,000	551,600
2024	830,000	1,701,350	2,995,000	567,437	2,875,000	2,802,600	3,620,000	819,200	4,585,000	383,600
2025	950,000	1,659,850	3,190,000	477,587	3,190,000	2,658,850	3,890,000	638,200	5,005,000	200,200
2026	1,570,000	1,612,350	3,400,000	381,888	4,575,000	2,499,350	1,611,288	1,592,412	-	-
2027	1,745,000	1,533,850	3,580,000	313,887	5,020,000	2,270,600	1,563,310	1,730,390	-	-
2028	1,935,000	1,446,600	3,785,000	224,387	5,440,000	2,069,800	1,518,545	1,880,155	-	-
2029	2,165,000	1,369,200	4,010,000	120,300	5,880,000	1,852,200	3,040,000	443,700	-	-
2030	6,610,000	1,282,600	-	-	6,350,000	1,617,000	3,285,000	306,900	-	-
2031	7,180,000	952,100	-	-	6,840,000	1,363,000	3,535,000	159,074	-	-
2032	2,520,000	593,100	-	-	8,445,000	1,089,400	-	-	-	-
2033	2,740,000	467,100	-	-	9,065,000	751,600	-	-	-	-
2034	2,920,000	384,900	-	-	9,725,000	389,000	-	-	-	-
2035	3,105,000	297,300	-	-	-	-	-	-	-	-
2036	3,300,000	204,150	-	-	-	-	-	-	-	-
2037	3,505,000	105,150	-	-	-	-	-	-	-	-
Total	\$45,255,000	\$24,462,300	\$39,750,000	\$ 7,121,363	\$79,105,000	\$38,439,250	\$38,728,143	\$15,451,631	\$29,835,000	\$ 6,247,750

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>

<i>Bonds - 2011 Series</i>		<i>Bonds - 2008 Refunding</i>		<i>Bonds - 2004 Pension</i>		<i>Require- ments</i>	<i>Principal</i>	<i>Interest</i>
<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>			
2,070,000	1,196,300	11,680,000	287,050	2,250,000	2,387,845	40,419,033	27,330,000	13,089,033
2,180,000	1,134,200	-	-	2,565,000	2,270,328	29,348,166	17,165,000	12,183,166
2,420,000	1,068,800	-	-	2,905,000	2,133,793	27,196,231	15,635,000	11,561,231
2,540,000	996,200	-	-	3,275,000	1,977,707	28,054,345	17,160,000	10,894,345
2,660,000	920,000	-	-	3,680,000	1,800,104	28,947,892	18,825,000	10,122,892
2,715,000	813,600	-	-	4,110,000	1,598,698	29,758,935	20,515,000	9,243,935
-	705,000	-	-	4,580,000	1,371,497	27,835,684	19,485,000	8,350,684
-	705,000	-	-	5,085,000	1,118,314	28,768,001	21,310,000	7,458,001
-	705,000	-	-	5,630,000	837,216	24,414,504	16,786,288	7,628,216
-	705,000	-	-	6,220,000	525,989	25,208,026	18,128,310	7,079,716
15,000,000	705,000	-	-	3,295,000	182,148	37,481,635	30,973,545	6,508,090
1,430,517	1,734,483	-	-	-	-	22,045,400	16,525,517	5,519,883
1,375,140	1,879,860	-	-	-	-	22,706,500	17,620,140	5,086,360
1,321,601	2,033,399	-	-	-	-	23,384,174	18,876,601	4,507,573
-	-	-	-	-	-	12,647,500	10,965,000	1,682,500
-	-	-	-	-	-	13,023,700	11,805,000	1,218,700
-	-	-	-	-	-	13,418,900	12,645,000	773,900
-	-	-	-	-	-	3,402,300	3,105,000	297,300
-	-	-	-	-	-	3,504,150	3,300,000	204,150
-	-	-	-	-	-	3,610,150	3,505,000	105,150
<u>\$33,712,258</u>	<u>\$15,301,842</u>	<u>\$11,680,000</u>	<u>\$ 287,050</u>	<u>\$43,595,000</u>	<u>\$16,203,639</u>	<u>\$ 445,175,226</u>	<u>\$ 321,660,401</u>	<u>\$ 123,514,825</u>

Defeased General Obligation Bonds

In prior years, the District defeased general obligation bonds outstanding by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old obligations. Accordingly, the trust account assets and the liabilities for the defeased obligations are not included in the District's basic financial statements. At June 30, 2017, \$61,795,000 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 Oregon Revised Statutes (ORS) Chapters 238 and 238A. PERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at:

<http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

1. Benefits provided

- a) **Tier One/Tier Two Retirement Benefit ORS Chapter 238** The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

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 either by 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.

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 annually through cost-of-living changes. The cap on the COLA will vary based on the amount of

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. Pension Plan (Continued)

the annual benefit.

- b) OPSRP Pension Program (OPSRP DB)** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

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. The cap on the COLA will vary based on the amount of the annual benefit.

- c) OPSRP Individual Account Program (OPSRP IAP)**

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

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

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

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2017

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. Pension Plan (Continued)

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, 2014 actuarial valuation, which became effective July 1, 2015. The state of Oregon and certain schools, community colleges, and political subdivisions have made unfunded actuarial liability payments, and their rates have been reduced.

Employer contributions for the year ended June 30, 2017 were \$12,378,824, excluding amounts to fund employer specific liabilities. Approximately \$4,710,059 was charged for the year ended June 30, 2017 as PERS benefits expenditures to be used for bond payments as they become due. In addition, approximately \$5,489,597 in employee contributions were paid by the District in fiscal year 2017. The rates in effect for the fiscal year ended June 30, 2017 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, 2017, the District reported a liability of \$171,972,020 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to June 30, 2016. 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, 2017, the District's proportion was 1.15 percent.

For the year ended June 30, 2017, the District's recognized pension expense is \$29,712,663. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 5,689,586	\$ -
Changes in assumptions	36,677,499	-
Net difference between projected and actual earnings on pension plan investments	33,974,456	-
Changes in proportionate share	-	6,050,990
Differences between District contributions and proportionate share of contributions	1,344,869	77,456
District contributions subsequent to measurement date	12,378,824	
Total	\$ 90,065,234	\$ 6,128,446

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2017

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. Pension Plan (Continued)

District contributions subsequent to the measurement date of \$12,378,824 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:

Year ended June 30:	Amount
2017	\$ 12,636,551
2018	12,636,551
2019	25,101,131
2020	18,723,147
2021	2,460,584
Thereafter	-
	\$ 71,557,964

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated December 1, 2016.

4. Actuarial Valuations

The employer contribution rates effective July 1, 2015, through June 30, 2017, were set using the entry age normal 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 actuarially determined amount for funding a disability benefit component, and (c) 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, 2017

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. Pension Plan (Continued)

5. Actuarial Methods and Assumptions

Valuation Date	December 31, 2014 rolled forward to June 30, 2016
Experience Study Report	2014, Published September 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	2.5 percent (reduced from 2.75 percent)
Investment Rate of Return	7.5 percent (reduced from 7.75 percent)
Projected Salary Increases	3.5 percent overall payroll growth Salaries for individuals are assumed to grow at 3.5 percent plus assumed rates of merit/longevity increases based on service.
Cost of Living Adjustments	A blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision, blend based on service.
Mortality	<u>Healthy retirees and beneficiaries</u> : RP-2000 Sex-distinct, generational per Scale BB, 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 (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table.

Source: June 30, 2016 PERS CAFR; page 65; Table 29

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. Pension Plan (Continued)

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts 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 for the four-year period ending on December 31, 2014.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compounded Annual Return (Geometric)</u>
Core Fixed Income	8.00%	4.00%
Short-Term Bonds	8.00%	3.61%
Bank/Leveraged Loans	3.00%	5.42%
High Yield Bonds	1.00%	6.20%
Large/Mid Cap US Equities	15.75%	6.70%
Small Cap US Equities	1.31%	6.99%
Micro Cap US Equities	1.31%	7.01%
Developed Foreign Equities	13.13%	6.73%
Emerging Foreign Equities	4.12%	7.25%
Non-US Small Cap Equities	1.88%	7.22%
Private Equities	17.50%	7.97%
Real Estate (Property)	10.00%	5.84%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds Diversified	2.50%	4.64%
Hedge Fund Event-driven	0.63%	6.72%
Timber	1.88%	5.85%
Farmland	1.88%	6.37%
Infrastructure	3.75%	7.13%
Commodities	1.88%	4.58%
Assumed Inflation - Mean		2.50%

Source: June 30, 2016 PERS CAFR; page 66; Table 31

The discount rate used to measure the total pension liability was 7.5 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.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2017

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. Pension Plan (Continued)

Assumed Asset Allocation:

<u>Asset Class / Strategy</u>	<u>OIC Policy Range</u>	<u>Current Year Target</u>	<u>Actual Allocation</u>
Cash	0.0 - 3.0 %	0.0%	3.9%
Debt Securities	15.0 – 25.0	20.0%	20.7%
Public Equity	32.5 – 42.5	37.5%	37.9%
Real Estate	9.5 – 15.5	12.5%	12.0%
Private Equity	13.5 – 21.5	17.5%	19.5%
Alternative Equity	0.0 – 12.5	12.5%	4.1%
Opportunity Portfolio	0.0 – 3.0	0.0%	1.9%
Total		100.0%	100.0%

Source: June 30, 2016 PERS CAFR; page 86

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 7.5 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 (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	<u>1% Decrease (6.5%)</u>	<u>Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
District's proportionate share of the net pension liability (asset)	\$ 277,677,472	\$ 171,972,020	\$ 83,620,757

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

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined 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.

At its July 28, 2017 meeting, the PERS Board lowered the assumed rate to 7.2 percent. For member

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. Pension Plan (Continued)

transactions, this rate will take effect January 1, 2018. The current assumed rate is 7.5 percent and has been in effect for member transactions since January 1, 2016.

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 \$5,489,597 for the year ended June 30, 2017.

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/Pages/GASB.aspx>

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 found at <http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx> or 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 account actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an outgoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed 30 years. The District's contributions to RHIA for the years ended June 30, 2017, 2016, and 2015 were approximately \$448,340, \$435,715 and \$446,041 which equaled the required contributions each year.

The District plans to begin reporting this program under GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, beginning in fiscal year 2018, as information required for reporting will not be available from PERS until the spring of 2018.

2. Early Retirement Programs

The District sponsors two Other Postemployment Benefits (OPEB) programs 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, 2016.

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.

The current Actuarial Valuation Report (as of July 1, 2016) was completed with the understanding that the District would first apply the provisions of GASB Statements 73 and 75 to reporting for these two OPEB programs in the fiscal year ending June 30, 2017. As a result, actuarial calculations completed for this report will differ from prior years and reflect information and balanced required to implement these standards. The implementation of GASB 73 and 75 impacted the most recent valuation as follows: (1) the actuarial cost method was changed from Projected Unit Credit to Entry Age Normal, as required under GASB Statements 73 and 75, and; (2) the interest rate for discounting future liabilities

III. DETAILED NOTES ON ALL FUNDS (Continued)

I. Other Postemployment Benefits (OPEB) (Continued)

was lowered to match municipal bond rates, as outlined in GASB Statements 73 and 75.

The Entry Age Normal Actuarial Cost Method was used to determine contribution levels for the early retirement programs. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis (percentage of salary) over the earnings or service of the individual between entry age and assumed exit age(s).

The most recent valuation was performed as of July 1, 2016, using an Actuarial Valuation Date of July 1, 2016, and Measurement Dates of June 30, 2017 and June 30, 2018. The assumptions included an interest rate for discounting future liabilities of 3.0% (percent) per year; a general inflation rate of 2.5% (percent) per year; overall payroll growth of 3.5% (percent) per year; and an annual premium increase rate of 6.5% (percent) for 2016-17 (6.5% (percent) for 2015-16), decreasing to an annual rate of 5.0% (percent) by 2031 which is consistent with expectations for long-term health care cost inflation.

Demographic assumptions, such as mortality rates, disability incidence rates, retirement rates, and withdrawal rates, are the same as those developed in the most recent experience study for Oregon PERS. Key assumptions were as follows:

<i>Demographic Assumptions</i>	<i>Description</i>
Annual Cap Increase Rate	The annual cap was assumed to increase by 2.5% (percent) annually.
Mortality Rates	Mortality rates were based on the RP 2000 generational (Scale BB) Combined Active/Healthy Annuitant Mortality Table for males and females, as appropriate, set back 24 months, and were calculated by adjusting the rates by 60% (percent) for male participants and 55% (percent) for female participants.
Retirement Rates	Retirement rates were calculated based on District employee age, Tier 1/2 or OPSRP membership, and years of service. Members who can become eligible for District-paid stipend were assumed not to terminate employment prior to retirement.
Participation	100% (percent) of active members eligible for stipend benefits were assumed to elect coverage upon retirement. The following percentages of current active employees were assumed to be enrolled in a medical plan at retirement: 100% (percent) of active employees eligible for District-paid medical benefits and currently enrolled in a medical plan. 75% (percent) of active employees not eligible for District-paid medical benefits and currently enrolled in a medical plan.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2017

III. DETAILED NOTES ON ALL FUNDS (Continued)

I. Other Postemployment Benefits (OPEB) (Continued)

Program participation consisted of the following at July 1, 2016:

<i>Participant Counts</i>	<i>Administrator</i>	<i>Classified</i>	<i>Licensed</i>	<i>Total</i>
Number of Active Participants	123	864	951	1,938
Number of Inactive Participants	29	57	181	267
Total Number of Participants	152	921	1,132	2,205

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, has previously authorized the District to offer early termination benefits as an incentive for employees to retire early. This single employer defined benefit program covers the following employee groups:

Administrator – Stipend Benefit

Eligibility Employees must be 58 years of age or older and eligible for PERS with 30 years of service at retirement, including at least ten years of continuous service with the district with the last 5 years of employment in an administrative position, and be hired and employed as a 4JA member prior to July 1, 1996 with no election to participate in Plan B.

Early Out Option – Employees age 53 to less than age 58, meeting all of the above eligibility criteria, with the exception of being age 58, may also be eligible for a stipend benefit in a reduced, prorated amount.

Duration Retirees shall be paid a monthly stipend for a maximum of 84 months beginning the month after eligibility for Early Retirement and ending the month of the retiree's 62nd birthday.

Early Out Option – retirees shall be paid a monthly stipend for a maximum of 48 months beginning the month after being eligible for Early Retirement and ending the month of the retiree's 62nd birthday.

Benefit Amount Eligible retirees receive a stipend of either \$450 a month (administrative positions with a pay range of 9 or higher) or \$325 a month (administrative positions with a pay range of 8 or lower).

III. DETAILED NOTES ON ALL FUNDS (Continued)

I. Other Postemployment Benefits (OPEB) (Continued)

Licensed (Certified) – Stipend Benefit

Eligibility	Plan A - Employees must be employed in an Eugene Education Association (EEA) bargaining position prior to July 1, 1998, be 58 years of age or older with 10 years of district service OR have 30 years of service with PERS as of retirement date, regardless of age. Early Out Option – Employees age 53 to less than age 58 with 10 years of district service may be eligible for a stipend benefit in a reduced, prorated amount.
Duration	Eligible retirees shall be paid a monthly stipend beginning the first month of retirement and ending the month of the retiree’s 62 nd birthday.
Benefit Amount	Eligible retirees receive a stipend of up to \$450 a month until age 62.

This pension-type benefit is required to be valued under GASB Statement No. 73. The District does not issue a stand-alone financial report for this plan.

Summary of Significant Accounting Policies – the Early Termination Stipend Benefits plan is accounted for in the Postemployment Benefits Fund, which is reported using the *economic resources measurement focus* and the *accrual basis of accounting*. District contributions, in the form of regular transfers to the Postemployment Benefits Fund, are recognized when due and a formal commitment to provide the contributions has been made as part of the annual adopted budget process. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Funding Policy - There is no obligation on the part of the District to fund these benefits in advance, and the District does not accumulate assets in a trust (as defined in GASB 73 paragraph 4) to address this liability. The District provides payments in accordance with current employee contracts primarily on a pay-as-you-go basis.

Total OPEB Liability – The District’s Total OPEB Liability and total other post employment benefits were measured as of June 30, 2017 and determined by an actuarial valuation as of July 1, 2016.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2017

III. DETAILED NOTES ON ALL FUNDS (Continued)

I. Other Postemployment Benefits (OPEB) (Continued)

Changes in the Total OPEB Liability

	Increase (Decrease)
	<u>Total OPEB Liability</u>
Balance at June 30, 2016	\$ 1,344,418
Service Cost	27,971
Interest on Total OPEB Liability	36,945
Effect of changes to benefit terms	-
Effect of economic /demographic gains or losses	-
Effect of assumptions or other inputs	-
Benefit Payments	<u>(253,801)</u>
Balance at June 30, 2017	\$ 1,155,533

Sensitivity of the Total OPEB Liability to changes in the Discount Rate – the following table presents the Total OPEB Liability of the Early Termination - Stipend Benefits program, calculated using the discount rate as of the measurement date, as well as what the program’s Total OPEB Liability would be if it were calculated using a discount rate that was 1.0% (1 percentage point) lower or higher than the current rate:

	1% Decrease (2.0%)	Current Discount Rate (3.0%)	1% Increase (4.0%)
Total OPEB Liability	\$ 1,187,227	\$ 1,155,533	\$ 1,123,491

Postemployment Medical and Life Insurance Benefits

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.

The District has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, for the fiscal year ending June 30, 2017.

Plan Description - The District administers a single-employer defined benefit healthcare plan per the requirements of collective bargaining agreements. The plan provides postemployment healthcare insurance for eligible retirees and their spouses through the District’s group health insurance plans, which cover both active and retired participants. Benefit provisions are established through negotiations between the District and representatives of collective bargaining units. The District’s postemployment medical plan does not issue a publically available financial report. This program covers the following employee groups:

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2017

III. DETAILED NOTES ON ALL FUNDS (Continued)

I. Other Postemployment Benefits (OPEB) (Continued)

Administrator – Medical and Life Benefit

Eligibility	Employees employed by a 4JASU covered position after June 30, 1996 are eligible to continue medical, vision, dental, basic life, AD&D, and optional life insurance coverage on a self-pay basis; however, only certain administrative employees are potentially eligible for the monthly District contributions toward their medical, vision, dental and basic life and AD&D coverage, as well as optional life on a self-pay basis.
Basic Life and AD&D Coverage	Only participating Administrative retired employees are eligible for this benefit up to Medicare eligibility (\$50,000 of Life and AD&D coverage).
Dependent Eligibility	Spouses, domestic partners and eligible children covered prior to retirement may continue coverage.
Duration	Coverage for retiree and eligible dependents continues until Medicare eligibility for each individual (or until dependent becomes ineligible for coverage). If retiree passes away prior to District contribution end, their surviving spouse can elect to continue the District contribution for as long as the retiree would have been eligible.
District Paid Benefit	District contributions continue until Medicare eligibility by age at either \$270 per month or a pro-rated amount for those participants of the Early Out option provision.
Implied Subsidy Amount	There is an implicit subsidy with respect to retired employees because the medical premium rates charged for coverage typically are less than actual expected retiree claims costs. This is due to medical premium rates being determined by blending both active employee and retiree experience.

Licensed (Certified) – Medical and Life Benefit

Eligibility	Employees who satisfy the plan stipend benefit eligibility requirements can receive a monthly District contribution toward their medical, vision, and dental coverage. Option life insurance may continue on a self-pay basis by the employee. If an employee is eligible under Plan B “Employed in an EEA bargaining unit position after June 30, 1998 and eligible for PERS retirement,” they may continue retiree coverages on a self-pay basis.
Dependent Eligibility	Spouses, domestic partners and eligible children covered prior to retirement may continue coverage.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2017

III. DETAILED NOTES ON ALL FUNDS (Continued)

I. Other Postemployment Benefits (OPEB) (Continued)

Duration	Coverage for retiree and eligible dependents continues until Medicare eligibility by age for each individual (or until dependent becomes ineligible for coverage).
District Paid Benefit	Employees receive 56% of the District contribution for a full time employee, prorated if paid over more than ten years. District contributions continue to Medicare eligibility by age (2015-16 District contribution was \$1,175; 2016-17 District contribution was \$1,200).
Implied Subsidy Amount	There is an implicit subsidy with respect to retired employees because the medical premium rates charged for coverage typically are less than actual expected retiree claims costs. This is due to medical premium rates being determined by blending both active employee and retiree experience.

