

**SOUTH LANE SCHOOL DISTRICT
LANE COUNTY, OREGON**

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2014



12700 SW 72nd Ave.
Tigard, OR 97223

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

FINANCIAL REPORT
For the Year Ended June 30, 2014

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SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

BOARD OF EDUCATION AS OF JUNE 30, 2014

<u>NAME</u>	<u>TERM EXPIRES</u>
Sherry Duerst-Higgins, Chair	June 30, 2017
Tammy Hodgkinson, Vice-Chair	June 30, 2015
Taylor Wilhour	June 30, 2017
Merlene Martin	June 30, 2015
Alan Baas	June 30, 2017
Joe Raade	June 30, 2015
Darin Hemenway	June 30, 2015

All board members receive mail at the address below

ADMINISTRATION

Krista Parent, Superintendent
Phil Scrima, Business Manager

455 Adams Avenue
Cottage Grove, Oregon 97424

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SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

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LANE COUNTY, OREGON

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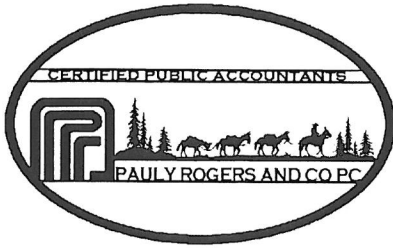
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December 4, 2014

To the Board of Directors
South Lane School District No. 45J3
Lane County, Oregon

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of South Lane School District No. 45J3, as of and for the year ended June 30, 2014, 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 auditors' 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, the business-type activities, each major fund, and the aggregate remaining fund information of South Lane School District No. 45J3, as of June 30, 2014, and the respective changes in financial position 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. 65, *Items Previously Reported as Assets and Liabilities*, for the year ended June 30, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and 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 management's discussion and analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have 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 records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary 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 awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The supplementary information, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The listing of board members containing their term expiration dates, located before the table of contents, 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 reports dated December 4, 2014 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 the reports 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. The reports are 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 4, 2014, 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.



Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.

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SOUTH LANE SCHOOL DISTRICT NO. 45J3
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2014

The management of South Lane School District No. 45J3 (the District) presents this narrative overview to facilitate both a short-term and a long-term analysis of the financial activities of the District for the fiscal year ended June 30, 2014. This Management's Discussions and Analysis (MD&A) is based on current known facts, decisions, and conditions that existed at the date of the independent auditor's report.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the assets of the District exceeded its liabilities at June 30, 2014, by \$9,482,956. Of this amount \$8,496,011 represents the District's investment in capital assets, \$601,209 is restricted for debt service, \$133,576 is restricted for special projects and the balance of \$252,160 is unrestricted and available to meet the District's ongoing obligations. The District's change in net position for the year was an increase of \$886,383 before a reduction of \$223,780 for a prior period adjustment.
- The District's governmental funds report a combined ending fund balance of \$5,182,851 at June 30, 2014, a decrease of \$121,338 including a prior period adjustment of \$223,780.
- At the end of the fiscal year unassigned fund balance for the General Fund was \$4,289,194, which represents 17.6 percent of the total General Fund expenditures for the fiscal year ended June 30, 2014.
- On June 30, 2014, the District's total debt was \$43,427,138.

OVERVIEW OF THE FINANCIAL STATEMENTS

This following discussion and analysis is intended to serve as an introduction to the District's basic financial statements and other required supplementary information. The District's basic financial statements consist of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to financial statements

This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2014

OVERVIEW OF THE FINANCIAL STATEMENTS, continued

The *Statement of Net Position* presents information on all of the District's assets and liabilities as of the date on the statement. Net position equals what assets remain 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.

The *Statement of Activities* presents information showing how the District's net position changed over the most recent fiscal year by tracking revenues, expenses, and other transactions that increase or reduce net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave).

In the government-wide financial statements, the District's activities are shown in one category as governmental activities. All of the District's basic functions are shown here, such as regular and special education, child nutrition services, transportation, and administration. These activities are primarily financed through property taxes, Oregon's State School Fund, and other intergovernmental revenues.

Fund Financial Statements The fund financial statements provide more detailed information about the District's funds. 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.

The District maintains seven fund types: the General Fund, the Special Revenue Funds, the Special Projects Funds, the Debt Service Funds, the Capital Projects Funds, the Internal Service Fund and the Fiduciary Funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position As noted earlier, net position may serve as a useful indicator of a government's financial position over time. In the case of the District, assets exceed liabilities by \$9,482,956 on June 30, 2014.

Capital assets, which consist of the District's land, buildings, building improvements, site improvements, vehicles, and equipment, represent 54 percent of total assets. The remaining assets consist mainly of cash and investments, receivables, and the net pension asset.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended June 30, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS, continued

The District's largest liability (95.7 percent) is for the repayment of long-term debt (general obligation bonds, QZA Bonds, PERS bonds, and capital lease obligations). In addition, termination benefits make-up 1.2 percent of total liabilities. Current liabilities consist almost entirely of the current portion of long-term debt, payables on accounts, and payroll benefits.

A large portion of the District's net position (89.6 percent) reflects its investment in capital assets (e.g., land, buildings, vehicles, and equipment). The District uses the capital assets to provide services to students and other District residents; consequently these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

STATEMENTS OF NET POSITION		
At June 30:		
	<u>2014</u>	<u>2013</u>
Cash and investments	\$ 5,933,529	\$ 6,054,123
Receivables	1,477,705	1,105,219
Capital assets	29,312,515	29,563,241
Other assets	<u>17,588,634</u>	<u>18,585,731</u>
Total assets	<u>54,312,383</u>	<u>55,308,314</u>
Noncurrent liabilities	43,427,138	45,434,660
Other liabilities	<u>1,402,289</u>	<u>1,053,301</u>
Total liabilities	<u>44,829,427</u>	<u>46,487,961</u>
Net position:		
Invested in capital assets, net of related debt	8,496,011	7,393,267
Restricted debt service	601,209	543,313
Restricted for capital projects	133,576	339,415
Unrestricted	<u>252,160</u>	<u>554,358</u>
Total net position	<u>\$ 9,482,956</u>	<u>\$ 8,820,353</u>

SOUTH LANE SCHOOL DISTRICT NO. 45J3
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS, continued

During the 2013-2014 fiscal year the District's change in net position was an increase of \$662,603. The key elements of the increase in the District's net position for the year ended June 30, 2014 are as follows:

- 2013-2014 instruction and related services expenses increased by \$1,976,809 and supporting services expenses increased by \$1,192,258.
- 2013-2014 charges for services decreased by \$132,870 and operating grants decreased by \$186,403.