Classified – Medical and Life Benefit

Eligibility	Employees who have 10 years of consecutive service with the District, AND meet PERS requirements for regular retiree benefits (age 58 for Tier 1, age 60 for Tier 2, age 65 for OPSRP or any age with 30 years of service in PERS) may elect one of the following options: Option 1 – Lump sum payment of \$2,000 for retirees with 10 years of service with the District, \$3,000 with 20 years of service, or \$4,000 with 30 years of service. Option 2 – District-paid monthly contributions of \$375 and Classified Insurance Reserve additional monthly contribution of \$25 for up to 36 months or Medicare eligibility by age, whichever comes first. Option 3 – Employees age 57 or older with 10 years of consecutive regular employment with the District who are not eligible for regular PERS retirement may choose to have a District-paid monthly contribution (as defined in Option 2 as of the year of payment) paid in any consecutive monthly period from retirement to age 65. Monthly payments may not exceed 36 months.
Dependent Eligibility	Spouses, domestic partners and eligible children covered prior to retirement may continue coverage.
Duration	See “Eligibility” section above.

III. DETAILED NOTES ON ALL FUNDS (Continued)

I. Other Postemployment Benefits (OPEB) (Continued)

District Paid Benefit	See "Eligibility" section above.
Implied Subsidy Amount	There is an implicit subsidy with respect to retired employees because the medical premium rates charged for coverage typically are less than actual expected retiree claims costs. This is due to medical premium rates being determined by blending both active employee and retiree experience.

Medicare Carve-Out

All Classes of Retirees	Retirees or Retiree spouses or domestic partners qualifying for Medicare coverage prior to age 65 due to disability will be eligible to receive a monthly contribution amount not to exceed the amount of the District retiree monthly insurance amount for supplemental Medicare coverage (medical, vision and dental coverage for themselves and covered dependents). Classified employee contractual requirements will also factor in the Medicare Part B premium.
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This pension-type benefit is required to be valued under GASB Statement No. 75. The District does not issue a stand-alone financial report for this plan.

Summary of Significant Accounting Policies – the Postemployment Medical and Life Insurance Benefits plan is accounted for in the Postemployment Benefits Fund, which is reported using the *economic resources measurement focus* and the *accrual basis of accounting*. District contributions, in the form of regular transfers to the Postemployment Benefits Fund, are recognized when due and a formal commitment to provide the contributions has been made as part of the annual adopted budget process. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Funding Policy - There is no obligation on the part of the District to fund these benefits in advance, and the District has not established an irrevocable trust (or equivalent arrangement) to address this liability. The District provides payments in accordance with current employee contracts primarily on a pay-as-you-go basis.

Total OPEB Medical and Life Liability – The District's Total OPEB Medical and Life Liability and total other post employment benefits were measured as of June 30, 2017 and determined by an actuarial valuation as of July 1, 2016.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2017

III. DETAILED NOTES ON ALL FUNDS (Continued)

I. Other Postemployment Benefits (OPEB) (Continued)

Changes in the Total OPEB Medical and Life Liability

	Increase (Decrease)
	<u>Total OPEB Medical and Life Liability</u>
Balance at June 30, 2016	\$ 26,971,363
Service Cost	1,127,587
Interest on Total OPEB Medical and Life Liability	783,337
Effect of changes to benefit terms	-
Effect of economic /demographic gains or losses	-
Effect of assumptions or other inputs	-
Benefit Payments	<u>(2,847,814)</u>
Balance at June 30, 2017	\$ 26,034,473

Sensitivity of the Total OPEB Medical and Life Liability to changes in Discount and Trend Rates – the following tables present the Total OPEB Liability of the Postemployment Medical and Life Insurance Benefits program, calculated using the discount rate and trend rate as of the measurement date, as well as what the program's Total OPEB Medical and Life Liability would be if it were calculated using a discount rate or a trend rate that was 1.0% (1 percentage point) lower or higher than the current rate:

	1% Decrease (2.0%)	Current Discount Rate (3.0%)	1% Increase (4.0%)
Total OPEB Medical and Life Liability	\$ 27,653,842	\$ 26,034,473	\$ 24,516,525

	1% Decrease (5.5% Graded Down to 4.0%)	Current Trend Rate (6.5% Graded Down to 5.0%)	1% Increase (7.5% Graded Down to 6.0%)
Total OPEB Medical and Life Liability	\$ 23,916,952	\$ 26,034,473	\$ 28,470,001

III. DETAILED NOTES ON ALL FUNDS (Continued)

J. Tax Abatements

The following tax abatement agreements, entered into by Lane County, Oregon, impact tax collections for the District. As of June 30, 2017, the District provides tax abatements through the following programs:

Low Income Rental Housing ([ORS 307.515 to 307.535](#)):

- In 1989 the Oregon Legislature authorized a property tax exemption for low income housing held by nonprofit organizations. The tax exemption is intended to benefit low-income renters by alleviating the property tax burden on those agencies that provide this housing opportunity. The qualifying property must be located within Lane County.

To be eligible for this exemption a nonprofit organization must be a public benefit corporation or a religious corporation, as defined in ORS 65.001, providing housing to low income persons (income at or below 60 percent of the area median income). Nonprofit organizations must own or have a leasehold interest in the property or participate in a partnership as long as the non-profit organization is responsible for the day-to-day management of the property. Applicants who are leaseholders must have a signed leasehold agreement by the application deadline.

Vacant land intended to be developed as low-income housing is also eligible for the exemption.

The property tax exemption applies only to the tax levy of a governing body that adopts the provisions of ORS 307.515 to 307.523.

Enterprise Zone ([ORS 285C.175](#)):

- The Oregon Enterprise Zone program is a State of Oregon economic development program established through ORS 285C.050 to 285C.250 that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemptions, participating firms are required to meet the program requirements set by state statute and the local sponsor.

The Enterprise Zone program allows industrial firms that will be making a substantial new capital investment a waiver of 100% of the amount of real property taxes attributable to the new investment for up to five years after completion. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdictions.

Transit Supportive Multiple-Unit Housing in Core Areas ([ORS 307.600 to 307.637](#)):

- This law is in the public's interest to stimulate the construction of transit supportive multiple-unit housing in the core areas of Oregon's urban centers to improve the balance between the residential and commercial nature of those areas, and to ensure full-time use of the areas as places where citizens of the community have an opportunity to live as well as work.

In any city, or in any county with a population of over 300,000, the exemption shall apply only to multiple-unit housing preserved, established, constructed, added to or converted on land within an area designated under ORS 307.606(2) or within a designated urban renewal or redevelopment area formed pursuant to ORS chapter 457. This exemption is limited to the tax levy of a city or county that adopts ORS 307.600 to 307.637. This program exempts property taxes for a period of no more than 10 successive years, and the exemption may not include land or any improvements not a part of the multiple-unit housing.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2017

III. DETAILED NOTES ON ALL FUNDS (Continued)

J. Tax Abatements (Continued)

For the fiscal year ended June 30, 2017, the District abated property taxes totaling \$1,739,139 under these programs.

<u>Tax Abatement Program</u>	Amount of Taxes Abated during the Fiscal Year
Low Income Rental Housing	\$ 447,911
Enterprise Zone	246,226
Transit Supportive Multiple-Unit Housing in Core Areas	1,045,002
	<u>\$ 1,739,139</u>

K. 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 pool, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the pool being required to pay any claim of loss. The District allows 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 pool.

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 Liability) is insured after the District pays a self-insured retention of \$25,000 per occurrence.

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2017

III. DETAILED NOTES ON ALL FUNDS (Continued)

K. Risk Management (Continued)

- Building and Business Personal Property is insured after the District pays a self-insured retention of \$150,000 per occurrence, subject to certain sub-limits 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 self-insurance retention of \$150,000 per occurrence, subject to certain sub-limits 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.

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

<u>Unemployment</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Accrued claim losses, July 1	\$ 156,614	\$ 213,403	\$ 163,410
Claims incurred, including an estimate of claims incurred but not reported	598,068	163,410 ¹	253,965
Claims payments	(110,694)	(50,526)	(74,492)
Reduction of accrual	(430,585)	(162,877)	(88,918)
Accrued claim losses, June 30	<u>\$ 213,403</u>	<u>\$ 163,410</u>	<u>\$ 253,965</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.

Related liabilities recorded in the Insurance Reserve Fund at June 30, 2017 are as follows:

<i>Accrued payroll and related charges</i>	
Unemployment-accrued claim losses	\$ 253,965
<i>Unearned Revenue</i>	
Deferred medical	1,872,249
<i>Total</i>	<u>\$ 2,126,214</u>

L. 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.

III. DETAILED NOTES ON ALL FUNDS (Continued)

M. New Pronouncements

New Pronouncements Implemented: For the Fiscal year ended June 30, 2017, the District implemented the following new accounting standards:

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. Beginning in this fiscal year, the Early Termination – Stipend Benefits program will be reported under this standard.

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. The District has chosen to early-implement this statement for the Postemployment Medical and Life Insurance Benefits program, and will complete the implementation of this statement in fiscal year 2018 when information required by this reporting standard will be available for the Retirement Health Insurance Account.

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.

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. 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. The District will begin reporting results of the Retirement Health Insurance Account under this standard in fiscal year 2018 when information required for reporting is available from PERS.

GASB Statement No. 82 *“Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73.”* The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2017, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer’s pension liability is measured as of a date other than the employer’s most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions will take effect for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. As the above noted exception applies to the District, implementation of GASB Statement No. 82 will occur in the first applicable reporting period.

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)

N. Change in Accounting Principal

In implementing GASB Statement No. 73 and Statement No. 75, the District has restated beginning net position in order to recognize the District's Total OPEB Liability (related to the *Early Termination - Stipend Benefits* plan) and *Total OPEB Medical and Life Liability* (related to the *Postemployment Medical and Life Insurance Benefits* plan). In prior years, these plans were accounted for and reported in accordance with GASB Statement No. 27 and Statement No. 45, respectively.

Net position has been restated as follows:

Net position as previously reported at June 30, 2016		\$ (26,851,388)
Prior period adjustment related to GASB Statement No. 73		
Net pension obligation (as of June 30, 2016)	452,554	
Total OPEB Liability (as of June 30, 2016)	(1,344,418)	
Prior period adjustment related to GASB Statement No. 75		
Net pension obligation (as of June 30, 2016)	4,365,400	
Total OPEB Medical and Life Liability (as of June 30, 2016)	(26,971,363)	<u>(23,497,827)</u>
Net position as restated, July 1, 2016		<u>\$ (50,349,215)</u>

O. Subsequent Events

Management has evaluated subsequent events through December 14, 2017, 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.

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REQUIRED SUPPLEMENTARY INFORMATION

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2017

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
2017	1.14553912%	\$ 171,972,020	\$ 87,591,258	196.33%	80.53%
2016	1.24405605%	71,426,997	83,098,293	85.95%	91.88%
2015	1.30039080%	(29,476,149)	79,685,167	-36.99%	103.60%
2014	1.30039080%	66,360,848	77,155,912	86.01%	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
2017	\$ 12,378,824	\$ 12,378,824	\$ -	\$ 91,493,283	13.53%
2016	12,195,391	12,195,391	-	87,591,258	13.92%
2015	13,613,624	13,613,624	-	83,098,293	16.38%
2014	12,865,509	12,865,509	-	79,685,167	16.15%

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, 2016 valuation are described in the Oregon Public Employees Retirement System's Actuarial Presentations and Reports Information which can be found at:

<http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

Additional details and a comprehensive list of changes in methods and assumptions can be found in the 2014 Experience Study for the System, which was published on September 2015, and can be found at: <http://www.oregon.gov/pers/Pages/Financials/Actuarial-Presentations-and-Reports.aspx>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2017

B. Other Postemployment Benefit Obligation

1. Early Termination – Stipend Benefits

Actuarial Valuation Date	Actuarial Measurement Date	Total Pension Liability	Covered-Employee Payroll	Total Pension Liability as a Percentage of Covered-Employee Payroll
07/01/16	6/30/17	\$ 1,155,533	\$ 11,815,127	9.78%

2. Postemployment Medical and Life Insurance Benefits

Actuarial Valuation Date	Actuarial Measurement Date	Total OPEB Medical and Life Liability	Covered-Employee Payroll	Total OPEB Liability as a Percentage of Covered-Employee Payroll
07/01/16	6/30/17	\$ 26,034,473	\$ 122,064,291	21.33%

The OPEB 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.

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COMBINING STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

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

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

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

PROPRIETARY FUNDS

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

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

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

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Special Revenue Funds		Total
	Nutrition Services	School Resources	
ASSETS			
Equity in pooled cash and investments	\$ -	\$ 6,596,548	\$ 6,596,548
Cash and investments	1,100	3,200,025	3,201,125
Receivables			
Accounts and other receivables	399,844	421,540	821,384
Due from other funds	266,560	-	266,560
Inventories	106,387	-	106,387
<i>Total Assets</i>	<u>\$ 773,891</u>	<u>\$ 10,218,113</u>	<u>\$ 10,992,004</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 346,036	\$ 40,355	\$ 386,391
Fund balances			
Nonspendable	106,387	-	106,387
Restricted	-	-	-
Committed	321,468	10,177,758	10,499,226
<i>Total Fund Balances</i>	<u>427,855</u>	<u>10,177,758</u>	<u>10,605,613</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 773,891</u>	<u>\$ 10,218,113</u>	<u>\$ 10,992,004</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	Special Revenue Funds		Totals
	Nutrition Services	School Resources	
REVENUES			
Local sources			
Charges for services	\$ 1,063,178	\$ 3,491,321	\$ 4,554,499
Miscellaneous	9,712	-	9,712
Intergovernmental			
State sources	90,131	-	90,131
Federal sources	4,041,355	-	4,041,355
<i>Total Revenues</i>	5,204,376	3,491,321	8,695,697
EXPENDITURES			
Current			
Instruction	-	3,947,650	3,947,650
Supporting services	-	861,647	861,647
Community services	5,076,910	-	5,076,910
Capital outlay	-	5,702	5,702
<i>Total Expenditures</i>	5,076,910	4,814,999	9,891,909
REVENUES OVER (UNDER) EXPENDITURES	127,466	(1,323,678)	(1,196,212)
OTHER FINANCING SOURCES			
Transfers in	50,136	1,924,341	1,974,477
NET CHANGE IN FUND BALANCES	177,602	600,663	778,265
FUND BALANCES, Beginning of year	250,253	9,577,095	9,827,348
FUND BALANCES, End of year	\$ 427,855	\$ 10,177,758	\$ 10,605,613

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
COMBINING STATEMENT OF NET POSITION
ALL INTERNAL SERVICE FUNDS
JUNE 30, 2017

	<u>Insurance Reserve Fund</u>	<u>Postemployment Benefits Fund</u>	<u>Total</u>
ASSETS			
Current assets:			
Equity in pooled cash and investments	\$ 13,121,650	\$ 3,174,084	\$ 16,295,734
Accounts and other receivables	123	-	123
<i>Total Assets</i>	<u>13,121,773</u>	<u>3,174,084</u>	<u>16,295,857</u>
LIABILITIES			
Current liabilities:			
Accrued payroll and related charges	315,460	-	315,460
Unearned revenue	1,872,249	-	1,872,249
<i>Total Liabilities</i>	<u>2,187,709</u>	<u>-</u>	<u>2,187,709</u>
NET POSITION			
Unrestricted	<u>10,934,064</u>	<u>3,174,084</u>	<u>14,108,148</u>
<i>Total Net Position</i>	<u>\$ 10,934,064</u>	<u>\$ 3,174,084</u>	<u>\$ 14,108,148</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, 2017

	<u>Insurance Reserve Fund</u>	<u>Postemployment Benefits Fund</u>	<u>Totals</u>
OPERATING REVENUES			
Interfund charges for services	\$ 31,192,182	\$ 1,637,522	\$ 32,829,704
Other reimbursements	216,665	-	216,665
<i>Total Operating Revenues</i>	31,408,847	1,637,522	33,046,369
OPERATING EXPENSES	31,211,264	1,578,383	32,789,647
OPERATING INCOME	197,583	59,139	256,722
NONOPERATING REVENUES			
Interest income	68,319	-	68,319
INCOME BEFORE TRANSFERS	265,902	59,139	325,041
TRANSFERS			
Transfers in	1,059,456	-	1,059,456
Transfers out	(526,800)	-	(526,800)
<i>Total Transfers</i>	532,656	-	532,656
CHANGE IN NET POSITION	798,558	59,139	857,697
TOTAL NET POSITION, Beginning of year¹	10,135,506	3,114,945	13,250,451
TOTAL NET POSITION, End of year	<u>\$ 10,934,064</u>	<u>\$ 3,174,084</u>	<u>\$ 14,108,148</u>

¹ Restated - see Note N

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2017

	Insurance Reserve Fund	Postemployment Benefits Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 216,665	\$ -	\$ 216,665
Receipts from interfund services provided	31,492,836	1,637,522	33,130,358
Payments to suppliers	(30,454,058)	-	(30,454,058)
Payments to employees	(776,179)	-	(776,179)
Payments to retirees	-	(1,586,140)	(1,586,140)
	<u>479,264</u>	<u>51,382</u>	<u>530,646</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in from other funds	1,059,456	-	1,059,456
Transfers out to other funds	(526,800)	-	(526,800)
	<u>532,656</u>	<u>-</u>	<u>532,656</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	68,319	-	68,319
	<u>68,319</u>	<u>-</u>	<u>68,319</u>
<i>Net Decrease in Cash and Cash Equivalents</i>	1,080,239	51,382	1,131,621
CASH AND CASH EQUIVALENTS, Beginning of year	<u>12,041,411</u>	<u>3,122,702</u>	<u>15,164,113</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 13,121,650</u>	<u>\$ 3,174,084</u>	<u>\$ 16,295,734</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income	\$ 197,583	\$ 59,139	\$ 256,722
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Decrease (increase) in accounts and other receivables	(124)	-	(124)
Increase (decrease) in accounts and other payables	-	(7,757)	(7,757)
Increase (decrease) in accrued payroll and related charges	(18,973)	-	(18,973)
Increase (decrease) in unearned revenue	300,778	-	300,778
	<u>281,681</u>	<u>(7,757)</u>	<u>273,924</u>
Total adjustments	<u>281,681</u>	<u>(7,757)</u>	<u>273,924</u>
Net cash provided (used) by operating activities	<u>\$ 479,264</u>	<u>\$ 51,382</u>	<u>\$ 530,646</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, 2017

	Original and Final Budget	Variance with Final Budget	Actual		
			Budget Basis	Adjustments	GAAP Basis
REVENUES					
Local sources					
Taxes	\$ 22,481,606	\$ 133,587	\$ 22,615,193	\$ -	\$ 22,615,193
Charges for services	4,442,256	266,095	4,708,351	-	4,708,351
Interest earnings	55,000	89,440	144,440	-	144,440
Intergovernmental					
Federal sources	656,355	-	656,355	-	656,355
<i>Total Revenues</i>	<u>27,635,217</u>	<u>489,122</u>	<u>28,124,339</u>	<u>-</u>	<u>28,124,339</u>
EXPENDITURES					
Debt service					
Principal	15,865,561	570,561	15,295,000	-	15,295,000
Interest	11,417,117	(529,064)	11,946,181	-	11,946,181
<i>Total Expenditures</i>	<u>27,282,678</u>	<u>41,497</u>	<u>27,241,181</u>	<u>-</u>	<u>27,241,181</u>
REVENUES OVER (UNDER)					
EXPENDITURES	<u>352,539</u>	<u>530,619</u>	<u>883,158</u>	<u>-</u>	<u>883,158</u>
NET CHANGE IN FUND BALANCE	352,539	530,619	883,158	-	883,158
FUND BALANCE, Beginning of year	<u>12,290,251</u>	<u>(79,948)</u>	<u>12,210,303</u>	<u>-</u>	<u>12,210,303</u>
FUND BALANCE, End of year	<u>\$ 12,642,790</u>	<u>\$ 450,671</u>	<u>\$ 13,093,461</u>	<u>\$ -</u>	<u>\$ 13,093,461</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, 2017

	<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	\$ 45,000	\$ 45,000	\$ 936	\$ 45,936	\$ -	\$ 45,936
Interest earnings	155,000	155,000	62,904	217,904	-	217,904
Miscellaneous	45,000	45,000	67,656	112,656	-	112,656
Intergovernmental						
State sources	<u>725,000</u>	<u>725,000</u>	<u>(100,180)</u>	<u>624,820</u>	<u>-</u>	<u>624,820</u>
<i>Total Revenues</i>	970,000	970,000	31,316	1,001,316	-	1,001,316
EXPENDITURES						
Current						
Instruction	1	900,001	132,734	767,267	-	767,267
Supporting services	11,171,029	10,271,029	5,756,941	4,514,088	(63,471)	4,450,617
Community services	1	1	1	-	-	-
Facilities acquisition and construction	64,252,831	64,252,831	11,412,488	52,840,343	(34,845,285)	17,995,058
Debt service						
Principal	2,865,559	2,865,559	2,500,000	365,559	-	365,559
Interest	58,307	58,307	18,751	39,556	-	39,556
Operating contingency	10,880	10,880	10,880	-	-	-
Capital outlay	-	-	-	-	34,908,756	34,908,756
<i>Total Expenditures</i>	<u>78,358,608</u>	<u>78,358,608</u>	<u>19,831,795</u>	<u>58,526,813</u>	<u>-</u>	<u>58,526,813</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(77,388,608)</u>	<u>(77,388,608)</u>	<u>19,863,111</u>	<u>(57,525,497)</u>	<u>-</u>	<u>(57,525,497)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	429,385	429,385	-	429,385
Transfers out	(2)	(2)	2	-	-	-
Interfund loan	2,500,000	2,500,000	(2,500,000)	-	-	-
Construction bonds issued	-	-	45,255,000	45,255,000	-	45,255,000
Premium on bonds issued	-	-	5,863,383	5,863,383	-	5,863,383
Capital leases	-	-	-	-	-	-
Sale of capital assets	65,000	65,000	109,407	174,407	-	174,407
Insurance recoveries	-	-	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>2,564,998</u>	<u>2,564,998</u>	<u>49,157,177</u>	<u>51,722,175</u>	<u>-</u>	<u>51,722,175</u>
NET CHANGE IN FUND BALANCE	<u>(74,823,610)</u>	<u>(74,823,610)</u>	<u>69,020,288</u>	<u>(5,803,322)</u>	<u>-</u>	<u>(5,803,322)</u>
FUND BALANCE, Beginning of year	<u>74,823,610</u>	<u>74,823,610</u>	<u>2,702,533</u>	<u>77,526,143</u>	<u>-</u>	<u>77,526,143</u>
FUND BALANCE, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,722,821</u>	<u>\$ 71,722,821</u>	<u>\$ -</u>	<u>\$ 71,722,821</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, 2017

	<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	\$ 1,147,000	\$ (83,822)	\$ 1,063,178	\$ -	\$ 1,063,178
Miscellaneous	51,361	(41,649)	9,712	-	9,712
Intergovernmental					
State sources	96,000	(5,869)	90,131	-	90,131
Federal sources	3,616,000	446,036	4,062,036	(20,681)	4,041,355
<i>Total Revenues</i>	4,910,361	314,696	5,225,057	(20,681)	5,204,376
EXPENDITURES					
Current					
Community services	5,079,853	2,943	5,076,910	-	5,076,910
Operating contingency	1	1	-	-	-
<i>Total Expenditures</i>	5,079,854	2,944	5,076,910	-	5,076,910
REVENUES OVER (UNDER) EXPENDITURES	(169,493)	317,640	148,147	(20,681)	127,466
OTHER FINANCING SOURCES					
Transfers in	169,494	119,358	50,136	-	50,136
NET CHANGE IN FUND BALANCE	1	198,282	198,283	(20,681)	177,602
FUND BALANCE, Beginning of year	-	123,185	123,185	127,068	250,253
FUND BALANCE, End of year	<u>\$ 1</u>	<u>\$ 321,467</u>	<u>\$ 321,468</u>	<u>\$ 106,387</u>	<u>\$ 427,855</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (SCHOOL RESOURCES FUND)
YEAR ENDED JUNE 30, 2017

	Final Budget	Variance with Final Budget	Budget Basis	Actual Adjustments	GAAP Basis
REVENUES					
Local sources					
Charges for services	\$ 4,700,000	\$ (1,208,679)	\$ 3,491,321	\$ -	\$ 3,491,321
Miscellaneous	10,000	(10,000)	-	-	-
Total Revenues	4,710,000	(1,218,679)	3,491,321	-	3,491,321
EXPENDITURES					
Current					
Instruction	6,147,750	2,200,099	3,947,651	-	3,947,651
Supporting services	4,714,890	3,847,541	867,349	(5,702)	861,647
Community services	1	1	-	-	-
Facilities acquisition and construction	1	1	-	-	-
Operating contingency	509,997	509,997	-	-	-
Capital outlay	-	-	-	5,702	5,702
Total Expenditures	11,372,639	6,557,639	4,815,000	-	4,815,000
REVENUES OVER (UNDER) EXPENDITURES	(6,662,639)	(5,338,960)	(1,323,679)	-	(1,323,679)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	1,924,341	1,924,341	-	1,924,341
Transfers out	(17,361)	17,361	-	-	-
Total Other Financing Sources (Uses)	(17,361)	1,941,702	1,924,341	-	1,924,341
NET CHANGE IN FUND BALANCE	(6,680,000)	7,280,662	600,662	-	600,662
FUND BALANCE, Beginning of year	9,180,000	397,095	9,577,095	-	9,577,095
FUND BALANCE, End of year	\$ 2,500,000	\$ 7,677,757	\$ 10,177,757	\$ -	\$ 10,177,757

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, 2017

	<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	\$ 46,319	\$ 68,319	\$ -	\$ 68,319
Miscellaneous	32,619,698	(1,427,516)	31,192,182	-	31,192,182
Intergovernmental					
State sources	<u>300,000</u>	<u>(83,335)</u>	<u>216,665</u>	<u>-</u>	<u>216,665</u>
<i>Total Revenues</i>	32,941,698	(1,464,532)	31,477,166	-	31,477,166
EXPENSES					
Current					
Instruction	1	1	-	-	-
Supporting services	33,315,714	2,104,450	31,211,264	-	31,211,264
Community services	1	1	-	-	-
Operating contingency	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Expenses</i>	<u>33,815,716</u>	<u>2,604,452</u>	<u>31,211,264</u>	<u>-</u>	<u>31,211,264</u>
REVENUES OVER (UNDER) EXPENSES	(874,018)	1,139,920	265,902	-	265,902
OTHER FINANCING SOURCES (USES)					
Transfers in	1,125,000	(65,544)	1,059,456	-	1,059,456
Transfers out	<u>(531,001)</u>	<u>4,201</u>	<u>(526,800)</u>	<u>-</u>	<u>(526,800)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>593,999</u>	<u>(61,343)</u>	<u>532,656</u>	<u>-</u>	<u>532,656</u>
NET CHANGE IN FUND NET POSITION	(280,019)	1,078,577	798,558	-	798,558
FUND NET POSITION, Beginning of year	<u>9,156,419</u>	<u>979,087</u>	<u>10,135,506</u>	<u>-</u>	<u>10,135,506</u>
FUND NET POSITION, End of year	<u>\$ 8,876,400</u>	<u>\$ 2,057,664</u>	<u>\$ 10,934,064</u>	<u>\$ -</u>	<u>\$ 10,934,064</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, 2017

	<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					
Miscellaneous	\$ 1,500,000	\$ 137,522	\$ 1,637,522	\$ -	\$ 1,637,522
EXPENSES					
Current					
Supporting services	1,888,660	310,277	1,578,383	-	1,578,383
Operating contingency	400,000	400,000	-	-	-
Total Expenses	<u>2,288,660</u>	<u>710,277</u>	<u>1,578,383</u>	<u>-</u>	<u>1,578,383</u>
REVENUES OVER (UNDER) EXPENSES	(788,660)	847,799	59,139	-	59,139
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>(1)</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND NET POSITION	(788,661)	847,800	59,139	-	59,139
FUND NET POSITION, Beginning of year	<u>2,806,324</u>	<u>308,621</u>	<u>3,114,945</u>	<u>-</u>	<u>3,114,945</u>
FUND NET POSITION, End of year	<u><u>\$ 2,017,663</u></u>	<u><u>\$ 1,156,421</u></u>	<u><u>\$ 3,174,084</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,174,084</u></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, 2017 AND 2016

	2017	2016
Governmental funds capital assets:		
Land	\$ 1,820,334	\$ 1,808,570
Construction in progress	105,029,807	71,367,152
Athletic field improvements	14,185,413	14,185,413
Buildings and improvements	308,421,345	307,250,480
Equipment	15,321,312	15,270,626
Vehicles	13,685,512	15,181,909
Intangibles	2,617,545	2,617,545
Total governmental funds capital assets	<u>\$ 461,081,268</u>	<u>\$ 427,681,695</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, 2017

	<u>Land</u>	<u>Athletic Field Improvements</u>	<u>Buildings and Improvements</u>
Direct classroom services			
Regular instruction	\$ 886,349	\$ -	\$ 167,701,123
Special programs	<u>209,753</u>	<u>-</u>	<u>39,686,253</u>
Total direct classroom services	<u>1,096,102</u>	<u>-</u>	<u>207,387,376</u>
Classroom support services			
Extracurricular activities	30,399	14,185,413	5,751,631
Counselors, nurses and student support	78,974	-	19,013,145
Libraries, curriculum and staff development	26,617	-	8,388,472
School administration	156,338	-	29,579,816
Community services	6,948	-	1,314,658
Total classroom support services	<u>299,276</u>	<u>14,185,413</u>	<u>64,047,722</u>
Building support services			
Facilities operation and maintenance	182,542	-	10,352,944
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>17,875,989</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>64,929</u>	<u>-</u>	<u>13,082,865</u>
Total governmental funds capital assets	<u>\$ 1,820,334</u>	<u>\$ 14,185,413</u>	<u>\$ 308,421,345</u>

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

<i>Equipment</i>	<i>Vehicles</i>	<i>Intangibles</i>	<i>Construction in Progress</i>	<i>Total</i>
\$ 392,383	\$ -	\$ -	\$ 105,029,807	\$ 274,009,662
142,169	-	-	-	40,038,175
<u>534,552</u>	<u>-</u>	<u>-</u>	<u>105,029,807</u>	<u>314,047,837</u>
73,360	-	-	-	20,040,803
328,503	-	-	-	19,420,622
131,907	-	-	-	8,546,996
441,749	-	-	-	30,177,903
588,009	-	-	-	1,909,615
<u>1,563,528</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,095,939</u>
3,460,727	2,161,607	-	-	16,157,820
183,486	11,127,182	-	-	14,684,844
9,462,077	53,019	2,617,545	-	15,204,540
-	343,704	-	-	1,590,941
<u>13,106,290</u>	<u>13,685,512</u>	<u>2,617,545</u>	<u>-</u>	<u>47,638,145</u>
21,293	-	-	-	800,290
50,954	-	-	-	2,545,428
17,415	-	-	-	2,310,316
9,315	-	-	-	477,554
<u>98,977</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,133,588</u>
17,965	-	-	-	13,165,759
<u>\$ 15,321,312</u>	<u>\$ 13,685,512</u>	<u>\$ 2,617,545</u>	<u>\$ 105,029,807</u>	<u>\$ 461,081,268</u>

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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, 2016 AND 2017

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 2017 and 2016 follows:

	2017			2016		
	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	67,752,776	21,964,633	23,327,026	65,859,605	21,127,143	21,975,505
Rounding gain (loss)	312	-	1,597	1,018	171,671	1,863
Measure 5 compression loss	(753,914)	(9,643,587)	-	(729,941)	(9,535,445)	-
Taxes imposed for District	<u>\$ 66,999,174</u>	<u>\$ 12,321,046</u>	<u>\$ 23,328,623</u>	<u>\$ 65,130,682</u>	<u>\$ 11,763,369</u>	<u>\$ 21,977,368</u>
District tax rate per \$1,000 of TAV ⁽¹⁾	<u>\$ 4.70</u>	<u>\$ 0.86</u>	<u>\$ 1.62</u>	<u>\$ 4.70</u>	<u>\$ 0.85</u>	<u>\$ 1.56</u>

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

	Lane	Linn
2017	\$ 14,256,354,553	\$ 11,893,555
2016	\$ 13,858,170,699	\$ 11,389,069

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, 2017

	Current Levy and Taxes July 1, 2016	Tax Collections	Discounts and Adjustments	Taxes Receivable June 30, 2017		
				Total	General Fund	Debt Service Fund
2016-2017	\$ 102,648,843	\$ 96,926,614	\$ 2,951,013	\$ 2,771,216	\$ 2,168,441	\$ 602,775
2015-2016	2,753,009	1,019,499	84,053	1,649,457	1,286,279	363,178
2014-2015	1,577,253	431,677	52,485	1,093,091	847,655	245,436
2013-2014	1,011,286	262,888	40,016	708,382	544,399	163,983
2012-2013	627,300	141,791	12,515	472,994	389,421	83,573
2011-2012	464,000	26,449	5,754	431,797	349,842	81,955
2010-2011	411,843	11,609	4,416	395,818	321,741	74,077
Prior	785,036	15,265	10,113	759,658	639,979	119,679
Totals	\$ 110,278,570	\$ 98,835,792	\$ 3,160,365	\$ 8,282,413	\$ 6,547,757	\$ 1,734,656

	Total
SUMMARY OF PROPERTY TAX REVENUE	
Tax collection shown above	\$ 98,835,792
Decrease in taxes available to meet current demands, net	(6,037)
Interest on tax collection	456,899
Assessment of additional taxes and penalties, Lane County	343,566
Payments in lieu of tax and other adjustments	60,009
Total Tax Revenue (Budgetary Basis)	\$ 99,690,229
GENERAL FUND	\$ 77,075,036
DEBT SERVICE FUND	22,615,193
	\$ 99,690,229

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
DEBT INFORMATION
YEAR ENDED JUNE 30, 2017

	<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	09/23/2008	07/01/2017	\$ 47,295,000	\$ 11,680,000
2011A School Improvement	08/11/2011	06/15/2023	15,870,000	14,585,000
2011B School Improvement	08/11/2011	06/15/2028	15,000,000	15,000,000
2011C School Improvement	08/11/2011	06/15/2031	4,127,258	4,127,258
2012 Refunding	10/17/2012	06/15/2025	37,405,000	29,835,000
2013A School improvement	08/28/2013	06/15/2031	34,035,000	34,035,000
2013B School improvement	08/28/2013	06/15/2028	5,961,054	4,693,143
2014 School improvement	09/18/2014	06/15/2034	80,000,000	79,105,000
2016 School improvement	06/16/2016	06/15/2029	39,750,000	39,750,000
2017 School improvement	06/15/2017	06/15/2037	45,255,000	45,255,000
<i>Total General Obligation Bonds</i>			324,698,312	278,065,401
Pension Bonds	02/19/2004	06/30/2028	53,435,000	43,595,000
<i>Total GO and Pension Bonds</i>			378,133,312	321,660,401
CAPITAL LEASE PURCHASE AGREEMENTS				
SunTrust	06/13/2007	07/15/2017	310,575	36,989
SunTrust	07/25/2007	07/25/2017	104,667	12,698
SunTrust	09/30/2008	07/15/2018	472,302	111,377
US Bancorp Government Leasing and Finance	07/15/2011	07/15/2021	1,382,438	712,031
US Bancorp Government Leasing and Finance	08/30/2012	07/30/2022	649,080	403,097
<i>Total Capital Lease Purchase Agreements</i>			2,919,062	1,276,192
<i>Total Gross Direct and Net Direct Debt</i>			<u>\$ 381,052,374</u>	<u>\$ 322,936,593</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, 2017

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⁾	\$ 278,065,401
Net overlapping debt	71,750,373
Total net property-tax backed plus overlapping debt	<u>\$ 349,815,774</u>

PER CAPITA RATIOS		<u>Amount per Capita</u>	<u>Percentage</u>
2016-17 estimated District population	158,309		
2016-17 real market value	<u>\$ 21,296,014,902</u>	<u>\$ 134,522</u>	
Gross and net property-tax backed debt	\$ 278,065,401	\$ 1,756	1.31%
Net overlapping debt	71,750,373	453	0.34%
Total net direct plus overlapping debt	<u>\$ 349,815,774</u>	<u>\$ 2,209</u>	<u>1.64%</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, 2017

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 (2016-17)	\$ 21,296,014,902
General obligation debt capacity (7.95% of Real Market Value)	1,693,033,185
Outstanding obligations subject to limit	278,065,401
Less: amount available in debt service fund	<u>12,223,197</u>
Remaining debt capacity	<u>\$ 1,427,190,981</u>
Percent of general obligation debt Capacity issued	15.70%

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, 2017

	<u>2016-17</u> <u>Budget</u>	<u>2017-18</u> <u>Budget</u>
	<i>(in thousands)</i>	
RESOURCES		
State School Funding		
Property taxes	\$ 64,144	\$ 65,183
Property taxes, prior years	1,979	1,462
State School Fund	80,416	85,242
Other SSF revenues	1,963	2,245
Local option property tax	12,126	11,911
Transfers	516	136
Other sources	<u>5,741</u>	<u>5,658</u>
<i>Total Revenues</i>	166,885	171,837
Beginning net working capital	<u>12,414</u>	<u>20,395</u>
<i>Total Budget Resources</i>	<u><u>\$ 179,299</u></u>	<u><u>\$ 192,232</u></u>
REQUIREMENTS		
Salaries	\$ 87,727	\$ 89,300
Benefits	55,379	59,881
Services	16,695	17,692
Supplies	5,487	5,811
Equipment	69	65
Other	2,216	1,718
Operations Reserve	3,701	5,262
Contingency	<u>2,310</u>	<u>6,211</u>
<i>Total Expenditures</i>	173,584	185,940
Unappropriated balance	<u>5,715</u>	<u>6,292</u>
<i>Total Budget Requirements</i>	<u><u>\$ 179,299</u></u>	<u><u>\$ 192,232</u></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, 2017

	Cash Balance 07/01/2016	SBA Cash Receipts	SBA Disbursements	Cash Balance 06/30/2017
High Schools:				
Churchill	\$ 247,491	\$ 479,355	\$ 542,467	\$ 184,379
Comm.Lvg.Prgm	8,795	-	-	8,795
Early Col&Career Opt	29,546	6,381	6,977	28,950
North Eugene	298,416	437,539	458,067	277,888
Sheldon	445,846	961,792	898,639	508,999
South Eugene	270,402	826,838	800,653	296,587
Transition Ed. Netwk	9,171	-	-	9,171
<i>Total High Schools</i>	<u>1,309,667</u>	<u>2,711,905</u>	<u>2,706,803</u>	<u>1,314,769</u>
Middle Schools:				
Arts & Technology	54,429	35,277	25,045	64,661
Cal Young	156,483	80,605	71,311	165,777
Colin Kelly	86,921	46,415	45,418	87,918
Kennedy	51,315	59,555	80,569	30,301
Madison	105,416	57,317	49,800	112,933
Monroe	109,188	95,895	95,579	109,504
Roosevelt	207,497	122,244	140,482	189,259
Spencer Butte	182,936	102,263	99,170	186,029
<i>Total Middle Schools</i>	<u>954,185</u>	<u>599,571</u>	<u>607,374</u>	<u>946,382</u>
Elementary Schools:				
Adams	44,050	41,278	29,079	56,249
Awbrey Park	51,952	39,393	41,268	50,077
Bertha Holt	113,927	35,884	47,050	102,761
Buena Vista	8,925	25,250	20,252	13,923
Camas Ridge	113,130	38,567	59,307	92,390
Cesar Chavez	14,730	37,994	42,052	10,672
Charlemagne Fox Hollow	13,058	28,641	10,871	30,828
Corridor	23,467	31,498	28,471	26,494
Edgewood	83,342	56,435	54,066	85,711
Edison	117,135	112,302	149,157	80,280
Family	14,233	26,215	10,629	29,819
Gilham	32,768	61,725	64,447	30,046
Howard	8,045	31,665	24,066	15,644
McCornack	37,617	52,347	46,932	43,032
River Road/Camino Del Rio	21,731	39,385	31,436	29,680
Spring Creek	25,244	13,702	12,702	26,244
Twin Oaks	39,098	17,805	16,744	40,159
Willagillespie	72,826	76,483	34,821	114,487
Yujin Gakuen	59,692	43,284	42,598	60,378
<i>Total Elementary Schools</i>	<u>894,970</u>	<u>809,853</u>	<u>765,949</u>	<u>938,874</u>
TOTAL ALL SCHOOLS	<u><u>3,158,822</u></u>	<u><u>4,121,329</u></u>	<u><u>4,080,126</u></u>	<u><u>3,200,025</u></u>

LANE COUNTY SCHOOL DISTRICT No. 4J, Eugene, Oregon
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2017