STATEMENTS OF ACTIVITIES		
For the Year Ended June 30:		
	<u>2014</u>	<u>2013</u>
Program revenues:		
Charges for services	\$ 1,119,293	\$ 1,252,163
Operating grants	3,385,891	3,572,294
General revenues:		
Taxes	7,861,717	7,448,154
State School Fund	18,071,322	15,527,677
Other state, county, and local sources	1,806,971	2,072,229
Earnings on investments	<u>48,146</u>	<u>49,102</u>
Total revenues	<u>32,293,340</u>	<u>29,921,619</u>
Expenses:		
Instruction and related services	15,892,454	13,915,645
Support services	12,263,211	11,070,953
Enterprise/Community services	1,438,529	485,369
Interest expense	1,812,763	1,789,481
Depreciation and amortization	<u>944,524</u>	<u>944,524</u>
Total expenses	<u>31,406,957</u>	<u>28,205,972</u>
Change in net position	886,383	1,715,647
Rounding adjustment	0	(1)
Prior period adjustment	(223,780)	0
Net position, beginning of year	<u>8,820,353</u>	<u>7,104,707</u>
Net position, end of year	<u>\$ 9,482,956</u>	<u>\$ 8,820,353</u>

SOUTH LANE SCHOOL DISTRICT NO. 45J3
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2014

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds The focus of the District's governmental funds is to provide information on relatively short-term cash flow and funding for future basic services. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

At June 30, 2014, the District's governmental funds reported combined ending fund balances of \$5,182,851.

General Fund: The General Fund is the chief operating fund of the District. As of June 30, 2014, unassigned fund balance was \$4,289,194. The unassigned fund balance represents 18 percent of the total General Fund expenditures.

Federal Grants Fund: This fund accounts for federal grants restricted for specific purposes. Revenues decreased by \$292,150.

Special Projects Fund: This fund accounts for state and local grants restricted for specific purposes, food services, student body activities, and other special purpose revenues. Revenues decreased by \$6,692.

Capital Projects Fund: The Capital Projects Fund expended \$110,209 for various building improvements throughout the district and \$57,822 for the purchase of other vehicles and equipment.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year all General Fund expenditures were within budget. Actual revenues from federal sources exceeded budgeted amounts. Actual revenues from state sources exceeded budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets The District's investment in capital assets includes land, buildings and improvements, site improvements, vehicles, and equipment. As of June 30, 2014, the District had invested \$29,312,515 in capital assets, net of depreciation.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended June 30, 2014

CAPITAL ASSETS AND DEBT ADMINISTRATION, continued

CAPITAL ASSETS (NET OF DEPRECIATION)		
June 30:		
	<u>2014</u>	<u>2013</u>
Land and improvements	\$ 890,489	\$ 890,489
Buildings and improvements	27,266,800	27,914,822
Vehicles and equipment	<u>1,155,226</u>	<u>757,930</u>
Total	<u>\$ 29,312,515</u>	<u>\$ 29,563,241</u>

Long-term debt At the end of the current fiscal year, the District had a total debt outstanding of \$43,427,138 consisting of general obligation bonds, QZA Bonds, PERS Bonds, and capital leases.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET 2014-2015

The most significant economic factor for the District is the State of Oregon's State School Fund formula. The formula consists of a General Purpose Grant, a Transportation Grant, and certain local revenues. For the year ended June 30, 2014, the State School Fund General Purpose Grant provided 57.6 percent of the District's total revenues and 73.7 percent of the District's General Fund revenues. The 2013-2014 State School Fund is expected to be slightly more than the 2012-2013 revenue.

Salary and benefit costs will increase for the 2014-2015 school year based on current contractual obligations and a full school year calendar. The licensed contract provided for an increase in salaries of between 1.50 and 2.50 percent. The administrative, supervisory, and classified staff are also eligible to receive between a 1.50 and 2.50 percent increase in salaries. All increases are based on the annual movement of the consumer price index.

Total student enrollment increased in 2013-2014 and is expected to continue to increase in 2014-2015.

The District's Budget Committee and School Board considered all of these factors while preparing the District's budget for the 2014-2015 fiscal year. The District continues to use a significant amount of beginning fund balance to support the budget while maintaining a contingency reserve for catastrophic, unforeseen circumstances of \$1 million. This measured, steady approach along with improving economic conditions has enable the Board to adopt a budget that provides a full school year calendar, full-day kindergarten, and helps ensure that student academic performance will continue to improve through the implementation of the common core state standards.

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 District's Business Manager at 455 Adams, Cottage Grove, OR 97424.

SOUTH LANE SCHOOL DISTRICT 45J3
LANE COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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SOUTH LANE SCHOOL DISTRICT NO. 45J3

LANE COUNTY, OREGON

STATEMENT OF NET POSITION

June 30, 2014

ASSETS

Cash and Investments	\$ 5,933,529
Accounts Receivable	850,058
Taxes Receivable	627,647
Inventory	11,238
Capital Assets:	
Non-depreciable	890,489
Depreciable, net of depreciation	28,422,026
Net Pension Asset	17,577,396
	<hr/>
Total Assets	54,312,383
	<hr/>

LIABILITIES:

Accounts Payable	188,935
Accrued Withholdings and Benefits	1,188,008
Accrued Interest Payable	25,346
Noncurrent Liabilities:	
Due within one year	2,077,949
Due in more than one year	41,349,189
	<hr/>
Total Liabilities	44,829,427
	<hr/>

NET POSITION:

Net Investment in Capital Assets	8,496,011
Restricted:	
Debt Service	601,209
Special Projects	133,576
Unrestricted	252,160
	<hr/>
Total Net Position	\$ 9,482,956
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See accompanying notes to basic financial statements

SOUTH LANE SCHOOL DISTRICT NO. 45J3

LANE COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014

FUNCTIONS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Instruction	\$ 15,892,454	\$ 47,790	\$ 1,398,753	\$ (14,445,910)
Support Services	12,263,211	846,604	922,258	(10,494,349)
Enterprise/Community Services	1,438,529	224,898	1,064,880	(148,751)
Interest on Long-Term Debt	1,812,763	-	-	(1,812,763)
Total Governmental Activities	<u>\$ 31,406,957</u>	<u>\$ 1,119,293</u>	<u>\$ 3,385,891</u>	<u>(26,901,773)</u>

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes	5,686,767
Property Taxes, Levied for Debt Service	2,174,950
State School Fund - General Support	18,071,322
Common School Fund	288,963
Other State, County, and Local Sources	1,518,008
Earnings on Investments	48,146

Total General Revenues	<u>27,788,156</u>
Changes in Net Position	886,383
Prior Period Adjustment	(223,780)
Net Position – Beginning	<u>8,820,353</u>
Net Position – Ending	<u>\$ 9,482,956</u>

See accompanying notes to basic financial statements

SOUTH LANE SCHOOL DISTRICT NO. 45J3

LANE COUNTY, OREGON

BALANCE SHEET – GOVERNMENTAL FUNDS

June 30, 2014

	GENERAL FUND	SPECIAL REVENUE FUNDS	SPECIAL PROJECTS FUNDS	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS
ASSETS:						
Cash and Investments	\$ 4,046,042	\$ -	\$ 918,178	\$ 593,487	\$ 115,959	\$ 5,673,666
Receivables:						
Property Taxes	452,147	-	-	175,500	-	627,647
Accounts	113,372	328,041	385,923	-	22,722	850,058
Inventory	-	765	10,473	-	-	11,238
Due from Other Funds	1,423,316	-	-	-	-	1,423,316
Total Assets	\$ 6,034,877	\$ 328,806	\$ 1,314,574	\$ 768,987	\$ 138,681	\$ 8,585,925
LIABILITIES:						
Accounts Payable	\$ 131,219	\$ 12,877	\$ 36,579	\$ -	\$ 8,260	\$ 188,935
Accrued Withholdings and Benefits	1,183,589	-	4,419	-	-	1,188,008
Due to Other Funds	-	283,316	1,140,000	-	-	1,423,316
Total Liabilities	1,314,808	296,193	1,180,998	-	8,260	2,800,259
DEFERRED INFLOWS OF RESOURCES:						
Unavailable Revenue - Property Taxes	430,875	-	-	167,778	4,162	602,815
FUND BALANCES:						
Nonspendable	-	765	10,473	-	-	11,238
Restricted:						
Other Fund Activities	-	31,848	123,103	-	-	154,951
Debt Service	-	-	-	601,209	-	601,209
Assigned:						
Capital Projects	-	-	-	-	126,259	126,259
Unassigned	4,289,194	-	-	-	-	4,289,194
Total Fund Balances	4,289,194	32,613	133,576	601,209	126,259	5,182,851
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 6,034,877	\$ 328,806	\$ 1,314,574	\$ 768,987	\$ 138,681	\$ 8,585,925

See accompanying notes to basic financial statements

SOUTH LANE SCHOOL DISTRICT NO. 45J3

LANE COUNTY, OREGON

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2014

Total Fund Balances - Governmental Funds		\$	5,182,851
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>			
<p>Internal service funds are used by management to charge the costs of retirement of the PERS bonds to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.</p>			
			(4,502,985)
<p>Capital assets are not financial resources and are not reported in the funds:</p>			
Capital Assets	\$	44,852,963	
Accumulated Depreciation		<u>(15,540,448)</u>	29,312,515
<p>Some assets will be collected after year end and are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds:</p>			
Property Taxes			602,815
<p>Premiums and discounts are recognized in the funds in the year paid or received but are capitalized on the Statement of Net Position and amortized over the term of the bonds.</p>			
Premiums		(1,450,129)	
Discounts		<u>251,340</u>	(1,198,789)
<p>Some liabilities are not due and payable in the current period and therefore are not reported in the funds:</p>			
Accrued Interest Payable		(25,346)	
Governmental Bonds		(18,655,000)	
Capital Leases Payable		(711,375)	
Early Retirement		<u>(521,730)</u>	<u>(19,913,451)</u>
Total Net Position		\$	<u>9,482,956</u>