	Pass-Through/ Entity Identifying Number	Federal CFDA Number	Current Year's Revenues and Expenditures	Expenditures to Subrecipients
U.S. Department of Education				
Direct Programs				
Indian Education Grants to Local Educational Agencies	S060A161100	84.060A	266,426	
Total Direct Programs			266,426	
Passed Through Oregon State Department of Education				
Title I Grants to Local Educational Agencies				
Title I: Grants to Local Educational Agencies	35969	84.010	1,346,171	
Title I: Grants to Local Educational Agencies	41053	84.010	2,149,773	
Title IAD: Grants to Local Educational Agencies - Priority/Focus Improvement (RR)	41832	84.010	29,933	
Title IAD: Grants to Local Educational Agencies - Priority/Focus Improvement (SC)	37549	84.010	16,066	
Title IAD: Grants to Local Educational Agencies - Priority/Focus Improvement (SC)	41833	84.010	30,974	
Title ID: Grants to Local Educational Agencies	36556	84.010	17,393	
Title ID: Grants to Local Educational Agencies	41198	84.010	20,081	
Subtotal Title I			3,610,391	
Supporting Effective Instruction State Grants				
Supporting Effective Instruction State Grants - Class Size Reduction	36166	84.367	338,783	
Supporting Effective Instruction State Grants - Class Size Reduction	41308	84.367	370,486	
Subtotal Title IIA			709,269	
Mathematics and Science Partnerships				
Mathematics & Science Partnerships	34376	84.366	68	
Mathematics & Science Partnerships (Passed through University of Oregon)	2406V0C	84.366	5,145	
Subtotal Title IIB			5,213	
English Language Acquisition State Grants				
English Language Acquisition State Grants	41756	84.365	38,243	
English Language Acquisition State Grants	36320	84.365	17,793	
English Language Acquisition State Grants - Immigrant	32826	84.365	2,598	
Subtotal Title III			58,634	
Career & Technical Education				
Basic Grants to States-Perkins (Passed through Lane ESD)	NA	84.048	74,549	
Subtotal Career and Technical Education			74,549	
Education for Homeless Children and Youth				
McKinney Vinto (Passed through Lane ESD)	NA	84.196	14,026	
Subtotal Education for Homeless Children and Youth			14,026	
Twenty-First Century Community Learning Centers				
Twenty-First Century Community Learning Centers (Cohort 3 Year 3)	36380	84.287	126,440	
Twenty-First Century Community Learning Centers (Cohort 3 Year 4)	40518	84.287	336,445	
Subtotal Twenty-First Century Community Learning Centers			462,885	
Education Research, Development and Dissemination				
Freshman Success Research Grant (Passed through University of Oregon)	NA	84.305A	5,779	
Subtotal Education Research, Development and Dissemination			5,779	
Special Education Grants to States				
Regional Orthopedic Impaired (Passed through Lane ESD)	NA	84.027	13,403	
Traumatic Brain Injury (Passed through Lane ESD)	NA	84.027	24,931	
Extended Assessment	41957	84.027	7,200	
IDEA Enhancement Grant	42640	84.027	12,731	
IDEA Part B, Section 611	36846	84.027	1,286,578	
IDEA Part B, Section 611	41502	84.027	2,296,199	
System Performance Review & Improvement (SPRI)	40821	84.027	9,170	
Elevating and Celebrating Effective Teaching and Teachers (ECET ²)	43468	84.027	2,000	
Subtotal Special Education			3,652,212	
Special Education Preschool Grants				
IDEA Part B, Section 519	37158	84.173	16,832	
IDEA Part B, Section 519	40584	84.173	5,682	
Subtotal Special Education Preschool			22,514	
Total U.S. Department of Education			8,881,898	
U.S. Department of Transportation				
Passed Through Lane Transit District				
Highway Planning and Construction (Student Traffic Safety Program)	2012-52	20.205	19,488	
Highway Planning and Construction (Student Traffic Safety Program)	2016-70	20.205	58,613	
Total U.S. Department of Transportation			78,101	

LANE COUNTY SCHOOL DISTRICT No. 4J, Eugene, Oregon
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

	Pass-Through/ Entity Identifying Number	Federal CFDA Number	Current Year's Revenues and Expenditures	Expenditures to Subrecipients
U.S. Department of Health and Human Services				
Passed Through Lane County, Oregon				
Promoting Safe and Stable Families (Family Resource Ctr II 2014-2015; Lane County CCF)	50847A3	93.556	6,238	
Promoting Safe and Stable Families (Family Resource Ctr III 2014-2015; Lane County CCF)	50847A4	93.556	4,718	
Subtotal Promoting Safe and Stable Families			10,956	
Passed through Oregon Employment Department - Child Care Division				
Child Care and Development Block Grant	9964	93.575	53,697	
Total U.S. Department of Health and Human Services			64,653	
U.S. Department of Justice				
Passed through the University of Oregon				
Title V Delinquency Prevention Program (Project STAY OUT)	224370C A1	16.548	37,726	
Total U.S. Department of Justice			37,726	
U.S. Department of Agriculture				
Passed Through Oregon State Department of Education				
Child Nutrition Cluster				
School Breakfast Program - USDA Commodities (Noncash Assistance)	NA	10.553	314,964	
School Breakfast Program	NA	10.553	1,012,080	
National School Lunch Program	NA	10.555	2,592,304	
Child and Adult Care Food Program	NA	10.558	117,410	
State Administrative Expenses for Child Nutrition	NA	10.560	7,760	
Subtotal Child Nutrition Cluster			4,044,518	
Fresh Fruit and Vegetable Program				
Fresh Fruit & Vegetable Program - Chavez Elementary	40719	10.582	1,653	
Fresh Fruit & Vegetable Program - Chavez Elementary	42994	10.582	16,506	
Fresh Fruit & Vegetable Program - Howard Elementary	40736	10.582	1,964	
Fresh Fruit & Vegetable Program - Howard Elementary	43038	10.582	13,339	
Subtotal Fresh Fruit and Vegetable Program			33,462	
Total U.S. Department of Agriculture			4,077,980	
Total Federal Expenditures			13,140,358	
Reconciliation of Federal Expenditures to Federal Revenue				
Federal revenue reported above			13,140,358	
Federal revenue not required to be reported in this schedule:				
Qualified School Construction Bond subsidy			656,355	
Miscellaneous federal revenue			-	
Total revenue from Federal sources			13,796,713	

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

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, 2017.

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 the 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, 2017.

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.

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BUDGETARY COMPARISON SCHEDULES

Pursuant to the provisions of Oregon Revised Statute 297.465, Oregon Administrative Rule #162-010-0130, *Minimum Standards for Audits of Oregon Municipal Corporations*, requires an individual schedule of revenues, expenditures/expenses, and changes in fund balances/net position, 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, 2017

Code	Function	Actual	Budget	Variance
LOCAL REVENUE				
1111	Taxes - current year's levy	\$ 63,658,034	\$ 64,144,000	\$ (485,966)
1112	Taxes - prior years' levies	1,087,019	1,614,000	(526,981)
1120	Local option levy	11,991,464	12,126,000	(134,536)
1190	Penalties and interest on taxes	268,148	315,000	(46,852)
1200	Local governmental units	70,371	50,000	20,371
1310	Regular day school tuition	4,264	-	4,264
1500	Earnings on investments	478,751	167,000	311,751
1700	Extracurricular activities income	587,424	558,000	29,424
1800	Community service income	114,275	123,475	(9,200)
1910	Rentals	313,975	225,000	88,975
1980	Fees charged to grants	564,911	650,000	(85,089)
1990	Refunds and miscellaneous	1,236,964	1,343,710	(106,746)
1000	<i>Total Local Revenue</i>	80,375,600	81,316,185	(940,585)
INTERMEDIATE REVENUE				
2101	County school fund	2,944,465	2,932,350	12,115
2900	Revenue for/on behalf of the District	5,855	10,000	(4,145)
2000	<i>Total Intermediate Revenue</i>	2,950,320	2,942,350	7,970
STATE REVENUE				
3101	State school fund (except 3102 and 3106)	83,399,624	78,816,297	4,583,327
3103	Common school fund	2,323,787	1,663,277	660,510
3199	Other unrestricted grants-in-aid	1,211,206	1,600,000	(388,794)
3299	Other restricted grants-in-aid	-	-	-
3900	Revenue for/on behalf of the District	41,766	31,000	10,766
3000	<i>Total State Revenue</i>	86,976,383	82,110,574	4,865,809
	<i>Total Revenue</i>	170,302,303	166,369,109	3,933,194
OTHER SOURCES				
5200	Transfer from other funds	499,000	516,365	(17,365)
5400	FUND BALANCES, Beginning	18,216,358	12,414,000	5,802,358
6000	TOTAL RESOURCES	\$ 189,017,661	\$ 179,299,474	\$ 9,718,187

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, 2017

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Supplies & Materials
INSTRUCTION					
1100	Regular programs				
1111	Elementary	\$ 20,656,122	\$ 12,419,964	\$ 21,298	\$ 453,981
1113	Elementary extracurricular	14,914	4,747	-	-
1121	Middle/JHS	8,961,722	5,135,491	17,776	210,503
1122	Middle/JHS extracurricular	171,871	51,101	2,060	65
1131	High school	13,935,558	7,976,018	23,697	286,216
1132	High school extracurricular	1,469,497	519,263	187,406	86,282
1200	Special programs				
1210	Talented and gifted	57,151	23,116	1,674	3,372
1220	Restrictive programs for students with disabilities	3,670,502	2,803,846	424,438	15,267
1250	Less restrictive programs for students with disabilities	5,708,659	3,493,324	95,237	9,785
1260	Treatment and habilitation	63,533	36,577	80,769	4,958
1271	Remediation	-	-	-	57
1280	Early intervention/other special programs	637,029	298,136	2,059,607	44,007
1288	Charter school flow through	-	-	5,600,013	-
1290	Other special programs	909,651	562,380	5,345	14,186
1400	Summer school programs	77,143	27,496	38,880	15,833
	<i>Total Instruction</i>	56,333,352	33,351,459	8,558,200	1,144,512
SUPPORTING SERVICES					
2100	Students				
2110	Attendance and social work	463,714	281,926	457,867	-
2120	Guidance services	2,013,589	1,162,838	7,536	5,397
2130	Health services	838,081	546,554	33,436	11,028
2140	Psychological services	674,636	362,859	-	12,578
2150	Speech pathology and audiology services	1,002,852	554,610	1,032	8,376
2160	Educational services	429,394	241,917	-	4,658
2190	Service area direction, students	1,030,066	577,280	203,331	74,819
2200	Instructional staff and educational media	3,376,542	1,686,385	297,007	479,152
2300	General administration				
2310	Board of education	-	-	158,229	263
2320	Executive administration	307,517	162,690	45,242	11,063
2400	School administration				
2410	Principals services	7,629,513	4,610,616	122,162	598,064
2500	Business				
2520	Fiscal services	1,154,089	676,509	113,918	16,094
2540	Operation and maintenance	4,315,152	2,973,301	3,856,069	1,055,842
2550	Student transportation	3,287,250	2,470,082	271,455	776,759
2570	Internal services	181,601	124,885	23,713	(19,555)
2600	Central				
2630	Information services	118,391	69,998	34,594	7,417
2640	Staff services	893,472	548,970	61,119	77,768
2660	Technology services	2,165,078	1,275,432	955,137	367,299
2700	District retirement	-	1,500,000	-	-
	<i>Total Supporting Services</i>	29,880,937	19,826,852	6,641,847	3,487,022
ENTERPRISE AND COMMUNITY SERVICES					
3100	Nutrition services	13,100	9,281	876	3,077
3300	Community services				
3320	Community recreation services	-	-	31,647	-
3500	Custody and care of children services	281,483	178,008	-	-
	<i>Total Enterprise and Community Services</i>	294,583	187,289	32,523	3,077
FACILITIES ACQUISITION AND CONSTRUCTION					
	<i>Total Facilities Acquisition and Construction</i>	-	-	-	-
DEBT SERVICE					
5100	Debt Service	-	-	-	-
OTHER USES					
5200	Interfund Transfers	-	-	-	-
6110	OPERATING CONTINGENCY	-	-	-	-
7000	ENDING BALANCE	-	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	\$ 86,508,872	\$ 53,365,600	\$ 15,232,570	\$ 4,634,611

<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>
\$ -	\$ -	\$ -	\$ 33,551,365		
-	-	-	19,661		
6,145	-	-	14,331,637		
-	-	-	225,097		
-	25,518	-	22,247,007		
-	13,079	-	2,275,527		
-	-	-	85,313		
-	-	-	6,914,053		
-	-	-	9,307,005		
-	-	-	185,837		
-	-	-	57		
-	222,947	-	3,261,726		
-	-	66,836	5,666,849		
-	-	-	1,491,562		
-	-	-	159,352		
6,145	261,544	66,836	99,722,048	\$ 100,987,002	\$ 1,264,954
-	-	-	1,203,507		
-	-	-	3,189,360		
-	2,934	-	1,432,033		
-	-	-	1,050,073		
-	-	-	1,566,870		
-	-	-	675,969		
-	-	-	1,885,496		
-	39,324	-	5,878,410		
-	17,557	-	176,049		
-	2,855	-	529,367		
-	4,325	-	12,964,680		
-	76,696	-	2,037,306		
13,238	726,699	-	12,940,301		
53,586	51,020	-	6,910,152		
-	-	-	310,644		
-	590	-	230,990		
-	2,806	-	1,584,135		
-	300	-	4,763,246		
-	-	-	1,500,000		
66,824	925,106	-	60,828,588	62,148,384	1,319,796
-	-	-	26,334		
-	-	-	31,647		
-	168	-	459,659		
-	168	-	517,640	556,626	38,986
-	-	-	-	1	1
-	-	-	-	1	1
-	-	3,435,518	3,435,518	3,880,564	445,046
-	-	-	-	6,011,421	6,011,421
-	-	24,513,866	24,513,866	5,715,475	(18,798,391)
<u>\$ 72,969</u>	<u>\$ 1,186,818</u>	<u>\$ 28,016,220</u>	<u>\$ 189,017,660</u>	<u>\$ 179,299,474</u>	<u>\$ (9,718,186)</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, 2017

Code	Function	Actual	Budget	Variance
	LOCAL REVENUE			
1111	Taxes - current year's levy	\$ 22,164,880	\$ 22,091,606	\$ 73,274
1112	Taxes - prior years' levies	363,104	325,000	38,104
1190	Penalties and interest on taxes	87,209	65,000	22,209
1500	Earnings on investments	144,440	55,000	89,440
1900	Charges to other funds	4,708,351	4,442,256	266,095
1000	<i>Total Local Revenue</i>	27,467,984	26,978,862	489,122
	REVENUE FROM FEDERAL SOURCES			
4990	Other revenue from Federal sources	656,355	656,355	-
	<i>Total Revenue</i>	28,124,339	27,635,217	489,122
5400	FUND BALANCES, Beginning	12,210,303	12,290,251	(79,948)
6000	TOTAL RESOURCES	<u>\$ 40,334,642</u>	<u>\$ 39,925,468</u>	<u>\$ 409,174</u>

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 (BUDGETARY BASIS) - BUDGET AND ACTUAL - DEBT SERVICE FUND (Continued)
 YEAR ENDED JUNE 30, 2017

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>

<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>
\$ -	\$ 15,295,000	\$ -	\$ 15,295,000		
-	11,946,181	-	11,946,181		
-	27,241,181	-	27,241,181	\$ 27,282,677	\$ 41,496
-	-	13,093,461	13,093,461	12,642,790	(450,671)
<u>\$ -</u>	<u>\$ 27,241,181</u>	<u>\$ 13,093,461</u>	<u>\$ 40,334,642</u>	<u>\$ 39,925,467</u>	<u>\$ (409,175)</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, 2017

Code	Function	Actual	Budget	Variance
LOCAL REVENUE				
1200	Local governmental units other than District	\$ 45,936	\$ 45,000	\$ 936
1500	Earnings on investments	217,904	155,000	62,904
1990	Refunds and miscellaneous	112,656	45,000	67,656
1000	<i>Total Local Revenue</i>	376,496	245,000	131,496
STATE REVENUE				
3222	SSF Transportation	624,820	725,000	(100,180)
	<i>Total Revenue</i>	1,001,316	970,000	31,316
OTHER FINANCING SOURCES				
5110	Construction bonds issued	45,255,000	-	45,255,000
5120	Bond premium	5,863,383	-	5,863,383
5200	Interfund transfers	429,385	-	429,385
5300	Sale of capital assets	174,407	65,000	109,407
	<i>Total Other Sources</i>	51,722,175	65,000	51,657,175
5400	FUND BALANCES, Beginning	77,526,143	74,823,610	2,702,533
6000	TOTAL RESOURCES	<u>\$ 130,249,634</u>	<u>\$ 75,858,610</u>	<u>\$ 54,391,024</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, 2017

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Supplies & Materials
INSTRUCTION					
1100	Regular programs				
1111	Elementary (curricular)	\$ -	\$ -	\$ -	\$ 359,310
1121	Middle/JHS	-	-	-	7,138
1131	High school	-	-	-	400,819
1132	High school extracurricular	-	-	-	-
	<i>Total Instruction</i>	-	-	-	767,267
SUPPORTING SERVICES					
2100	Students				
2190	Service area direction, students	-	-	-	9,351
2500	Business				
2520	Fiscal services	-	-	375,414	-
2540	Operation and maintenance	1,318,747	787,756	42,590	58,191
2550	Student transportation	-	-	-	-
2600	Central				
2660	Technology services	68,207	30,625	242,328	241,207
2700	District retirement	-	11,365	-	-
	<i>Total Supporting Services</i>	1,386,954	829,746	660,332	308,749
ENTERPRISE AND COMMUNITY SERVICES					
	<i>Total Enterprise and Community Services</i>	-	-	-	-
FACILITIES ACQUISITION AND CONSTRUCTION					
4110	Service area direction	1,059	976	76	2,292
4120	Site acquisition and development services	-	-	89,803	14,928
4150	Building acquisition, construction and improvement services	75,748	25,829	3,408,902	1,723,818
	<i>Total Facilities Acquisition and Construction</i>	76,807	26,805	3,498,781	1,741,038
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>	<u>\$ 1,463,761</u>	<u>\$ 856,551</u>	<u>\$ 4,159,113</u>	<u>\$ 2,817,054</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>
\$ -	\$ -	\$ -	\$ 359,310		
-	-	-	7,138		
-	-	-	400,819		
-	-	-	-		
-	-	-	767,267	\$ 900,001	\$ 132,734
-	-	-	9,351		
-	-	-	375,414		
94,944	1,269	-	2,303,497		
1,079,664	-	-	1,079,664		
152,430	-	-	734,797		
-	-	-	11,365		
1,327,038	1,269	-	4,514,088	10,271,029	5,756,941
-	-	-	-	1	1
-	-	-	4,403		
641,740	1,871	-	748,342		
46,350,825	502,476	-	52,087,598		
46,992,565	504,347	-	52,840,343	64,252,831	11,412,488
-	365,559	-	365,559		
-	39,556	-	39,556		
-	405,115	-	405,115	2,923,866	2,518,751
-	-	-	-	2	2
-	-	-	-	10,880	10,880
-	-	71,722,821	71,722,821	-	(71,722,821)
<u>\$ 48,319,603</u>	<u>\$ 910,731</u>	<u>\$ 71,722,821</u>	<u>\$ 130,249,634</u>	<u>\$ 78,358,610</u>	<u>\$ (51,891,024)</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, 2017

<u>Code</u>	<u>Function</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
LOCAL REVENUE				
1310	Regular day school tuition	\$ 24,365	\$ 34,224	\$ (9,859)
1800	Community Services Activities	703	-	703
1910	Rentals	46,290	45,000	1,290
1920	Private contributions	829,024	1,094,922	(265,898)
1940	Services provided to other local education agency	-	50,000	(50,000)
1990	Refunds and miscellaneous	3,039,414	4,478,432	(1,439,018)
1000	<i>Total Local Revenue</i>	3,939,796	5,702,578	(1,762,782)
INTERMEDIATE REVENUE				
2101	County school funds	263,750	274,086	(10,336)
2199	Regular day school tuition	8,531	58,424	(49,893)
2900	Revenue for/on behalf of the District	835	24,621	(23,786)
2000	<i>Total Intermediate Revenue</i>	273,116	357,131	(84,015)
STATE REVENUE				
3101	State School Fund	126,160	2,323	123,837
3204	Drivers education	3,475	67,685	(64,210)
3990	Other revenue from State sources	894,778	1,063,065	(168,287)
3000	<i>Total State Revenue</i>	1,024,413	1,133,073	(108,660)
REVENUE FROM FEDERAL SOURCES				
4300	Restricted grants-in-aid; direct	266,426	266,426	-
4500	Restricted grants-in-aid; through State	8,815,416	10,955,060	(2,139,644)
4700	Grants-in-aid from the Federal government through other intermediate agencies	12,016	-	12,016
4990	Other revenue from Federal sources	5,145	16,498	(11,353)
4000	<i>Total Federal Revenue</i>	9,099,003	11,237,984	(2,138,981)
	<i>Total Revenue</i>	14,336,328	18,430,766	(4,094,438)
5400	FUND BALANCES, Beginning	-	-	-
6000	TOTAL RESOURCES	<u>\$ 14,336,328</u>	<u>\$ 18,430,766</u>	<u>\$ (4,094,438)</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, 2017