See accompanying notes to basic financial statements

SOUTH LANE SCHOOL DISTRICT NO. 4513

LANE COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014

	GENERAL FUND	SPECIAL REVENUE FUNDS	SPECIAL PROJECTS FUNDS	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS
REVENUES:						
Local Sources						
Taxes	\$ 5,669,640	\$ -	\$ -	\$ 2,174,950	\$ -	\$ 7,844,590
Earnings From Investments	40,764	-	218	7,046	27	48,055
Other Local Sources	171,242	49,867	1,469,551	-	141,700	1,832,360
Intermediate Sources	519,856	58,700	21,939	-	-	600,495
State Sources	18,348,285	-	12,000	-	-	18,360,285
Federal Sources	152,476	1,689,218	1,341,827	-	-	3,183,521
Total Revenues	24,902,263	1,797,785	2,845,535	2,181,996	141,727	31,869,306
EXPENDITURES:						
Current:						
Instruction	13,683,736	1,288,838	1,289,533	-	-	16,262,107
Support Services	10,673,519	462,625	983,540	-	416,306	12,535,990
Enterprise/Community Services	-	5,593	1,466,396	-	-	1,471,989
Facilities Acquisition	-	-	30,500	-	-	30,500
Debt Service	-	-	75,897	2,192,810	42,586	2,311,293
Total Expenditures	24,357,255	1,757,056	3,845,866	2,192,810	458,892	32,611,879
Revenues Over, (Under) Expenditures	545,008	40,729	(1,000,331)	(10,814)	(317,165)	(742,573)
Other Financing Sources, (Uses)						
Lease Purchase Receipts	509,577	-	-	-	-	509,577
Sale of Capital Assets	410,946	-	-	-	-	410,946
Transfers In	75,000	-	945,000	68,710	350,000	1,438,710
Transfers Out	(1,363,710)	-	(150,508)	-	-	(1,514,218)
Total Other Financing Sources, (Uses)	(368,187)	-	794,492	68,710	350,000	845,015
Net Change in Fund Balance	176,821	40,729	(205,839)	57,896	32,835	102,442
Prior Period Adjustment	(223,780)	-	-	-	-	(223,780)
Fund Balances, Beginning	4,336,153	(8,116)	339,415	543,313	93,424	5,304,189
Fund Balances, Ending	\$ 4,289,194	\$ 32,613	\$ 133,576	\$ 601,209	\$ 126,259	\$ 5,182,851

See accompanying notes to basic financial statements

SOUTH LANE SCHOOL DISTRICT NO. 45J3

LANE COUNTY, OREGON

Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balances
 to the Statement of Activities
 For the Year Ended June 30, 2014

Total Net Changes in Fund Balances - Governmental Funds	\$	102,442
Amounts reported for governmental activities in the Statement of Activities are different because:		
An internal service fund is used to charge the cost of retirement of the PERS bonds to individual funds. The change in net position is included with governmental activities in the Statement of Activities.		(342,845)
Property taxes not collected within 60 days of year end are not reported as revenue in the funds.		17,127
Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:		
Capital Asset Additions	\$ 795,301	
Depreciation Expense	(1,041,897)	
Sale of Capital Assets (Net)	<u>(4,130)</u>	(250,726)
Debt issue cost should be recognized as an expense in the period incurred.		
Bond Issuance Cost		(224,725)
Bond premiums and discounts are recognized in the funds in the year paid or received but are capitalized on the Statement of Net Position and amortized over the term of the bonds:		
Amortization of premiums and discounts (Net)	<u>169,325</u>	169,325
The issuance of long-term debt provides current financial resources to governmental funds. The repayment of long-term debt consumes current financial resources. Current period long-term debt transactions:		
Proceeds of New Leases	(521,753)	
Principal Payments on Long-Term Debt	<u>1,670,397</u>	1,148,644
Governmental funds report the payment of early retirement benefits as expenditures; however, in the Statement of Activities the expense also includes the change in net present value of future cash flows.		265,813
Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Decrease in Accrued Interest Payable		<u>1,328</u>
Change in Net Position of Governmental Activities	<u>\$</u>	<u>886,383</u>

See accompanying notes to basic financial statements

SOUTH LANE SCHOOL DISTRICT NO. 45J3

LANE COUNTY, OREGON

STATEMENT OF NET POSITION – PROPRIETARY FUND

June 30, 2014

	<u>INTERNAL SERVICE FUND</u>
	<u>PERS BOND FUND</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 259,863
Noncurrent Assets	
Net Pension Asset	<u>17,577,396</u>
Total Assets	<u>17,837,259</u>
NET POSITION	
Current Liabilities	
Long-Term Liabilities Payable in One Year	546,131
Noncurrent Liabilities	
Long-Term Liabilities Payable After One Year, Net of Bond Discount	<u>21,794,113</u>
Total Liabilities	<u>22,340,244</u>
Net Position	
Unrestricted	<u>(4,502,985)</u>
Total Net Position	<u>\$ (4,502,985)</u>

See accompanying notes to basic financial statements

SOUTH LANE SCHOOL DISTRICT NO. 45J3

LANE COUNTY, OREGON

STATEMENT OF ACTIVITIES – PROPRIETARY FUND

For the Year Ended June 30, 2014

	<u>INTERNAL SERVICE FUND</u>
	<u>PERS BOND FUND</u>
Operating Revenues	
Interfund Charges	\$ 1,767,211
Total Operating Revenues	<u>1,767,211</u>
Nonoperating Revenues (Expenses)	
Earnings on Investments	91
Interest Expense	(1,342,520)
Expense of Bond Issuance Costs	(154,767)
Amortization of Net Pension Asset	<u>(612,860)</u>
Total Nonoperating Revenues (Expenses)	<u>(2,110,056)</u>
Change in Net Position	(342,845)
Net Position – Beginning	<u>(4,160,140)</u>
Net Position – Ending	<u>\$ (4,502,985)</u>

See accompanying notes to basic financial statements

SOUTH LANE SCHOOL DISTRICT NO. 45J3

LANE COUNTY, OREGON

STATEMENT OF CASH FLOWS – PROPRIETARY FUND
For the Year Ended June 30, 2014

	<u>INTERNAL SERVICE FUND</u>
	<u>PERS BOND FUND</u>
Cash flows from operating activities	
Interfund charges	\$ 1,767,211
Cash flows from investing activities	
Earnings on investments	91
Cash flows from noncapital financing activities	
Principal paid on pension bonds	(607,769)
Interest paid on pension bonds	(1,158,491)
Net cash used by noncapital financing activities	(1,766,260)
Net increase in cash and cash equivalents	1,042
Cash and cash equivalents, beginning	258,821
Cash and cash equivalents, ending	<u>\$ 259,863</u>

See accompanying notes to basic financial statements

SOUTH LANE SCHOOL DISTRICT NO. 45J3

LANE COUNTY, OREGON

STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
June 30, 2014

		PRIVATE PURPOSE TRUST FUNDS
ASSETS		
Cash and Investments		\$ 388,176
Total Assets		<u>388,176</u>
LIABILITIES		
Accounts Payable		<u>206</u>
Total Liabilities		<u>206</u>
NET POSITION		
Held in Trust for Scholarships		307,119
Held in Trust for Future Expenditures		<u>80,851</u>
Total Net Position		<u>\$ 387,970</u>

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS
For the Year Ended June 30, 2014

		PRIVATE PURPOSE TRUST FUNDS
ADDITIONS		
Earnings on Investments		\$ 2,117
Contributions		<u>2,225</u>
Total Additions		<u>4,342</u>
DEDUCTIONS		
Scholarships Awarded		3,440
Instruction Services		5,000
Supporting Services		<u>452</u>
Total Deductions		<u>8,892</u>
Change in Net Position		(4,550)
Transfers In		75,508
Net Position – Beginning		<u>317,012</u>
Net Position – Ending		<u>\$ 387,970</u>

See accompanying notes to basic financial statements

SOUTH LANE SCHOOL DISTRICT 45J3
LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the accounting policies are described below.

A. THE FINANCIAL REPORTING ENTITY

South Lane School District 45J3 (The District), Lane County, Oregon, is a municipal corporation governed by an independently elected board consisting of seven directors and is legally separate from all other entities, organized under provisions of Oregon Revised Statutes Chapter 332 for the purpose of operating elementary and secondary schools. It is also financially independent of other state and local governmental units. It has the power to levy taxes, responsibility for its debts and entitlement to any surpluses.

For financial statement reporting purposes the reporting consists of the District, any organization for which it is financially accountable and any other organization that, because of the nature and significance of their relationship with the District, may not be excluded from the financial reporting.

Based on these criteria, the District is not a component of any other entity. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement 61, are separate organizations that are included in the District's reporting entity because of the significance of their operational or financial relationships with the District. There are no component units.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

Government-wide Financial Statements (GWFS)

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) display information about the District as a whole.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with GASB Statement No. 33 "Accounting and Financial Reporting for Non-exchange Transactions." Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

All direct expenses are reported by function in the Statement of Activities. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

SOUTH LANE SCHOOL DISTRICT 45J3
LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (Continued)

Program revenues derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole. Program revenues reduce the cost of the function to be financed from the general revenues and include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities.

Fund Financial Statements

The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

Governmental Fund Types

Governmental funds are used to account for the general governmental activities. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, interfund transactions, and certain compensated absences which are not recognized as expenditures because they will be liquidated with future expendable financial resources.

Revenues susceptible to accrual are interest, state, county and local shared revenue and federal and state grants. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

There are the following major governmental funds:

General Fund

This fund accounts for all financial resources and expenditures, except those required to be accounted for in another fund. The principal revenue sources are property taxes and an apportionment from the State of Oregon School Support Fund.

Special Revenue Funds

This fund accounts for various federal grants received by the District.

SOUTH LANE SCHOOL DISTRICT 45J3
LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (Continued)

Governmental Fund Types (Continued)

Special Projects Funds

This fund accounts for revenues and expenditures relating to food service, student body activities, and other special projects.

Debt Service Fund

This fund accounts for payments to retire the District's 2012 general obligation refunding bonds; resources to pay these bonds are from property tax revenue. This fund also pays the debt service on qualified zone activity bonds which were used to finance improvements in technology services. Resources are transfers from the General Fund.

Capital Projects Fund

This fund accounts for financial resources used for the acquisition or construction of major facilities and other capital assets.

The District has one proprietary fund – the PERS Bond Fund – which levies charges to the various operating funds of the District to pay the debt service on bonds used to reduce the required contributions for employee pension costs. It is an internal service fund and the interfund charges, based on payroll, provide the resources to pay the debt on the bonds as it becomes due. Separate fund financial statements are provided for this fund and its transactions are included with the governmental activities in the government-wide financial statements.

The District has three private purpose trust funds. These account for resources received and held by the District in a fiduciary capacity. Disbursements from these funds are made in accordance with trust agreements and include the Student Trust Fund, Scholarship Fund and the Nurses Fund.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For financial reporting purposes, all highly liquid investments with a maturity of three months or less are considered to be cash equivalents.

SOUTH LANE SCHOOL DISTRICT 45J3
LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (Continued)

Property Taxes

Ad valorem property taxes are levied and become a lien on all taxable property as of July 1. Property taxes are payable on November 15. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Uncollected property taxes are shown in the balance sheet. Uncollected taxes are deemed by management to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established.

Grants

Unreimbursed grant expenditures due from grantor agencies are recorded as receivables and revenues. Cash received from grantor agencies in excess of related grant expenditures that is to be carried over to the next fiscal year is recorded as a liability, unearned revenue.

Construction Excise Tax

Oregon Senate Bill 1036 was passed in 2007 and authorizes school districts to impose construction excise taxes to fund capital improvements to school facilities. The construction tax is imposed only on improvements to real property that result in a new structure or additional square footage in an existing structure. The construction tax is \$1.14 per square foot on structures or portions of structures intended for residential use, including but not limited to single-unit or multiple-unit housing. In addition, there is a construction tax of \$0.57 per square foot on structures or portions of structures intended for non-residential use. The maximum construction tax on structures intended for nonresidential use cannot exceed \$28,400 per building permit or \$28,400 per structure, whichever is less. The tax rates are adjusted for changes in construction costs. Agencies performing the collection function for the tax revenues may withhold up to 4 percent of amounts collected to cover administrative costs. The Oregon Department of Revenue determines the adjusted rate limitations and reports to the District. For the year ended June 30, 2014, the District collected \$79,434 in construction excise taxes.

Inventories

All inventories are valued at cost (first-in, first-out method) and donated commodities are valued at their estimated fair market value. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Capital Assets

Capital assets, which include land, buildings and improvements, and equipment, are reported in the government wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value on the date donated. The cost of routine maintenance and repairs that do not add to the value of the assets or materially extend asset lives are charged to expenditures as incurred and not capitalized.