<u>Code</u>	<u>Function</u>	<u>100</u> <u>Salaries</u>	<u>200</u> <u>Employee</u> <u>Benefits</u>	<u>300</u> <u>Purchased</u> <u>Services</u>	<u>400</u> <u>Supplies &</u> <u>Materials</u>
INSTRUCTION					
1100	Regular programs				
1111	Elementary	\$ 86,524	\$ 65,119	\$ 15,822	\$ 33,611
1112	Intermediate programs	-	-	-	4,020
1113	Elementary extracurricular	1,456	214	17,336	14,142
1121	Middle/JHS	6,107	4,414	7,266	37,109
1122	Middle/JHS extracurricular	-	-	1,773	6,834
1131	High school	17,309	12,451	26,141	157,201
1132	High school extracurricular	-	-	9,600	9,100
1132	Preschool	115,365	64,261	44,835	21,883
1200	Special programs				
1210	Talented and gifted	-	-	-	2,253
1220	Restrictive programs for students with disabilities	1,428,446	954,193	46,675	25,316
1250	Less restrictive programs for students with disabilities	1,383,965	1,000,358	12,211	37,713
1260	Early intervention	78,370	43,962	124	-
1270	Educationally disadvantaged	1,523,862	1,024,055	207,253	45,458
1280	Early intervention/other special programs	244,866	133,300	118,327	25,665
1290	Other special programs	16,355	8,538	-	25,210
1400	Summer school programs	85,904	29,186	4,702	4,500
	<i>Total Instruction</i>	<u>4,988,529</u>	<u>3,340,051</u>	<u>512,065</u>	<u>450,015</u>
SUPPORTING SERVICES					
2100	Students				
2110	Attendance and social work	151,171	112,363	57,491	17,249
2120	Guidance services	29,744	19,952	-	76
2130	Health services	110,715	59,450	25,351	9,037
2140	Psychological services	101,020	59,830	-	-
2150	Speech pathology and audiology services	116,060	62,916	-	1,391
2160	Educational services	37,286	21,251	233	-
2190	Service area direction, students	132,954	82,955	-	-
2200	Instructional staff and educational media	1,238,032	561,836	317,098	123,131
2400	School administration				
2410	Principals services	3,753	2,274	199	1,506
2500	Business				
2520	Fiscal services	-	-	-	-
2540	Operation and maintenance	217	74	-	999
2550	Student transportation	91,862	-	-	14,785
2600	Central				
2640	Staff services	9,490	6,168	43	271
2660	Technology services	43,448	25,605	70,321	1,125
2700	District retirement	-	120,569	-	-
	<i>Total Supporting Services</i>	<u>2,065,752</u>	<u>1,135,243</u>	<u>470,736</u>	<u>169,570</u>
ENTERPRISE AND COMMUNITY SERVICES					
3100	Food services	3,797	2,387	-	73,678
3300	Community services				
3320	Community recreation services	1,261	438	8,703	1,863
3390	Other community services	237,115	130,335	140,485	15,541
3510	Custoday and care of children services	-	-	-	-
	<i>Total Enterprise and Community Services</i>	<u>242,173</u>	<u>133,160</u>	<u>149,188</u>	<u>91,082</u>
7000	ENDING BALANCE	-	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 7,296,454</u>	<u>\$ 4,608,454</u>	<u>\$ 1,131,989</u>	<u>\$ 710,667</u>

<u>500</u> <u>Capital</u> <u>Outlay</u>	<u>600</u> <u>Other</u> <u>Objects</u>	<u>700</u> <u>Transfers and Flow-</u> <u>through Payments</u>	<u>Actual Fund Total</u>	<u>Appropriations</u>	<u>Variance</u>
\$ -	\$ -	\$ -	\$ 201,076		
-	-	-	4,020		
-	-	-	33,148		
-	-	-	54,896		
-	-	-	8,607		
-	-	-	213,102		
-	6,633	-	25,333		
-	367	-	246,711		
-	-	-	2,253		
-	-	-	2,454,630		
-	-	-	2,434,247		
-	-	-	122,456		
-	-	-	2,800,628		
-	-	-	522,158		
-	-	-	50,103		
-	-	-	124,292		
-	7,000	-	9,297,660	\$ 12,129,149	\$ 2,831,489
-	405	-	338,679		
-	-	-	49,772		
-	-	-	204,553		
-	-	-	160,850		
-	-	-	180,367		
-	-	-	58,770		
-	-	-	215,909		
-	13,549	-	2,253,646		
-	-	-	7,732		
-	564,908	-	564,908		
2,107	-	-	3,397		
-	-	-	106,647		
-	-	-	15,972		
-	-	-	140,499		
-	-	-	120,569		
2,107	578,862	-	4,422,270	5,673,192	1,250,922
-	-	-	79,862		
-	-	-	12,265		
-	795	-	524,271		
-	-	-	-		
-	795	-	616,398	628,425	12,027
-	-	-	-		
<u>\$ 2,107</u>	<u>\$ 586,657</u>	<u>\$ -</u>	<u>\$ 14,336,328</u>	<u>\$ 18,430,766</u>	<u>\$ 4,094,438</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, 2017

Code	Function	Actual	Budget	Variance
LOCAL REVENUE				
1600	Food service sales	\$ 1,063,178	\$ 1,147,000	\$ (83,822)
1990	Refunds and miscellaneous	9,712	51,361	(41,649)
1000	<i>Total Local Revenue</i>	1,072,890	1,198,361	(125,471)
STATE REVENUE				
3102	State school fund - school lunch match	42,163	40,000	2,163
3299	Other restricted grants-in-aid	47,968	56,000	(8,032)
3000	<i>Total State Revenue</i>	90,131	96,000	(5,869)
REVENUE FROM FEDERAL SOURCES				
4500	Restricted grants-in-aid through the State - school nutrition	3,726,391	3,316,000	410,391
4900	Revenue for/on behalf of the District	335,645	300,000	35,645
4000	<i>Total Federal Revenue</i>	4,062,036	3,616,000	446,036
	<i>Total Revenue</i>	5,225,057	4,910,361	314,696
OTHER SOURCES				
5200	Interfund transfers	50,136	169,494	(119,358)
5400	FUND BALANCES, Beginning	123,185	-	123,185
6000	TOTAL RESOURCES	\$ 5,398,378	\$ 5,079,855	\$ 318,523

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, 2017

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Supplies & Materials
	ENTERPRISE AND COMMUNITY SERVICES				
3100	Food services				
3120	Food preparation and dispensing services	\$ 1,290,976	\$ 1,130,562	\$ 25,895	\$ 2,618,053
	<i>Total Enterprise and Community Services</i>	1,290,976	1,130,562	25,895	2,618,053
6000	OPERATING CONTINGENCY	-	-	-	-
7000	ENDING BALANCE	-	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 1,290,976</u>	<u>\$ 1,130,562</u>	<u>\$ 25,895</u>	<u>\$ 2,618,053</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>
\$ -	\$ 11,424	\$ -	\$ 5,076,910		
-	11,424	-	5,076,910	5,079,853	2,943
-	-	-	-	1	1
-	-	321,468	321,468	1	(321,467)
<u>\$ -</u>	<u>\$ 11,424</u>	<u>\$ 321,468</u>	<u>\$ 5,398,378</u>	<u>\$ 5,079,855</u>	<u>\$ (318,523)</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, 2017

Code	Function	Actual	Budget	Variance
	LOCAL REVENUE			
1700	Extracurricular activities income	\$ 3,491,321	\$ 4,700,000	\$ (1,208,679)
1990	Refunds and miscellaneous	-	10,000	(10,000)
1000	<i>Total Local Revenue</i>	3,491,321	4,710,000	(1,218,679)
	OTHER FINANCING SOURCES			
5200	Interfund transfers	1,924,341	-	1,924,341
	<i>Total Revenue</i>	5,415,662	4,710,000	705,662
5400	FUND BALANCES, Beginning	9,577,095	9,180,000	397,095
6000	TOTAL RESOURCES	<u>\$ 14,992,757</u>	<u>\$ 13,890,000</u>	<u>\$ 1,102,757</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, 2017

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services
INSTRUCTION				
1100	Regular programs			
1111	Elementary	\$ 16,980	\$ 20,348	\$ -
1113	Elementary extracurricular	-	-	373,861
1121	Middle/JHS	41,302	28,516	-
1122	Middle/JHS extracurricular	-	-	184,950
1131	High school	20,111	9,387	2,954
1132	High school extracurricular	-	-	958,572
1400	Summer school programs	-	-	-
	<i>Total Instruction</i>	<u>78,393</u>	<u>58,251</u>	<u>1,520,337</u>
SUPPORTING SERVICES				
2100	Students			
2110	Attendance and social work	46,795	10,287	4,136
2140	Psychological services	18,471	10,909	-
2190	Service area direction, students	-	-	91,439
2200	Instructional staff and educational media	44,012	31,218	24,246
2300	General administration			
2320	Office of the superintendent	-	-	29,093
2400	School administration			
2410	Principals services	27,161	27,493	9,404
2500	Business			
2520	Fiscal services	13,396	6,937	439
2540	Operation and maintenance	-	-	15,345
2570	Internal services	-	-	-
2600	Central			
2630	Information services	-	-	-
2660	Technology services	<u>53,655</u>	<u>32,884</u>	<u>-</u>
	<i>Total Supporting Services</i>	<u>203,490</u>	<u>119,728</u>	<u>174,102</u>
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	<u>-</u>	<u>-</u>	<u>-</u>
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ 281,883</u>	<u>\$ 177,979</u>	<u>\$ 1,694,439</u>

<u>400</u> <u>Supplies &</u> <u>Materials</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>
\$ 297,105	\$ -	\$ -	\$ -	\$ 334,433		
366,269	-	4,699	-	744,829		
40,861	-	-	-	110,679		
316,242	1,200	21,435	-	523,827		
11,029	-	-	-	43,481		
1,034,468	-	192,782	-	2,185,822		
4,580	-	-	-	4,580		
2,070,554	1,200	218,916	-	3,947,651	\$ 6,147,750	\$ 2,200,099
-	-	-	-	61,218		
-	-	-	-	29,380		
73,013	-	-	-	164,452		
1,354	-	-	-	100,830		
12	-	-	-	29,105		
104,378	23,429	60	-	191,925		
46,863	-	-	-	67,635		
16,744	17,701	186	-	49,976		
-	74,026	-	-	74,026		
820	-	-	-	820		
11,443	-	-	-	97,982		
254,627	115,156	246	-	867,349	4,714,890	3,847,541
-	-	-	-	-	1	1
-	-	-	-	-	1	1
-	-	-	-	-	17,361	17,361
-	-	-	-	-	509,997	509,997
-	-	-	10,177,757	10,177,757	2,500,000	(7,677,757)
<u>\$ 2,325,181</u>	<u>\$ 116,356</u>	<u>\$ 219,162</u>	<u>\$ 10,177,757</u>	<u>\$ 14,992,757</u>	<u>\$ 13,890,000</u>	<u>\$ (1,102,757)</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, 2017

<u>Code</u>	<u>Function</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	LOCAL REVENUE			
1500	Earnings on investments	\$ 68,319	\$ 22,000	\$ 46,319
1990	Refunds and miscellaneous	31,192,182	32,619,698	(1,427,516)
1000	<i>Total Local Revenue</i>	31,260,501	32,641,698	(1,381,197)
	STATE REVENUE			
3990	Other revenue from State sources	216,665	300,000	(83,335)
	<i>Total Revenue</i>	31,477,166	32,941,698	(1,464,532)
	OTHER SOURCES			
5200	Interfund transfers	1,059,456	1,125,000	(65,544)
5400	FUND NET POSITION, Beginning	10,135,506	9,156,419	979,087
6000	TOTAL RESOURCES	<u>\$ 42,672,128</u>	<u>\$ 43,223,117</u>	<u>\$ (550,989)</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, 2017

	<i>Function</i>	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Supplies & Materials
	INSTRUCTION				
1000	Total Instruction	\$ -	\$ -	\$ -	\$ -
	SUPPORTING SERVICES				
2310	Board of directors	-	-	4,500	-
2500	Business				
2520	Fiscal services	39	29,132,498	704,395	130,399
2540	Operation and maintenance	8,346	6,496	-	-
2550	Student transportation	-	-	-	-
2600	Central				
2640	Staff services	485,297	270,538	35,550	25,720
2660	Technology services	-	-	-	-
2690	Claims	-	-	16,586	60,033
2700	District retirement	-	5,463	-	-
	Total Supporting Services	493,682	29,414,995	761,031	216,152
	ENTERPRISE AND COMMUNITY SERVICES				
	Total Enterprise and Community Services	-	-	-	-
	OTHER USES				
5200	Interfund transfers	-	-	-	-
6000	CONTINGENCY	-	-	-	-
7000	ENDING FUND NET POSITION	-	-	-	-
8000	Total Expenditures and Ending Fund Net Position	\$ 493,682	\$ 29,414,995	\$ 761,031	\$ 216,152

500 Capital Outlay	600 Other Objects	700 Transfers & Flow- through Payments	Actual Fund Total	Appropriations	Variance
\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 1
-	-	-	4,500		
-	-	-	29,967,331		
-	-	-	14,842		
-	30,206	-	30,206		
-	717	-	817,822		
-	-	-	-		
7,158	287,323	-	371,100		
-	-	-	5,463		
7,158	318,246	-	31,211,264	33,315,714	2,104,450
-	-	-	-	1	1
-	-	526,800	526,800	531,001	4,201
-	-	-	-	500,000	500,000
-	-	10,934,064	10,934,064	8,876,400	(2,057,664)
<u>\$ 7,158</u>	<u>\$ 318,246</u>	<u>\$ 11,460,864</u>	<u>\$ 42,672,128</u>	<u>\$ 43,223,117</u>	<u>\$ 550,989</u>

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LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION
(BUDGETARY BASIS) - BUDGET AND ACTUAL - POSTEMPLOYMENT BENEFITS FUND
YEAR ENDED JUNE 30, 2017

Code	Function	Actual	Budget	Variance
	LOCAL REVENUE			
1990	Refunds and miscellaneous	\$ 1,637,522	\$ 1,500,000	\$ 137,522
5400	FUND NET POSITION, Beginning	3,114,945	2,806,324	308,621
6000	TOTAL RESOURCES	<u>\$ 4,752,467</u>	<u>\$ 4,306,324</u>	<u>\$ 446,143</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, 2017

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Supplies & Materials
SUPPORTING SERVICES					
2700	District retirement	\$ 308,857	\$ 1,264,126	\$ 5,400	\$ -
	<i>Total Supporting Services</i>	308,857	1,264,126	5,400	-
OTHER USES					
5200	Interfund Transfers	-	-	-	-
6000	OPERATING CONTINGENCY	-	-	-	-
7000	ENDING FUND NET POSITION	-	-	-	-
8000	<i>Total Expenditures and Ending Fund Net Position</i>	<u>\$ 308,857</u>	<u>\$ 1,264,126</u>	<u>\$ 5,400</u>	<u>\$ -</u>

500 Capital Outlay	600 Other Objects	700 Transfers & Flow- through Payments	Actual Fund Total	Appropriations	Variance
\$ -	\$ -	\$ -	\$ 1,578,383		
-	-	-	1,578,383	\$ 1,888,660	\$ 310,277
-	-	-	-	1	1
-	-	-	-	400,000	400,000
-	-	3,174,084	3,174,084	2,017,665	(1,156,419)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,174,084</u>	<u>\$ 4,752,467</u>	<u>\$ 4,306,326</u>	<u>\$ (446,141)</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, 2017

A. ENERGY BILLS FOR HEATING – ALL FUNDS

Expenditures for Electricity and Heating Fuel:

Function 2540	<u>Objects 325 and 326</u>
Function 2550	\$ 2,052,066
	29,167

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	<u>Amount</u>
1140	Pre-kindergarten	3100	Food Service	\$ 7,803
1300	Continuing education	3300	Community Services	
1400	Summer school	4150	Construction	



Statistical Section

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	154
<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	162
<p>These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.</p>	
Debt Capacity	168
<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	173
<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	180
<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>2017</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>
ASSETS										
Cash and investments	\$ 152,207,748	\$ 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
Receivables and inventories	14,957,521	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
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
Capital assets (net)	243,413,544	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
Deferred Outflows of Resources	93,136,392	20,421,959	18,985,938							
<i>Total Assets</i>	<u>503,715,205</u>	<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>
LIABILITIES										
Debt due within one year	57,459,500	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
Debt due in more than one year	515,673,879 ³	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
Deferred Inflows of Resources	6,128,446	16,040,176	56,877,028							
<i>Total Liabilities</i>	<u>579,261,825</u>	<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>
NET POSITION										
Net investment in capital assets	8,380,655	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
Restricted for debt service	10,390,479	9,995,478	9,652,517	7,454,649	6,192,930	7,683,373	-	1,045,402	2,790,498	2,933,884
Unrestricted	(94,317,754)	(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
<i>Total Net Position</i>	<u>\$ (75,546,620)</u>	<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>

⁽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.

⁽³⁾ Includes the actuarially determined proportionate share of the system net pension liability of \$171,972,020 and the net OPEB liability of \$27,635,172.

Source: Statement of Net Position - Governmental Activities
Statistical Table #1

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

Governmental Activities	Fiscal Year									
	2017²	2016	2015¹	2014	2013	2012	2011	2010	2009	2008
Expenses										
Direct classroom services	\$ 120,535,893	\$ 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
Classroom support services	45,729,126	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
Building support services	52,596,800	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
Central support services	11,901,523	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
Nutrition services	5,754,124	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
Interest on long-term liabilities	10,806,144	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
Total expenses	<u>247,323,610</u>	<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>
Program revenues										
Charges for services										
Direct classroom services	182,664	105,699	328,157	281,984	183,655	354,821	458,433	469,124	515,627	720,467
Classroom support services	407,221	368,710	384,597	418,659	617,248	593,553	475,901	644,200	518,340	531,340
Building support services	693,670	1,377,758	697,347	816,570	1,226,758	1,915,050	1,461,292	991,381	1,112,279	1,154,312
Central support services	4,762,741	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
Nutrition services	882,833	899,024	964,172	980,454	961,096	999,910	1,176,124	1,369,409	1,543,431	1,970,201
Operating grants and contributions										
Direct classroom services	10,940,377	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
Classroom support services	7,772,331	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
Building support services	5,430,787	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
Central support services	-	4,591	591	-	6,691	-	-	-	-	93,171
Nutrition services	4,405,192	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
Interest on long-term liabilities	656,355	659,800	653,535	654,240	674,332	595,333	-	-	-	-
Capital grants and contributions										
Building support services	624,820	849,337	632,601	592,298	649,316	411,213	485,786	656,760	2,678,012	434,949
Total program revenues	<u>36,758,991</u>	<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>
Total governmental activities net expense	<u>(210,564,619)</u>	<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>
General revenues										
Property taxes	99,923,224	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
Federal aid not restricted to specific purposes	181,282	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
State aid not restricted to specific purposes	80,670,650	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
Earnings on investments	996,623	581,604	495,556	413,225	420,123	586,127	481,152	620,487	2,035,193	4,649,939
Other federal and local sources	3,595,436	3,744,439	7,667,277	3,002,588	914,832	837,793	1,114,166	3,104,115	335,795	246,660
Total general revenues	<u>185,367,214</u>	<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>
Change in net position	<u>\$ (25,197,405)</u>	<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>

¹Implementation of GASB Statement No.68 - Pensions

²Implementation of GASB Statement No.73 and No.75 - Other Postemployment Benefits (OPEB)

Source: Statement of Activities - Governmental Activities
Statistical Table #2

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									
	2017	2016	2015	2014	2013	2012	2011 ⁽¹⁾	2010	2009	2008
General Fund										
Unreserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,125,084	\$ 13,990,673	\$ 17,053,588
Nonspendable for:										
Inventory	163,777	201,751	262,208	214,107	234,160	222,655	226,905	-	-	-
Prepaid Items	-	-	19,526	212,079	-	-	-	-	-	-
Committed	8,515,115	8,123,315	7,708,103	7,237,020	6,650,236	6,814,951	6,794,000	-	-	-
Unassigned	15,834,974	9,891,292	4,248,044	1,897,507	155,474	1,075,869	966,325	-	-	-
Total General Fund	<u>\$ 24,513,866</u>	<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>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,751,242	\$ 16,689,036	\$ 21,081,040
Unreserved, reported in :										
Capital Projects Fund	-	-	-	-	-	-	-	10,968,084	10,811,559	12,531,376
Special Revenue Funds ⁽²⁾	-	-	-	-	-	-	-	17,935,636	19,503,208	19,664,365
Nonspendable:										
Inventory	106,387	127,068	164,894	138,748	134,743	102,676	107,993	-	-	-
Restricted for:										
Debt Service	12,223,197	11,621,725	11,087,645	8,466,743	6,559,522	8,855,882	10,524,726	-	-	-
Capital Projects	62,447,977	68,552,360	84,456,979	34,792,002	8,296,477	24,708,508	-	-	-	-
Committed for:										
Debt Service	870,264	588,578	337,137	232,583	180,423	60,588	-	-	-	-
Capital Projects	9,274,844	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	321,468	123,184	74,585	74,585	74,584	74,584	74,584	-	-	-
Student Body	-	-	-	-	-	3,865,762	3,684,988	-	-	-
School Resources ⁽³⁾	10,177,758	9,577,095	8,000,455	7,122,042	6,172,303	-	-	-	-	-
Total all Other Governmental Funds	<u>\$ 95,421,895</u>	<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>

⁽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.