SOUTH LANE SCHOOL DISTRICT 45J3
LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (Continued)

Capital Assets (Continued)

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and Improvements	20 to 60 years
Equipment	5 to 15 years
Buses and Other Vehicles	10 to 15 years

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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 issuances are reported as other financing uses.

Retirement Plans

Substantially all employees are participants in the Public Employees Retirement System (PERS). Contributions to PERS are made on a current basis as required by the plan and are charged to expenditures as funded.

Accrued Compensated Absences

It is policy to permit select employees to accumulate earned unused vacation pay benefits. There is no liability for unpaid accumulated sick leave since there is no policy to pay any amounts when employees separate from service with the District. All vacation pay is accrued in the government wide statements. A liability is accrued in the governmental funds because vacation pay is expected to be liquidated with expendable available resources.

Interfund Transactions

Outstanding balances between funds result mainly from the time lag between the accrual and payment of payroll and related benefit charges and the collection of receivables and are reported as due to/from other funds on the governmental fund balance sheet but are eliminated on the statement of net position.

Funds are transferred from one fund to support expenditures of other funds in accordance with the authority established for the individual fund. Operating transfers during the year ended June 30, 2014, are reported in the governmental funds but are eliminated in the government-wide financial statements.

SOUTH LANE SCHOOL DISTRICT 45J3
LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position 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 positions that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Net Position

Net position comprises the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

Net investment in capital assets – consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There is restricted net position for debt service and special projects funds.

Unrestricted – consists of all other assets that are not included in the other categories previously mentioned.

Fund Equity

In March 2009, the GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund-type Definitions. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications are nonspendable, restricted, committed, assigned, and unassigned.

SOUTH LANE SCHOOL DISTRICT 45J3
LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (Continued)

Fund Equity (Continued)

- Nonspendable fund balance represents amounts that are not in a spendable form.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. The Superintendent and Business Manager have been granted the authority to assign fund balances.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

There are no committed fund balances at year end.

The governing body has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

A budget is prepared and legally adopted for each governmental fund in accordance with Oregon Local Budget Law. These budgets are all prepared using the modified accrual basis of accounting. The budgets for all budgeted funds are adopted on a basis consistent with generally accepted accounting principles in the United States of America except the property taxes received after year-end are not considered budgetary resources in the funds, inventory is expensed when purchased, capital outlay is recorded as an expenditure rather than capitalized, depreciation is not recorded on capital assets and debt, accrued interest and OPEB expenses are expensed as paid instead of when incurred.

The budgeting process begins by appointing Budget Committee members in early fall. Budget recommendations are developed by management through spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June, and the hearing is held in June. The budget is adopted, appropriations are made and the tax levy is declared no later than June 30. Expenditure budgets are appropriated at the major function level (instruction, support services, community services, debt service, contingency, and transfers) for each fund. Expenditure appropriations may not legally be over expended, except in the case of grant receipts which could not be reasonably estimated at the time the budget was adopted.

SOUTH LANE SCHOOL DISTRICT 45J3
LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

Budgetary Information (Continued)

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Supplemental budgets less than 10% of the fund's original budget may be adopted by the Board of Directors at a regular meeting. A supplemental budget greater than 10% of the fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels). Such transfers require approval by the Board.

Budget amounts shown in the basic financial statements include the original budget amounts and appropriation transfers approved by the Board. Appropriations lapse at the end of each fiscal year.

Expenditures of the various funds were within authorized appropriations except for the Capital Projects Fund – Debt Service which was overexpended by \$12,786.

3. CASH AND INVESTMENTS

Deposits

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury.

Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial credit risk. As of June 30, 2014, \$264,272 of the bank balance of \$1,657,054 was insured by the FDIC and the remainder was collateralized by the Oregon Public Funds Collateralization Program (PFCP). Oregon Revised Statutes require deposits to be adequately covered by the federal depository insurance or deposited at an approved depository as identified by the Treasury.

Cash and Investments at June 30, 2014 consisted of:

Petty Cash	\$	13
Deposits with financial institutions:		
Demand Deposits		1,189,579
Certificates of Deposit		65,000
Local Government Investment Pool		<u>5,067,113</u>
	\$	<u>6,321,705</u>
Presentation in the Basic Financial Statements:		
Statement of Net Position	\$	5,933,529
Fiduciary Funds		<u>388,176</u>
	\$	<u>6,321,705</u>

SOUTH LANE SCHOOL DISTRICT 45J3
 LANE COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS

3. CASH AND INVESTMENTS (Continued)

Investments

State statutes governing cash management are followed. Statutes authorize investing in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool.

The State Treasurer's Local Government Investment Pool is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the State's investment policies. The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury. These funds must be invested, and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the Fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board (OSTFB), which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements.

Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. There is no material difference between the fair value of the District's position in the State Treasurer's Local Government Investment Pool and the value of the pool shares at June 30, 2014. There were no known violations of legal or contractual provisions for deposits and investments during the fiscal year.

There were the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in months)</u>	
		<u>Less than 3</u>	<u>More than 3</u>
State Treasurer's Local Government Investment Pool	\$ 5,067,113	\$ 5,067,113	\$ -
Total	<u>\$ 5,067,113</u>	<u>\$ 5,067,113</u>	<u>\$ -</u>

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. Cottage Grove High School has held a CD since 1989 that matures every two years, but has been renewed at the time of each maturity date.

Credit Risk

Oregon Revised Statutes does not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated.

Concentration of Credit Risk

At June 30, 2014, other than the high school CD mentioned above, 100% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument. Oregon Revised Statutes require no more than 25 percent of the moneys of local government to be invested in bankers' acceptances of any qualified financial institution. At June 30, 2014, there was compliance with all percentage restrictions.

SOUTH LANE SCHOOL DISTRICT 45J3
LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

4. ACCOUNTS RECEIVABLE

Accounts receivable are comprised primarily of claims for reimbursement of costs under various federal and state grant programs. Management estimates that all accounts are collectible and therefore, no allowance for doubtful accounts has been established.

5. CAPITAL ASSETS

The changes in capital assets for the fiscal year ended June 30, 2014, are as follows:

	<u>7/1/2013</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2014</u>
Capital assets not being depreciated					
Land	\$ 890,489	\$ -	\$ -	\$ -	\$ 890,489
Capital assets being depreciated					
Buildings	33,419,320	(253,021)	167,122	-	33,333,421
Improvements	6,033,972	235,175	17,665	-	6,286,812
Machinery and Equipment	1,147,827	17,845	87,842	(6,000)	1,247,514
Buses	2,356,421	-	509,577	-	2,865,998
Vehicles	289,876	(4,130)	13,095	(70,112)	228,729
	<u>44,137,905</u>	<u>(4,131)</u>	<u>795,301</u>	<u>(76,112)</u>	<u>44,852,963</u>
Less: Land	<u>(890,489)</u>				<u>(890,489)</u>
Total Depreciable Assets	<u>43,247,416</u>				<u>43,962,474</u>
Accumulated Depreciation:					
Buildings	8,116,120	-	549,096	-	8,665,216
Improvements	3,422,349	-	265,868	-	3,688,217
Machinery and Equipment	854,214	-	54,001	(6,000)	902,215
Buses	1,925,562	-	162,665	-	2,088,227
Vehicles	256,418	-	10,267	(70,112)	196,573
	<u>14,574,663</u>	<u>\$ -</u>	<u>\$ 1,041,897</u>	<u>\$ (76,112)</u>	<u>15,540,448</u>
Net Capital Assets	<u>\$ 29,563,242</u>				<u>\$ 29,312,515</u>

Depreciation was allocated to the functions as follows:

Instruction	\$ 559,742
Support	431,489
Community Services	<u>50,666</u>
Total Depreciation Expense	<u>\$ 1,041,897</u>

SOUTH LANE SCHOOL DISTRICT 45J3
LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

6. STATE-WIDE LOCAL GOVERNMENT RETIREMENT SYSTEM

Contributions are made to the Oregon Public Employees Retirement Fund (OPERF), a cost-sharing multiple-employer defined benefit pension plan administered by the Oregon Public Employees Retirement System (PERS). PERS provides retirement and disability benefits, post-employment health care benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Generally, employees who retire at or after age 55 or with 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 1.67% of their final average salary for each year of credited service. Final average monthly salary is based upon either the three calendar years out of the last ten calendar years of employment during which the highest salaries were earned or the last 36 calendar months of membership, whichever is larger.

Employees become members of PERS after six months of service in a qualified position and benefits fully vest on reaching 5 years of service. Vested employees with fewer than 30 years of service will receive reduced benefits if retirement occurs prior to age 58. PERS also provides death and disability benefits. Benefits are established by State statute.

PERS is administered under Oregon Revised Statute (ORS) Chapter 238. ORS 238.620 establishes the Public Employees Retirement Board as the governing body of PERS. The Oregon Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing PERS, P.O. Box 23700, Tigard, OR 97281-3700.

Members of PERS are required to contribute 6% of their salary covered under the plan. The District is required by ORS 238.225 to contribute at an actuarially determined rate. The current rate effective July 1, 2013 was 6.38% of salary covered under the plan for Tier 1 and Tier 2 employees and 4.38% for employees covered under the Oregon Public Services Retirement Plan (OPSRP). The District participated in the Oregon School Boards Association limited tax pension obligation bond issues to finance a portion of the estimated unfunded PERS actuarial liability (the "UAL"). The PERS Board has statutory authority to revise employer contributions as necessary to ensure the promised benefits will be funded on a sound basis. Contributions to the plan for the year ending June 30, 2014, 2013, and 2012 were \$870,898, \$696,312 and \$669,310, respectively, and were equal to the required contributions for each year. Contributions for the UAL portion were \$1,767,204 and \$1,678,991 for the years ended June 30, 2014 and 2013.

7. LONG-TERM DEBT

In March 2012, the District issued \$21,335,000 in general obligation bonds with coupon interest rates ranging from 2.0 percent to 5.0 percent. The District also received a bond premium of \$1,919,606 making the effective yield on the bonds from 0.28 percent to 2.73 percent. The net proceeds (after \$260,662 in various issuance costs and interest earned) were used to pay off the 2002 general obligation bonds on June 15, 2012.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$332,710. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2025 using the effective-interest method. The District completed the advance refunding to reduce its total debt service payments over the next 13 years by \$3,965,850 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$3,348,606.

Qualified Zone Activity (QZA) bonds, proceeds used for improvements of technology services including fiber optic and telephone upgrades for all schools; principal and interest payable at 1.34 percent; final payment due May 18, 2023.

SOUTH LANE SCHOOL DISTRICT 45J3
LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

7. LONG-TERM DEBT (Continued)

Limited Tax Pension Bonds (PERS Bonds), Series 2003, consisting of both current interest and deferred interest bonds, proceeds used to prepay the estimated unfunded actuarial liability with the Oregon Public Employees Retirement System; the effective interest rates on the bonds range from 1.5 percent to 6.3 percent with the final payment due June 30, 2028.

The District has seven capital lease obligations; the proceeds of two of the capital leases were used to purchase buses and the remaining leases were for copy machines and computer equipment. The effective interest rates on the capital lease obligations range from 4.27 percent to 10.28 percent and payments end at varying dates through 2017.

The District has an equipment loan whose proceeds were used to pay for technological improvements; the effective interest rate is 4.845 percent and payments end in 2014.