Statistical Table #3

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

	<i>Fiscal Year</i>									
	<u>2017</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>
REVENUES										
Local sources	116,724,086	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
Intermediate sources	3,223,436	2,955,787	3,014,975	2,716,382	420,836	510,307	261,882	213,036	244,349	159,545
State sources	88,715,747	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
Federal sources	13,796,713	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
<i>Total Revenues</i>	<u>222,459,982</u>	<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>
EXPENDITURES										
Current										
Instruction	113,734,625	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
Supporting services	70,503,089	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
Community services	6,210,948	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
Facilities acquisition and construction	17,995,058	-	-	-	-	122,895	47,017	36,579	-	-
Debt service										
Principal	15,660,559	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
Interest	11,985,737	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
Refunding bonds issuance costs	-	-	-	-	-	-	-	-	223,320	-
Capital outlay	34,974,491	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
<i>Total Expenditures</i>	<u>271,064,507</u>	<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>
REVENUES OVER (UNDER) EXPENDITURES	(48,604,525)	(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)
OTHER FINANCING SOURCES (USES)										
Transfers in	2,902,862	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
Transfers out	(3,435,518)	(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)
Construction bonds issued	45,255,000	39,750,000	80,000,000	39,996,054	-	34,997,258	-	-	-	-
Bond premium (discount)	5,863,383	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
Sale of capital assets	174,407	722,326	4,638,265	-	5,200	3,715	17,500	1,380,450	-	-
Insurance recoveries	-	-	-	-	-	-	-	947,357	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>50,760,134</u>	<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>
NET CHANGE IN FUND BALANCES	2,155,609	(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)
FUND BALANCES, Beginning of year	117,780,152	124,990,571	65,318,778	35,822,935	59,940,987	36,535,841	48,503,288	60,994,474	70,330,369	82,944,880
FUND BALANCES, End of year	<u>\$ 119,935,761</u>	<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>
Debt service as a percentage of noncapital expenditures	11.7%	12.6%	11.8%	12.3%	11.6%	11.8%	10.5%	10.0%	9.1%	9.3%

⁽¹⁾ As restated

Statistical Table #4

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 Administration	Community Services
2017	(3) \$ 247,323,610	\$ 81,894,732	\$ 38,641,161	\$ 5,812,031	\$ 14,518,856	\$ 9,346,052	\$ 14,940,405	\$ 1,111,782
2016	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	(1) 200,095,530	73,910,359	28,911,345	7,706,799	10,459,082	8,606,827	12,942,806	818,355

⁽¹⁾ Year ended June 30, 2008 through June 30, 2016, District Retirement includes OPEB obligation.

⁽²⁾ Implementation of GASB Statement No.68, Pensions

⁽³⁾ Implementation of GASB Statement No.73 and 75, Other Postemployment Benefits

Source: Statement of Activities

Statistical Table #5

<i>Building Support Services</i>				<i>Central Support Services</i>						
<i>Facilities Operation and Maint- enance</i>	<i>Student Transpor- tation</i>	<i>Computing and Information Services</i>	<i>Warehouse and Purchasing</i>	<i>Executive Adminis- tration</i>	<i>Financial Services</i>	<i>Human Resources/ Employee Insurance Benefits</i>	<i>District Retirement ⁽¹⁾</i>	<i>Communi- cations and Intergov- ernmental Relations</i>	<i>Nutrition Services</i>	<i>Interest on Long-term Liabilities</i>
\$ 33,752,840	\$ 9,513,395	\$ 8,736,291	\$ 594,274	\$ 892,278	\$ 2,976,834	\$ 7,431,032	\$ 286,837	\$ 314,542	\$ 5,754,124	\$ 10,806,144
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

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

Year Ended June 30	Total	Local Sources			State Sources				Intermediate Sources	Federal Sources	Other Sources
		Property Taxes	Investment Income	Other	School Support Fund	Common School Fund	Trans- portation Grant	Other			
2017	\$ 170,801,303	\$ 77,079,300	\$ 478,751	\$ 2,817,549	\$ 78,120,136	\$ 2,323,787	\$ 5,279,488	\$ 1,252,972	\$ 2,950,320	\$ -	\$ 499,000
2016	163,366,277	74,220,635	223,206	2,914,926	72,460,423	2,216,070	5,860,483	1,073,094	2,667,280	830,186	899,974
2015	155,984,519	70,787,598	92,266	3,035,688	68,786,291	1,823,107	5,497,434	605,310	2,649,057	885,313	1,822,455
2014	147,403,569	65,284,182	144,580	3,076,331	64,510,388	1,711,668	5,652,399	1,064,472	2,394,216	902,155	2,663,178
2013	142,570,357	63,883,326	148,247	3,641,290	56,155,502	1,796,838	5,277,207	768,342	419,483	914,482	9,565,640
2012	139,229,505	64,659,069	272,795	3,880,336	55,435,585	1,656,562	4,405,647	4,474,297	494,795	1,019,943	2,930,476
2011	139,888,020	65,721,797	318,373	3,208,192	53,918,632	1,602,589	4,674,092	1,132,910	261,882	7,175,493	1,874,060
2010	142,166,287	68,620,232	426,344	3,376,928	53,545,917	1,666,545	5,462,238	976,187	213,036	6,910,860	968,000
2009	148,963,517	65,236,044	1,240,044	3,075,285	60,102,338	1,304,229	4,340,404	6,494,805	244,349	5,949,385	976,634
2008	148,715,416	62,193,573	3,237,565	3,395,825	64,931,659	1,878,321	4,234,833	4,453,452	159,545	2,911,292	1,319,351

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

Statistical Table #6

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	Student Services	Instructional Staff	Support Services						
					General Adminis- tration	School Adminis- tration	Business Services	Central Services	District Retirement	Community Services	Interfund Transfers
2017	\$ 164,503,794	\$ 99,722,048	\$11,003,308	5,878,410	705,416	12,964,680	\$ 22,198,403	\$ 6,578,371	\$ 1,500,000	\$ 517,640	\$ 3,435,518
2016	157,387,800	94,075,070	10,283,062	6,080,628	843,780	12,556,914	20,987,883	6,797,161	1,500,000	383,464	3,879,838
2015	153,307,351	89,249,619	9,725,861	6,354,967	996,193	12,357,412	21,603,287	6,532,248	2,315,817	499,912	3,672,035
2014	144,882,727	83,825,345	8,451,579	5,439,375	892,138	11,750,454	20,984,302	6,361,931	3,500,000	411,550	3,266,052
2013	143,643,962	82,476,559	8,551,306	5,999,816	845,158	11,663,704	20,551,729	6,162,311	1,700,000	409,895	5,283,484
2012	139,103,260	83,228,479	8,337,518	4,101,914	839,900	11,640,815	19,738,602	5,950,309	2,500,000	387,021	2,378,702
2011	144,025,874	85,997,215	8,397,741	3,921,940	837,694	11,810,625	20,515,684	6,132,475	3,097,108	467,108	2,848,284
2010	144,031,876	87,340,570	8,020,213	4,266,328	868,289	11,905,845	21,099,158	6,115,181	2,500,000	285,213	1,631,079
2009	152,026,432	91,212,826	8,726,094	5,373,745	1,359,760	12,490,948	21,216,355	5,696,921	2,892,639	245,691	2,811,453
2008	152,507,435	89,703,733	8,620,867	5,129,029	1,408,820	12,049,479	21,229,859	5,718,356	3,024,104	324,674	5,298,514

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

Statistical Table #7

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

Year Ended June 30 ⁽¹⁾	Taxable Assessed Value ⁽²⁾	Percent Change	Total Levy ⁽³⁾	Percent Change	Tax Rate per \$1,000 ⁽⁴⁾	Collected and Adjusted within the Fiscal Year of the Levy		Collections and Adjustments in Subsequent Years	Total Collections and Adjustments to Date	
						Amount	Percent Collected Year of Levy ⁽⁴⁾		Amount	Percent Collected 06/30/2017 ⁽⁴⁾
2017	\$ 14,268,248,108	2.87 %	\$ 102,648,844	3.82 %	\$ 7.1945	\$ 99,996,475	97.42 %	\$ -	\$ 99,996,475	97.42 %
2016	13,869,559,768	4.72	98,871,418	5.05	7.1292	95,344,238	96.43	1,893,207	97,237,446	98.35
2015	13,244,235,395	4.11	94,121,143	7.50	7.1071	91,543,893	97.26	1,490,880	93,034,773	98.85
2014	12,721,001,567	2.98	87,554,404	9.96	6.8829	84,967,664	97.04	1,889,366	86,857,030	99.20
2013	12,353,361,067	2.35	79,624,274	(3.46)	6.4461	77,091,961	96.82	2,059,818	79,151,779	99.41
2012	12,070,171,533	2.30	82,474,939	(0.35)	6.8329	79,774,601	96.73	2,268,556	82,043,157	99.48
2011	11,798,847,376	1.06	82,763,217	(3.15)	7.0142	80,370,202	97.11	1,997,197	82,367,399	99.52
2010	11,674,870,928	4.30	85,457,917	3.02	7.3196	82,595,077	96.65	2,467,759	85,062,836	99.54
2009	11,193,424,874	3.14	82,950,341	3.87	7.4105	80,320,815	96.83	2,588,863	82,909,678	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

⁽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.

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

Statistical Table #8

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
2017	4.7485	1.5000	1.6152	7.8637
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

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

Source: Lane County Department of Assessment and Taxation

Statistical Table #9

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

	<u>2016-2017</u>	<u>2015-2016</u>	<u>2014-2015</u>	<u>2013-2014</u>	<u>2012-2013</u>	<u>2011-2012</u>	<u>2010-2011</u>	<u>2009-2010</u>	<u>2008-2009</u>	<u>2007-2008</u>
GENERAL FUND										
Levy extended by Assessor	<u>\$ 79,258,348</u>	<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>	<u>\$ 67,274,768</u>	<u>\$ 69,076,852</u>	<u>\$ 67,433,941</u>	<u>\$ 65,196,549</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>	<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	<u>\$ 77,151,780</u>	<u>\$ 74,734,430</u>	<u>\$ 70,738,523</u>	<u>\$ 64,897,897</u>	<u>\$ 64,268,147</u>	<u>\$ 65,519,719</u>	<u>\$ 65,216,364</u>	<u>\$ 66,621,682</u>	<u>\$ 63,603,885</u>	<u>\$ 63,256,929</u>
1st year prior	873,342	891,455	957,895	993,655	1,000,693	757,315	1,357,575	2,792,548	1,093,583	828,632
2nd year prior	377,903	333,224	404,711	435,862	450,597	155,897	466,929	382,922	311,836	241,694
3rd year prior	232,766	254,722	309,694	297,898	350,687	311,377	249,304	187,743	168,833	147,589
4th year prior	129,515	150,006	181,111	222,762	157,729	138,524	105,986	96,573	88,995	69,845
5th and prior years	60,522	231,619	63,860	120,292	33,600	92,174	26,304	108,877	33,051	64,278
<i>Total Prior</i>	<u>1,674,048</u>	<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>	<u>2,206,098</u>	<u>3,568,663</u>	<u>1,696,298</u>	<u>1,352,038</u>
<i>Total General Fund</i>	<u>\$ 78,825,828</u>	<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>	<u>\$ 67,422,462</u>	<u>\$ 70,190,345</u>	<u>\$ 65,300,183</u>	<u>\$ 64,608,967</u>
DEBT SERVICE FUND										
Levy extended by Assessor	<u>\$ 23,328,623</u>	<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>	<u>\$ 15,488,449</u>	<u>\$ 16,381,066</u>	<u>\$ 15,516,400</u>	<u>\$ 14,662,891</u>
Tax rate per \$1,000 assessed value	<u>\$ 1.62</u>	<u>\$ 1.56</u>	<u>\$ 1.58</u>	<u>\$ 1.60</u>	<u>\$ 1.13</u>	<u>\$ 1.29</u>	<u>\$ 1.30</u>	<u>\$ 1.39</u>	<u>\$ 1.38</u>	<u>\$ 1.34</u>
Reduction of taxes receivable ⁽¹⁾										
Current year	<u>\$ 22,725,848</u>	<u>\$ 21,383,980</u>	<u>\$ 20,683,347</u>	<u>\$ 19,979,969</u>	<u>\$ 13,793,249</u>	<u>\$ 15,359,306</u>	<u>\$ 15,040,596</u>	<u>\$ 15,819,130</u>	<u>\$ 14,660,649</u>	<u>\$ 14,251,334</u>
1st year prior	230,210	230,565	273,841	200,205	221,285	153,029	306,272	624,800	226,194	225,016
2nd year prior	106,259	100,292	84,090	99,805	102,895	37,233	102,664	83,727	82,947	58,612
3rd year prior	70,138	55,244	72,227	69,362	84,153	73,530	57,792	51,017	42,515	27,804
4th year prior	24,791	31,284	37,217	47,060	31,651	26,918	22,753	19,526	14,037	13,671
5th and prior years	13,084	43,655	14,412	24,563	8,121	12,962	5,151	6,290	6,896	5,520
<i>Total prior</i>	<u>444,482</u>	<u>461,040</u>	<u>481,787</u>	<u>440,995</u>	<u>448,105</u>	<u>303,672</u>	<u>494,632</u>	<u>785,360</u>	<u>372,589</u>	<u>330,623</u>
<i>Total Debt Service Fund</i>	<u>\$ 23,170,330</u>	<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>	<u>\$ 15,535,228</u>	<u>\$ 16,604,490</u>	<u>\$ 15,033,238</u>	<u>\$ 14,581,957</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

Statistical Table #10

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								
2017	\$ 13,865,699	\$ 389,354	\$ 50,568	\$ 328,934	\$ 14,634,555	\$ 8,532	\$ 374,841	\$ 14,268,246	\$ 7.9228	\$ 113,044	\$ 10,396	\$ 102,649
2016	13,463,683	372,000	48,560	304,464	14,188,707	10,501	329,649	13,869,559	7.8562	108,962	10,265	98,697
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

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

Statistical Table #11

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

<u>Year Ended June 30</u>	<u>General Fund Budget</u>	<u>General Fund Levy</u>	<u>Percentage of Levy to Budget</u>
2017	\$ 179,157,264	\$ 79,320,221	44.27 %
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

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

Statistical Table #12

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

PROPERTY TAX RATES⁽¹⁾ - ALL OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS (Dollars per \$1,000)

	% within School District ⁽²⁾	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Bailey-Spencer RFPD	100.00 %	\$ 2.39	\$ 2.39	\$ 2.39	\$ 2.39	\$ 2.39	\$ 2.39	\$ 2.39	\$ 2.39	\$ 2.39	\$ 2.39
City of Coburg	100.00	3.24	3.37	4.79	4.93	5.28	5.32	5.36	5.50	5.48	5.49
City of Eugene	81.63	8.02	7.97	7.98	8.01	8.03	8.04	8.33	8.32	7.73	7.89
City of Springfield	10.27	6.79	6.78	7.03	7.15	6.94	6.99	7.06	7.13	7.19	6.13
Coburg RFPD	92.08	1.33	1.33	1.34	1.41	1.36	1.37	1.37	1.37	1.37	1.39
Eugene Urban Renewal	81.63	0.19	0.29	0.27	0.27	0.25	0.26	0.25	0.24	0.25	0.26
Emerald PUD	8.93	-	-	-	-	-	-	-	-	-	-
Eugene RFPD #1	99.64	2.54	2.54	2.54	2.35	2.10	1.85	1.85	2.00	2.00	2.54
Glenwood Water	99.96	3.36	3.44	3.47	3.41	3.48	3.54	3.69	3.85	3.85	3.89
Goshen RFPD	14.78	2.22	2.22	2.22	2.22	2.22	1.72	1.72	1.72	1.72	1.72
Junction City Water Control	2.48	0.25	0.25	0.25	0.25	0.25	0.28	0.29	0.29	0.30	0.31
Lane Rural Fire/Rescue	3.32	2.12	2.12	2.12	2.12	2.12	2.12	2.12	2.12	2.12	2.12
Lane County	46.35	1.67	1.81	1.38	1.39	1.39	1.39	1.39	1.40	1.40	1.40
Lane County Fire District 1	22.23	1.98	1.98	1.98	1.98	1.98	1.98	1.98	1.98	1.98	1.98
Lane ESD	46.52	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22
Lane Community College	46.44	0.84	0.82	0.86	0.86	0.86	0.88	0.86	0.85	0.87	0.83
LeBleu Road	100.00	-	-	-	-	-	-	-	-	-	-
Linn County	0.13	7.86	7.86	7.83	7.84	7.38	7.54	7.55	7.64	7.62	7.59
Mohawk Valley RFPD	1.91	1.91	1.91	1.91	1.91	1.91	1.91	1.91	1.91	2.41	2.41
Rainbow Water & Fire District	2.23	3.78	3.83	3.62	3.67	3.72	3.76	3.58	3.62	3.73	3.73
River Road Park & Recreation	98.09	3.53	3.53	3.85	3.86	3.87	3.88	3.89	3.90	3.46	3.48
River Road Water Subdistrict #1	2.34	2.00	0.28	0.28	0.28	0.28	0.28	0.28	0.28	0.28	0.28
River Road Water	98.02	1.97	1.97	1.97	1.97	1.97	1.97	1.97	1.97	1.97	1.97
Santa Clara RFPD	98.43	1.49	1.49	1.04	1.64	1.64	1.04	1.04	1.04	1.04	1.04
Santa Clara Water District	85.17	-	-	-	-	-	-	-	-	-	-
South Lane County Fire & Rescue	0.03	1.50	1.50	1.50	1.50	1.03	1.03	1.03	1.03	1.03	1.03
Springfield Economic Development Agency	11.41	0.84	0.84	0.71	0.64	0.67	0.31	0.30	0.31	0.43	0.41
Willakenzie RFPD	51.94	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07
Willamalane Park & Rec	11.59		2.34	2.37	2.45	2.01	2.01	2.01	2.01	2.15	2.15
Zumwalt Fire	81.75	2.31	2.34	2.34	2.34	2.34	2.34	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

Statistical Table #13

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2017

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	245,000	98.16	240,493
Coburg RFPD	56,667	92.52	52,430
City Of Eugene	17,862,000	83.39	14,894,854
Lane ESD	6,485,000	49.67	3,221,125
Lane County	26,410,000	49.51	13,074,693
Lane Community College	65,725,000	48.83	32,093,780
Willamalane Park & Recreation District	16,456,560	19.32	3,178,766
City Of Springfield	14,992,683	18.51	2,775,161
Harrisburg RFPD 6	6,385,000	3.01	192,463
South Lane County Fire & Rescue	2,145,000	0.03	549
Total			71,750,373
District direct debt ⁴			344,147,025
Total direct and overlapping debt			<u>\$ 415,897,398</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 \$21,210,432.

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

Statistical Table #14

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, 2017

Real Market Value	\$ 21,296,015
Debt Limit (7.95%) ⁽¹⁾	\$ 1,693,033
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonded Debt	278,065
Less: Amount Available in Debt Service Fund	12,223
Total Net Debt Applicable to Debt Limit	265,842
Legal Debt Margin	\$ 1,427,191

	Fiscal Year									
	<u>2017</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>
Debt Limit	\$ 1,693,033	\$ 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
Total Net Debt Applicable to Debt Limit	265,842	234,523	207,733	140,444	114,823	125,991	100,828	110,624	121,131	130,576
Legal Debt Margin	\$ 1,427,191	\$ 1,398,936	\$ 1,347,457	\$ 1,592,444	\$ 1,595,388	\$ 1,649,906	\$ 1,682,122	\$ 1,779,059	\$ 1,571,174	\$ 1,461,199
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	15.70%	14.36%	13.36%	8.10%	6.71%	7.09%	5.66%	5.85%	7.16%	8.20%

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

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

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

Statistical Table #15

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
2017	\$ 13,335,000	\$ 9,457,953	\$ 22,792,953	\$ 164,503,794	0.1386
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

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

Statistical Table #16

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
2017	159,930	16,312	\$ 14,268,248,108	\$ 342,870,833	0.0240	\$ 2,144	\$ 21,020
2016	158,620	15,980	13,869,559,768	309,328,872	0.0223	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

⁽¹⁾ Excludes District sponsored public charter schools and alternative education providers.
840 ADM were excluded from the 2017 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

Statistical Table #17

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

<i>Fiscal Year</i>	<i>Governmental Activities</i>				<i>Total Primary Government</i>	<i>Percentage of Personal Income ⁽¹⁾</i>	<i>Per Capita ⁽¹⁾</i>	<i>Per Student ⁽²⁾</i>
	<i>General Obligation Bonds</i>	<i>Pension Bonds</i>	<i>Unamortized Premium</i>	<i>Capital Leases</i>				
2017	\$ 278,065,401	\$ 43,595,000	\$ 21,210,432	\$ 1,276,192	\$ 344,147,025	N/A ⁽³⁾	\$ 2,152	\$ 21,098
2016	246,145,401	45,555,000	17,628,471	1,641,751	310,970,623	2.051%	1,960	19,460
2015	218,820,401	47,250,000	17,440,656	2,283,827	285,794,884	1.958%	1,816	18,818
2014	148,910,401	48,700,000	10,434,530	3,024,038	211,068,969	1.553%	1,352	13,873
2013	121,382,258	49,925,000	8,373,059	3,856,623	183,536,940	1.438%	1,185	12,088
2012	134,847,258	50,940,000	3,468,846	4,139,746	193,395,850	1.523%	1,259	12,683
2011	111,335,000	51,765,000	3,469,886	3,528,428	170,098,314	1.397%	1,116	10,792
2010	121,695,000	52,410,000	4,262,884	3,223,243	181,591,127	1.547%	1,209	11,330
2009	131,255,000	52,895,000	5,119,705	3,325,396	192,595,101	1.662%	1,291	11,959
2008	139,830,000	53,235,000	2,941,353	2,582,834	198,589,187	1.662%	1,341	12,265

⁽¹⁾ See Statistical Table #17 for estimated District population data and #20 for personal income data. These ratios are calculated using personal income for the prior calendar year.

⁽²⁾ See Statistical Table #17 for average daily membership data.

⁽³⁾ Information not available at time of printing.

Source: Lane County School District 4J

Statistical Table #18

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
2017	167,255 ⁽¹⁾	0.83 %	44.2	3,784	370,600 ⁽¹⁾	1.27 %	4,141,100 ⁽¹⁾	1.59 %
2016	165,885	1.52	43.7	3,796	365,940	1.05	4,076,350	1.56
2015	163,400	1.63	43.7	3,739	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

⁽¹⁾ Based on preliminary estimates by Population Research Center as of 11/15/17

Sources

Portland State University Center for Population Research and Census
 US Census Bureau
 City of Eugene

Statistical Table #19

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	
2016	365,940	\$ 15,160,278	\$ 41,027	5.1	%
2015	362,150	14,597,955	40,259	6.8	%
2014	358,805	13,590,051	37,914	7.1	%
2013	356,125	12,760,064	35,862	8.0	%
2012	354,200	12,696,903	35,767	7.3	%
2011	353,155	12,175,709	34,430	6.1	%
2010	352,010	11,739,756	33,354	5.4	%
2009	347,690	11,590,896	33,037	5.2	%
2008	345,880	11,951,855	34,329	6.7	%
2007	344,844	11,542,563	33,472	12.3	%

⁽¹⁾ Mid-year population estimates.

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

Statistical Table #20

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
MAJOR TAXPAYERS FOR DISTRICT - CURRENT YEAR AND TEN YEARS AGO
JUNE 30, 2017

<u>Name</u>	<u>2017</u>			<u>2008</u>		
	<u>2016-17 Assessed Valuation¹</u>	<u>Rank²</u>	<u>Percentage of District Total Assessed Value</u>	<u>2007-08 Assessed Valuation</u>	<u>Rank²</u>	<u>Percentage of District Total Assessed Value</u>
Comcast Corporation	\$ 142,384,800	1	1.00 %			
Valley River Center	119,143,358	2	0.84	\$ 93,130,212	3	0.86 %
PeaceHealth	639,107,345	3	4.48	165,062,729	2	1.52
Symantec Corporation	58,467,659	4	0.41	78,344,464	5	0.72
McKay Investment Company	56,633,282	5	0.40			
CenturyLink ³	56,993,100	6	0.40	84,196,900	4	0.78
Chase Village LLC	39,874,899	7	0.28	30,560,789	9	0.28
Northwest Natural Gas Co	46,727,800	8	0.33	43,035,100	6	0.40
Shepard Investment Group LLC	36,916,076	9	0.26			
ACC OP LLC Garden Avenue	35,621,269	10	0.25			
Hynix Semiconductor Mfg				554,577,732	1	5.11
Molecular Probes Inc.				37,454,990	7	0.35
Monaco Coach Corp.				34,609,250	8	0.32
Guard Publishing Company				28,383,823	10	0.26
<i>Total Major Taxpayers</i>	1,231,869,588		8.65	1,149,355,989		10.60
<i>Other</i>	13,036,378,520		91.35	9,694,549,896		89.40
<i>Total All Taxpayers⁴</i>	<u>\$ 14,268,248,108</u>		<u>100.00 %</u>	<u>\$ 10,843,905,885</u>		<u>100.00 %</u>

¹Portion of Eugene School District 4J within Linn County taxing district not included.

²Ranking is based on amount of tax and not assessed valuation.

³Formerly Qwest Corp.

⁴Taxable value after Urban Renewal

Source: Lane County Department of Assessment and Taxation
Statistical Table #21

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
MAJOR TAXPAYERS FOR LANE COUNTY
JUNE 30, 2017

<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	\$3,955,646	\$ 248,019,117	0.79
Comcast Corporation	Telecommunications	3,220,999	187,526,700	0.60
Valley River Center	Retail/Commercial	2,032,730	119,143,358	0.38
Shepard Investment Group LLC	Apartments	1,718,496	97,495,456	0.31
CenturyLink	Telecommunications	1,572,739	100,506,000	0.32
Verizon Communications	Telecommunications	1,544,445	97,901,000	0.31
Northwest Natural Gas Co.	Natural Gas Utility	1,447,504	99,361,800	0.32
PeaceHealth	Healthcare	1,384,313	641,668,569	2.04
Weyerhaeuser Company	Wood Products	1,302,345	140,713,949	0.45
Gateway Mall Partners	Retail/Commercial	1,124,902	64,241,692	0.20
<i>Total Major Taxpayers</i>			1,796,577,641	5.71
All other County's taxpayers			29,653,667,404	94.29
<i>Total All County Taxpayers</i>			31,450,245,045	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
Statistical Table #22

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
MAJOR EMPLOYERS - LANE COUNTY - CURRENT YEAR AND TEN YEARS AGO
JUNE 30, 2017

<u>Company</u>	<u>2017</u>			<u>2008</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
PeaceHealth Corp	5,500	1	3.46 %	4,300 ⁽¹⁾	1	2.77 %
University of Oregon	5,479	2	3.44	3,676	2	2.37
U.S. Government	1,602	3	1.01	1,800	5	1.16
City of Eugene	1,463	4	0.92	1,452	7	0.72
Lane County Government	1,369	5	0.86	1,786	6	1.15
Springfield School District	1,242	7	0.78	1,162	8	0.75
Eugene 4J School District	1,198	6	0.75	2,119 ⁽³⁾	4	1.37
Lane Community College	943	8	0.59	2,531 ⁽⁴⁾	3	1.63
McKenzie-Willamette Medical Center	880	9	0.55	750	10	0.48
Royal Caribbean	700	10	0.44			0.48
State of Oregon				1,100	9	0.71
<i>Total Major Employers</i>	20,376		12.80	20,676		13.59
<i>Other</i>	138,774		87.20	134,324		86.41
<i>Total All Employers</i>	159,150 ⁽²⁾		100.00 %	155,000 ⁽⁵⁾		100.00 %

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

⁽²⁾ 2017 Annual Average as of August 2017

⁽³⁾ Includes part-time and contract employees

⁽⁴⁾ Includes part-time employees and student instructors.

⁽⁵⁾ Annual average for 2008.

Source: Lane County Department of Budget and Financial Planning, Fiscal Year 2017-2018 Adopted Budget
Oregon Employment Department, Current Employment Statistics

Statistical Table #23

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
2016	5.1 %	4.9 %	4.9 %
2015	5.8	5.6	5.3
2014	6.9	6.8	6.2
2013	8.0	7.9	7.4
2012	8.9	8.8	8.1
2011	9.7	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

Source: State of Oregon Employment Department, Local Area Employment Statistics
Statistical Table #24

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)
2017	\$14,256,355	632	\$89,800	1,059	\$108,613	\$3,721,844
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

⁽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

Statistical Table #25

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⁾
2017	17,152	\$ 247,323,610 ⁽⁵⁾	\$ 14,420 ⁽⁵⁾	\$ 161,068,276	\$ 9,391	\$ 99,722,048	\$ 5,814	\$ 61,346,228	\$ 3,577	20,134
2016	16,994	263,044,894 ⁽⁴⁾	15,478 ⁽⁴⁾	153,507,962	9,033	94,068,695	5,535	59,439,267	3,498	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

⁽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 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 implementation of GASB Statement No. 68 as pension expense/(income) is adjusted based on the actuarially determined contribution changes.

⁽⁵⁾ Reporting of Government Wide expenses is impacted by implementation of GASB Statements No. 73 and 75 as other postemployment benefit expense/(income) is adjusted based on the actuarially determined contribution changes.

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

Statistical Table #26

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

Activity/Function	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Direct classroom services										
Regular instruction	720.9	707.8	657.6	655.8	652.0	661.6	730.6	767.2	789.2	792.6
Special programs	394.8	348.5	326.3	325.4	309.3	321.0	360.5	380.1	350.6	347.0
Total direct classroom services	<u>1,115.7</u>	<u>1,056.3</u>	<u>983.9</u>	<u>981.2</u>	<u>961.3</u>	<u>982.6</u>	<u>1,091.1</u>	<u>1,147.3</u>	<u>1,139.8</u>	<u>1,139.6</u>
Classroom support services										
Extracurricular activities	6.5	6.5	6.3	6.3	6.6	6.6	6.6	5.9	6.2	7.5
Student support	120.0	120.2	110.7	100.4	102.5	101.4	107.7	110.1	122.7	122.2
Libraries, curriculum and staff development	52.3	49.5	50.2	49.5	63.5	48.0	55.7	59.5	62.6	68.5
School administration	131.5	129.5	127.2	124.2	125.0	124.1	130.7	134.2	143.0	139.8
Community services	11.6	12.0	13.1	11.6	11.9	10.3	13.2	10.0	9.9	11.5
Total classroom support services	<u>321.8</u>	<u>317.7</u>	<u>307.5</u>	<u>292.0</u>	<u>309.5</u>	<u>290.4</u>	<u>313.9</u>	<u>319.7</u>	<u>344.4</u>	<u>349.5</u>
Building support services										
Facilities operation and maintenance	128.7	124.2	135.3	131.2	132.0	126.6	145.1	154.1	159.2	152.8
Student transportation	73.5	73.7	73.4	77.1	80.0	76.4	77.5	79.4	85.1	71.1
Computing and information services	38.5	35.5	40.9	39.0	40.7	38.7	38.8	41.5	33.6	30.4
Warehouse and purchasing	3.3	3.3	4.8	3.8	4.6	4.6	4.7	5.7	6.0	7.3
Total building support services	<u>244.0</u>	<u>236.7</u>	<u>254.4</u>	<u>251.1</u>	<u>257.3</u>	<u>246.3</u>	<u>266.1</u>	<u>280.7</u>	<u>283.9</u>	<u>261.6</u>
Central support services										
Executive administration	3.0	3.0	4.0	4.0	4.0	4.2	3.2	4.3	7.8	7.2
Financial services	20.0	18.0	15.9	16.3	17.4	15.4	14.4	15.9	15.9	13.9
Human resources/employee insurance benefits	20.9	19.9	20.3	19.4	17.1	20.0	18.6	17.6	18.2	18.9
Communications and intergovernmental relations	2.5	1.5	3.3	3.3	3.0	2.5	3.0	3.2	3.1	3.0
Total central support services	<u>46.4</u>	<u>42.4</u>	<u>43.5</u>	<u>43.0</u>	<u>41.5</u>	<u>42.1</u>	<u>39.2</u>	<u>41.0</u>	<u>45.0</u>	<u>43.0</u>
Nutrition services	<u>56.7</u>	<u>51.2</u>	<u>53.5</u>	<u>56.5</u>	<u>58.3</u>	<u>63.4</u>	<u>68.1</u>	<u>72.1</u>	<u>68.0</u>	<u>71.6</u>
Total employees	<u>1,784.6</u>	<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>
Licensed staff	895.1	857.8	829.7	829.2	841.8	834.6	922.5	962.9	976.4	969.4
Classified staff	763.5	724.5	689.0	677.2	668.8	687.2	752.2	791.5	789.8	784.3
Professional staff	38.0	35.0	40.1	35.3	33.4	27.0	19.6	24.3	26.3	25.2
Total classified and professional	<u>801.5</u>	<u>759.5</u>	<u>729.1</u>	<u>712.5</u>	<u>702.2</u>	<u>714.2</u>	<u>771.8</u>	<u>815.8</u>	<u>816.1</u>	<u>809.5</u>
Administrative staff	75.0	74.0	71.0	71.1	70.9	64.7	73.1	71.1	77.6	75.4
Supervisory staff	13.0	13.0	13.0	11.0	13.0	11.3	11.0	11.0	11.0	11.0
Total administrators and supervisors	<u>88.0</u>	<u>87.0</u>	<u>84.0</u>	<u>82.1</u>	<u>83.9</u>	<u>76.0</u>	<u>84.1</u>	<u>82.1</u>	<u>88.6</u>	<u>86.4</u>
Total employees	<u>1,784.6</u>	<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>

Source: Lane County School District 4J

Statistical Table #27

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>
2017	834.8	606.6	82.2	1,523.6	16,312	19.5
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

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

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

EUGENE SCHOOL DISTRICT NO. 4J
 BARGAINING UNITS & CONTRACT STATUS
 JUNE 30, 2017

<u>Collective Bargaining Unit</u>	<u>No. of Employees</u>	<u>Termination Date of Current Contract</u>	<u>Status of Negotiations</u>
Oregon Education Association/ Eugene Education Association	961	06/30/2020	Licensed Active contract
Oregon School Employees Association	958	06/30/2018	Classified Active contract

Source: Lane County School District 4J

Statistical Table #28

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
LICENSED PROFESSIONAL SALARY PLAN
JUNE 30, 2017

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	\$36,286	\$37,629	\$39,021	\$40,465	\$41,962	\$43,515	\$45,125
2	37,629	39,021	40,465	41,962	43,515	45,125	46,795
3	39,021	40,465	41,962	43,515	45,125	46,795	48,526
4	40,465	41,962	43,515	45,125	46,795	48,526	50,321
5	41,962	43,515	45,125	46,795	48,526	50,321	52,183
6	43,515	45,125	46,795	48,526	50,321	52,183	54,114
7	44,320	45,960	47,661	49,424	51,253	53,149	55,116
8	45,140	46,810	48,542	50,338	52,201	54,132	56,135
9	46,810	48,542	50,338	52,201	54,132	56,135	58,212
10	48,542	50,338	52,201	54,132	56,135	58,212	60,366
11	50,338	52,201	54,132	56,135	58,212	60,366	62,600
12	52,201	54,132	56,135	58,212	60,366	62,600	64,916
13	54,132	56,135	58,212	60,366	62,600	64,916	67,318
14	56,135	58,212	60,366	62,600	64,916	67,318	69,809
15	58,212	60,366	62,600	64,916	67,318	69,809	72,392
16	59,813	62,026	64,322	66,701	69,169	71,903	74,564
17						73,880	76,615

LICENSED STAFFING PER LEVEL AND EDUCATION IN FULL-TIME EQUIVALENT EMPLOYEES - JUNE 2017

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	3.4	0.0	0.0	6.4	9.8	8.5	2.0	30.1
2	4.0	0.0	1.0	2.9	10.2	4.0	1.0	23.1
3	6.8	0.0	0.0	7.5	16.8	6.8	3.0	40.9
4	4.7	0.0	0.0	6.2	14.2	6.8	0.5	32.4
5	5.0	0.0	0.0	3.0	17.7	13.0	2.0	40.7
6	2.0	0.0	0.0	6.5	5.5	8.6	1.0	23.6
7	1.0	0.0	0.0	4.0	9.0	12.7	2.5	29.2
8	0.0	1.0	0.0	8.0	6.8	7.3	3.0	26.1
9	0.0	0.0	0.0	4.0	12.7	8.8	1.0	26.5
10	0.0	0.0	0.0	12.2	18.4	18.8	1.0	50.4
11	3.3	1.0	0.0	15.2	7.4	15.0	3.8	45.7
12	1.0	0.8	0.0	12.4	14.6	27.8	2.0	58.6
13	1.6	0.0	0.0	12.5	15.0	12.7	4.7	46.5
14	5.0	0.0	3.3	17.8	16.7	25.2	3.4	71.4
15	0.0	1.0	0.0	3.5	8.0	11.3	2.0	25.8
16	12.3	8.0	3.9	66.0	62.1	19.9	3.7	175.9
17	0.0	0.0	0.0	0.0	0.0	108.1	40.1	148.2
Total	50.1	11.8	8.2	188.1	244.9	315.3	76.7	895.1

Average education is Bachelors + 68 with Masters
Average salary is \$62,310 and highest entry level is 13

Source: Eugene Education Association Collective Bargaining Agreement, Lane County School District 4J
Statistical Table #29

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

	<u>2017</u> ¹	<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>
Breakfast Program:										
Paid Breakfasts Served	95,355	96,735	73,506	59,889	66,895	69,079	80,617	75,466	86,906	99,441
Free Breakfasts Served	443,938	389,102	342,970	318,389	330,169	347,884	337,179	352,510	325,119	300,421
Reduced Breakfasts Served	46,717	56,272	39,976	39,337	40,900	38,655	39,383	50,529	46,936	46,696
Lunch Program:										
Paid Lunches Served	272,637	259,157	243,470	233,571	251,017	285,617	372,168	425,932	478,193	497,358
Free Lunches Served	693,716	639,705	614,649	600,996	628,675	641,936	650,842	676,620	615,451	569,180
Reduced Lunches Served	84,881	100,780	81,231	80,117	87,096	82,432	93,648	117,056	116,851	117,973
Supper/Snack Program:										
Paid Suppers/Snacks Served										
Free Suppers/Snacks Served	33,701	32,898	34,494	27,732	20,662	17,617	28,913	40,831	35,068	28,840
Reduced Suppers/Snacks Served										
A la Carte Sales	\$ 107,962	\$ 143,431	\$ 153,657	\$ 163,624	\$ 144,369	\$ 153,006	\$ 186,274	\$ 230,736	\$ 315,740	\$ 574,353
Percentage of Students Eligible to Receive Free or Reduced-Price Meals	42.60%	42.34%	42.34%	42.33%	42.35%	42.37%	40.01%	38.79%	35.60%	32.70%
Pupil transportation statistics:										
Number of Buses	107	108	107	111	107	95	92	93	93	88
Number of Vans	15	13	13	18	12	12	12	12	12	10
Total Miles Traveled	1,483,421	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
Number of students transported daily	5,589	5,432	5,040	4,460	4,830	5,042	5,197	4,985	4,832	5,056

¹ Five schools participated in the Community Eligibility Provision (CEP) serving free meals to all students. At these schools, meals are coded as either free or paid, not reduced. Therefore the reduced served decreased and the free served increased.

Source: Lane County School District 4J

Statistical Table #30

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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Enrollment Summary: ⁽¹⁾										
Elementary Schools	7,376.0	7,208.0	6,277.0	6,270.0	6,166.5	6,153.5	6,392.0	6,470.5	6,684.0	6,665.0
K - 8 Schools	-	-	149.5	175.0	543.5	545.0	525.5	509.0	326.0	281.0
Middle Schools	3,684.0	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
High Schools	5,296.0	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
Total Enrollment	16,356.0	16,245.0	15,435.5	15,423.0	15,474.0	15,524.5	15,942.5	16,068.5	16,263.0	16,437.0

⁽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
Elementary Enrollment - Hillside

463.0	472.0	410.5	388.0	361.5	361.5	173.0	165.0	179.0	172.5
-	-	-	-	-	-	-	-	-	83.0

Awbrey Park (1967)

Gross Floor Area (sq ft): 58,375

Elementary Enrollment

444.0	418.0	358.5	367.0	389.5	430.5	424.5	456.5	449.5	422.5
-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

Bailey Hill (1949)

Gross Floor Area (sq ft): 36,442

Elementary Enrollment

-	-	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---	---

Bertha Holt (2004)

Gross Floor Area (sq ft): 67,389

Elementary Enrollment

591.0	534.0	507.5	517.0	499.5	474.0	470.0	473.0	485.5	489.0
-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

Cesar Chavez (2004)

Gross Floor Area (sq ft): 66,940

Elementary Enrollment - Cesar Chavez
Elementary Enrollment - Family

424.0	434.0	387.0	409.5	418.0	402.5	419.0	415.5	368.5	328.0
-	-	-	-	-	-	-	-	124.0	123.0

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
---	---	-------	-------	-------	-------	-------	-------	-------	-------

Coburg (1950)

Gross Floor Area (sq ft): 27,537

Elementary Enrollment

-	-	-	-	-	-	110.0	123.5	135.0	139.5
---	---	---	---	---	---	-------	-------	-------	-------

Crest Drive (1963)

Gross Floor Area (sq ft): 27,441

Elementary Enrollment- Family School⁽²⁾
Elementary Enrollment

135.0	143.0	-	-	-	-	-	-	-	-
-	-	-	-	-	-	242.0	244.0	242.5	237.0

⁽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
Elementary Enrollment - Evergreen

407.0	393.0	361.0	371.0	364.0	404.0	291.0	286.0	280.5	293.5
-	-	-	-	-	-	-	-	-	-

Edison (1926)

Gross Floor Area (sq ft): 42,195

Elementary Enrollment

380.0	366.0	318.0	327.5	315.0	303.0	283.0	295.5	275.0	302.5
-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

Gilham (1966)

Gross Floor Area (sq ft): 74,500

Elementary Enrollment

549.0	545.0	458.0	450.5	472.0	466.0	454.5	463.5	475.0	479.0
-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

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

Gross Floor Area (sq ft): 41,327

Elementary Enrollment - Camas Ridge
Elementary Enrollment - Harris
Elementary Enrollment - Eastside⁽³⁾

416.0	420.0	388.0	368.0	392.0	384.0	271.5	256.5	-	-
-	-	-	-	-	-	-	-	166.0	156.5
-	-	-	-	-	-	-	-	136.0	-

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

Howard (2016)

Gross Floor Area (sq ft): 88,000

Elementary Enrollment

467.0	412.0	345.0	311.5	274.5	282.0	239.5	266.5	275.0	256.5
-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

Magnet Arts (K - 8 School: Jefferson)

Elementary Enrollment

-	-	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---	---

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

Statistical Table #31

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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
McCornack (1968)										
Gross Floor Area (sq ft): 56,532										
Elementary Enrollment	362.0	361.0	307.5	313.5	310.0	365.0	375.0	385.0	393.5	375.0
Meadowlark (1960)										
Gross Floor Area (sq ft): 45,911										
Elementary Enrollment - Meadowlark	-	-	-	-	-	-	182.5	213.0	212.5	216.5
Elementary Enrollment - Buena Vista	431.0	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										
Elementary Enrollment - Parker	-	-	-	-	-	-	240.5	236.5	239.0	229.0
Elementary Enrollment - Eastside	-	-	-	-	-	-	-	-	-	146.0
Elementary Enrollment - Charlamagne	330.0	331.0	-	-	-	-	-	-	-	-
⁽⁴⁾ Parker closed at fiscal year-end 6/30/2011 and Charlemagne Immersion moved there in 2016										
River Road (1953)										
Gross Floor Area (sq ft): 49,381										
Elementary Enrollment	331.0	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										
Corridor Enrollment	244.0	260.0	253.0	238.5	244.5	245.0	238.5	232.5	237.0	243.5
Yujin Gakuen Enrollment	316.0	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										
Elementary Enrollment	309.0	312.0	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										
Elementary Enrollment	239.0	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										
Elementary Enrollment	538.0	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										
Middle School Enrollment	512.0	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	352.0	312.0	296.0	260.0	-	-	-	-	-	-
⁽⁷⁾ Arts & Technology's elementary grades closed at the end of the 2012-13 school year. Beginning in fall 2013, the school is a middle school serving grades 6-8.										
Kelly Middle School (1945)										
Gross Floor Area (sq ft): 112,356										
Middle School Enrollment	431.0	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										
Middle School Enrollment	397.0	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										
Middle School Enrollment	418.0	434.0	459.0	466.0	470.0	480.0	436.0	462.0	468.0	440.0

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

Statistical Table #31

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

	<i>Fiscal Year</i>									
	<i>2017</i>	<i>2016</i>	<i>2015</i>	<i>2014</i>	<i>2013</i>	<i>2012</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>
Monroe Middle School (1965)										
Gross Floor Area (sq ft): 87,401										
Middle School Enrollment	538.0	520.0	506.0	531.0	549.0	532.0	541.0	534.0	533.0	541.0
Roosevelt Middle School (2016)										
Gross Floor Area (sq ft): 97,770										
Middle School Enrollment	600.0	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										
Middle School Enrollment	436.0	442.0	448.0	453.0	451.0	423.0	418.0	402.0	422.0	420.0
High Schools										
Churchill High School (1966)										
Gross Floor Area (sq ft): 249,982										
High School Enrollment	1,172.0	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
Alternative High School Enrollment	-	-	-	-	-	-	153.0	74.0	56.0	89.0
Eugene Education Options West ⁽⁸⁾	227.0	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										
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 Parke	-	-	-	-	286.0	136.0	-	-	-	-
High School Enrollment - ECCO at LCC ⁽¹¹⁾	-	-	310.0	236.0	-	-	-	-	-	-
⁽¹⁰⁾ In 2012-13, EEO East combined with EEO West at the EEO East location, formerly Parker Elementary.										
⁽¹¹⁾ In 2013-14, EEO East became Early College & Career Options (ECCO) and began renting space at Lane Community College.										
North Eugene High School (1957)										
Gross Floor Area (sq ft): 214,767										
High School Enrollment	892.0	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
Alternative High School Enrollment	-	-	-	-	-	-	49.0	32.0	45.0	39.0
Sheldon High School (1963)										
Gross Floor Area (sq ft): 234,872										
High School Enrollment	1,487.0	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⁾	33.0	33.0	33.0	33.0	40.0	41.0	37.0	33.0	-	-
⁽¹²⁾ Transition Education Network (formerly Life Skills) enrollment included beginning 2010.										
South Eugene High School (1953)										
Gross Floor Area (sq ft): 310,831										
High School Enrollment	1,485.0	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:	929,905		91	55	0					
Middle Schools:	744,127		71	54	10					
High Schools:	1,010,452		63	56	50					
Other Facilities:	147,117		76	59	53					
Total Gross Floor Area (sq ft)	<u>2,831,601</u>		91	55	0					

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

Statistical Table #31

LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
NET UNFUNDED PENSION - UNFUNDED ACCURED LIABILITY (UAL)
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS¹

	Actuarial Valuation			
	2015	2014	2013	2012
Allocated pooled T1/T2 UAL	\$ 228,198,623	\$ 192,981,957	\$ 98,779,071	\$ 133,062,386
Allocated pooled OPSRP UAL	12,437,618	9,345,128	5,554,202	5,595,434
District Side Account	(46,835,207)	(50,188,241)	(50,264,555)	(46,485,504)
Net unfunded pension actuarial accrued liability / (surplus)	<u>\$ 193,801,034</u>	<u>\$ 152,138,844</u>	<u>\$ 54,068,718</u>	<u>\$ 92,172,316</u>

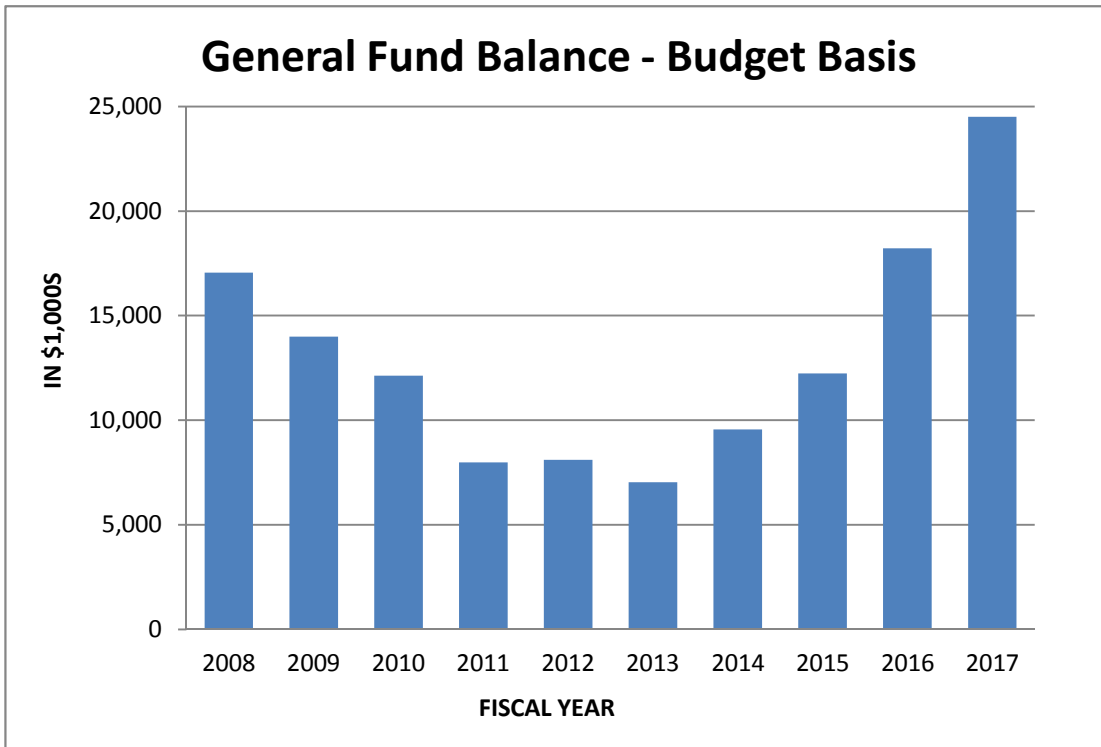
¹ This schedule is presented to illustrate information for 10 years. However, until a full 10-year trend has been compiled, it is presented for the years for which the information is available.

² The Milliman 2016 valuation report is not yet published as of November 2017.

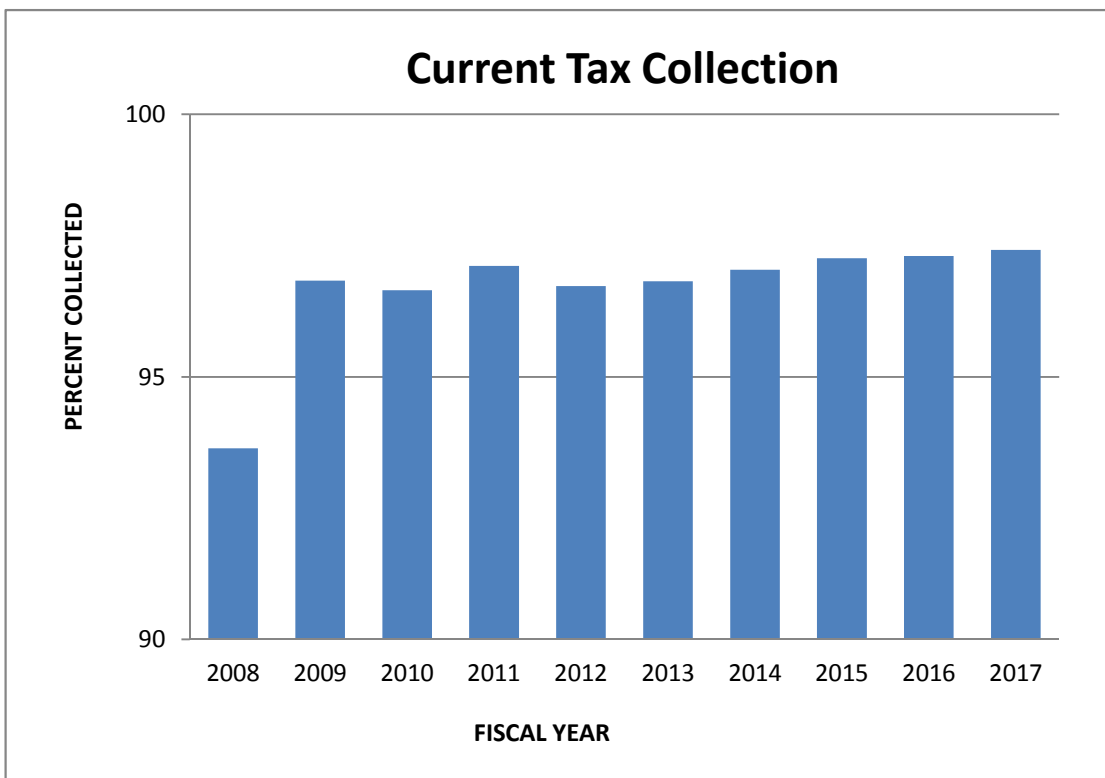
*Source: 2012 valuation - Milliman Report dated September 2014;
2013 and 2014 valuations - Milliman Report dated November 2015;
2015 valuation - Milliman Report dated September 2016*

Statistical Table #32

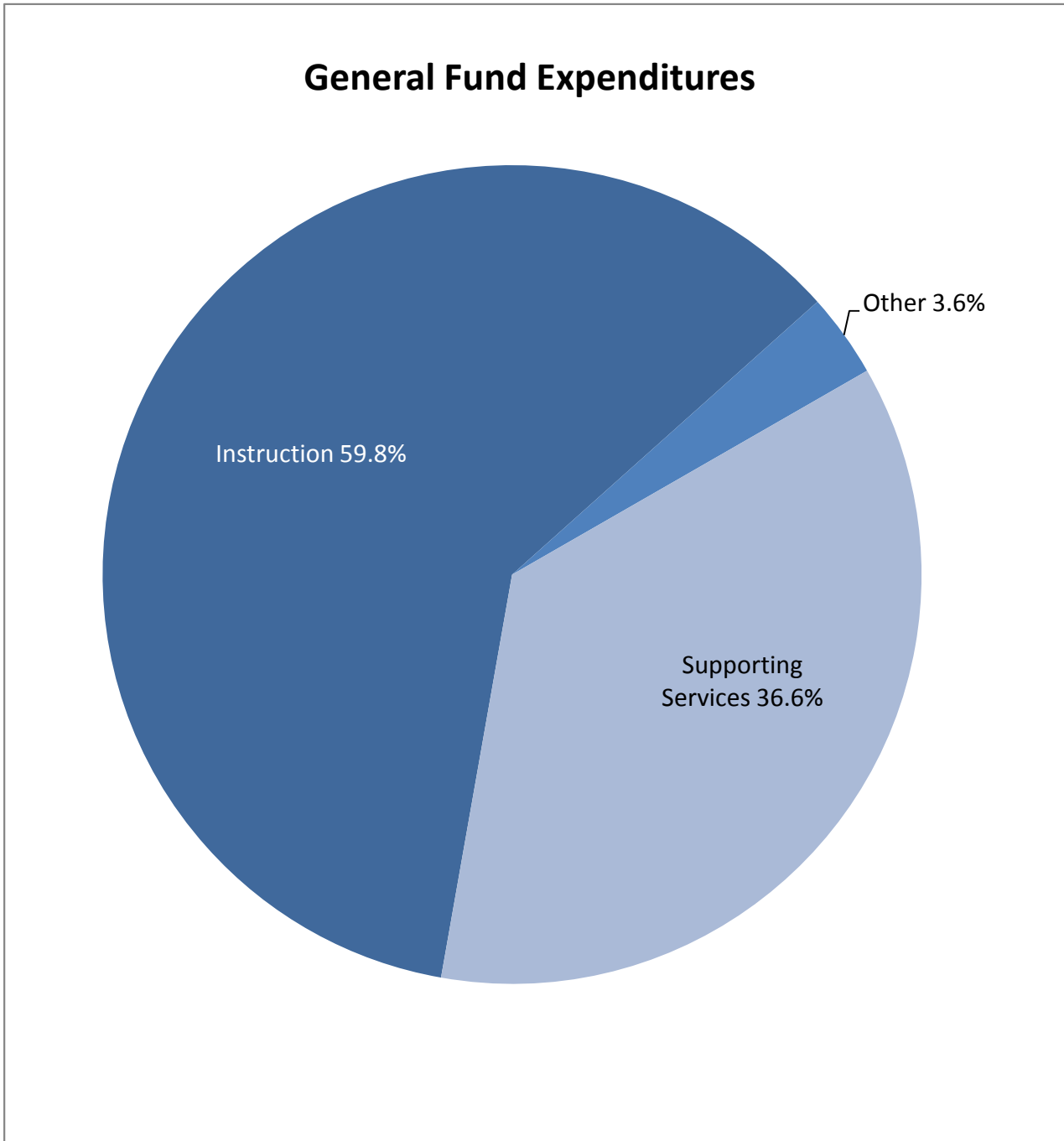
LANE COUNTY SCHOOL DISTRICT NO. 4J, EUGENE, OREGON
CHARTS AND GRAPHS
LAST TEN FISCAL YEARS



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

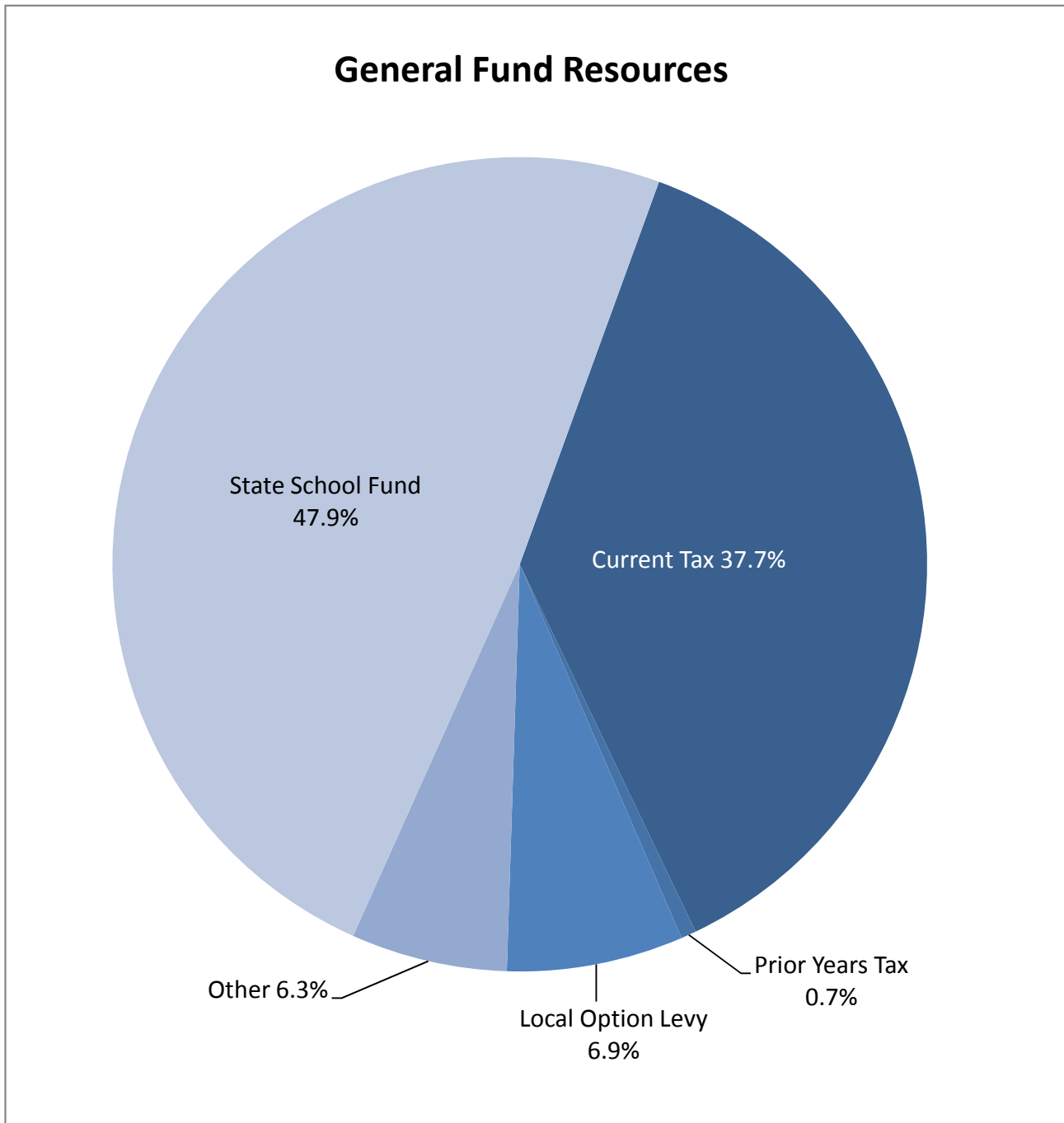


Source: Property Tax Levies and Collections



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

Chart #3



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

Chart #4

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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, 2017, and have issued our report thereon dated December 21, 2017. 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
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December 21, 2017

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, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 21, 2017.

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.



Matthew Graves, CPA
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December 21, 2017

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, 2017. 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, 2017.

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 the Uniform Guidance. 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, 2017

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 515(d)(2) of the Uniform Guidance? 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 section 200.516(a) of the Uniform Guidance? yes no

IDENTIFICATION OF MAJOR PROGRAMS

CFDA NUMBER

84.027, 84.173

NAME OF FEDERAL PROGRAM CLUSTER

Special Education Cluster

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

Auditee qualified as low-risk auditee?

yes no

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

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.