The following is a summary of long-term liability transactions for the year ended June 30, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
GO Bonds-Series 2012	\$ 19,565,000	\$ -	\$ (1,500,000)	\$ 18,065,000	\$ 1,590,000
QZAB	650,000	-	(60,000)	590,000	60,000
Total	20,215,000	-	(1,560,000)	18,655,000	1,650,000
Premium	1,654,955	-	(204,826)	1,450,129	194,981
Deferred Costs	(286,841)	-	35,501	(251,340)	33,794
Total	1,368,114	-	(169,325)	1,198,789	228,775
PERS Bonds:					
Current Interest Bonds	11,845,000	-	-	11,845,000	546,131
Deferred Interest Bonds	15,490,000	-	(1,095,000)	14,395,000	-
Accretion of Discount	(4,571,016)	-	671,260	(3,899,756)	(638,869)
Total	22,763,984	-	(423,740)	22,340,244	(92,738)
Technology Loan	28,116	-	(28,116)	-	-
Capital Lease Obligations	271,903	521,753	(82,281)	711,375	67,011
Terminations Benefits	787,543	-	(265,813)	521,730	224,901
Total Long-Term Liabilities	<u>\$ 45,434,660</u>	<u>\$ 521,753</u>	<u>\$ (2,529,275)</u>	<u>\$ 43,427,138</u>	<u>\$ 2,077,949</u>

Issue Date	Interest			
	Future Amounts Due Beginning	Matured	Paid	Future Amounts Due Ending
	GO Bonds-Series 2012	\$ 5,042,600	\$ 624,100	\$ 624,100
PERS Bonds	8,677,480	671,260	671,260	8,006,220
QZAB	48,977	8,710	8,710	40,267
Equipment Loan	1,607	1,607	1,607	-
Capital Lease Obligations	88,829	10,724	10,724	78,105
	<u>\$ 13,859,493</u>	<u>\$ 1,316,401</u>	<u>\$ 1,316,401</u>	<u>\$ 12,543,092</u>

SOUTH LANE SCHOOL DISTRICT 45J3
 LANE COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS

7. LONG-TERM DEBT (Continued)

Future requirements to maturity are as follows:

2012 General Obligation Bonds		
Fiscal Year Ending June 30,	Principal	Interest
2015	\$ 1,590,000	\$ 594,100
2016	1,690,000	562,300
2017	1,250,000	528,500
2018	1,325,000	503,500
2019-2023	8,080,000	1,927,350
2024-2025	4,130,000	302,750
	\$ 18,065,000	\$ 4,418,500

PERS Bonds		
Fiscal Year Ending June 30,	Principal	Interest
2015	\$ 1,185,000	\$ 671,260
2016	1,275,000	671,260
2017	1,375,000	671,260
2018	1,480,000	671,260
2019-2023	9,080,000	3,356,300
2024-2028	11,845,000	1,964,880
	\$ 26,240,000	\$ 8,006,220

The PERS bonds in this schedule include both current and deferred interest bonds

QZAB		
Fiscal Year Ending June 30,	Principal	Interest
2015	\$ 60,000	\$ 7,906
2016	65,000	7,102
2017	65,000	6,231
2018	65,000	5,360
2019-2023	335,000	13,668
	\$ 590,000	\$ 40,267

SOUTH LANE SCHOOL DISTRICT 45J3
LANE COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS

7. LONG-TERM DEBT (Continued)

Future capital lease payments are as follows:

<u>Fiscal Year Ending June 30,</u>	
2015	\$ 74,375
2016	156,320
2017	149,061
2018	81,945
2019-2022	<u>327,779</u>
	789,480
Less interest	<u>(78,105)</u>
	<u>\$ 711,375</u>

Future termination benefits are as follows:

<u>Fiscal Year Ending June 30,</u>	
2015	\$ 219,745
2016	148,831
2017	87,992
2018	62,156
2019	<u>3,006</u>
	521,730
Present Value Adjustment	<u>18,528</u>
	<u>\$ 540,258</u>

8. RETIREMENT PLAN

Annual Pension Cost

Local governments which provide pension plans must measure and disclose an amount for Annual Pension Cost (APC) on the accrual basis of accounting, regardless of the amount actually recognized as an expenditure on the modified accrual basis. The APC equals the Annual Required Contribution (ARC) as determined by the actuary, adjusted by the amortization of the employer's Net Pension Obligation (NPO). An NPO, which may be either positive (a liability) or negative (an asset), is the cumulative difference between the APC and the employer's actual contributions.

On April 21, 2003, the District made a supplemental employer payment of \$22,356,451 to OPERS, resulting in a net pension asset (negative NPO). The amortization of the net pension asset, which equals an adjustment to the ARC reduced by the interest on the net pension asset, is designed to make the APC approximately equal to the ARC that would have been charged if the District had not made the supplemental payment, less one year's interest on the net pension asset.

SOUTH LANE SCHOOL DISTRICT 45J3
 LANE COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS

8. RETIREMENT PLAN (Continued)

The District's annual pension cost and the change in net pension asset was calculated as follows for the year ended June 30:

	<u>2012</u>	<u>2013</u>	<u>2014</u>
Annual required contribution	\$ 643,432	\$ 653,959	\$ 653,959
Interest on net pension obligation	(1,542,653)	(1,500,618)	(1,455,220)
Adjustment to annual required contribution	<u>2,068,096</u>	<u>2,068,088</u>	<u>2,068,081</u>
Annual pension cost (APC)	1,168,875	1,221,429	1,266,820
Contributions made	<u>(1,694,318)</u>	<u>(1,788,899)</u>	<u>(1,879,681)</u>
Increase (Decrease) in Net Pension Asset	(525,443)	(567,470)	(612,861)
Net Pension Asset at beginning of year	<u>19,283,169</u>	<u>18,757,726</u>	<u>18,190,256</u>
Net Pension Asset at end of year	<u>\$ 18,757,726</u>	<u>\$ 18,190,256</u>	<u>\$ 17,577,395</u>
Percentage of APC contributed	55%	54%	52%

Employer Contributions

District contributions to OPERS for the current and preceding two years were as follows:

<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Contribution</u>	<u>Percent Contributed</u>	<u>Net Pension Asset</u>
2014	\$ 1,266,819	\$ 653,959	52%	\$ 17,577,396
2013	1,221,429	653,959	54%	18,190,256
2012	1,168,875	643,432	55%	18,757,726

Actuarial Methods and Assumptions

The actuarial cost method used is the projected unit credit. Where applicable, the actuarial assumptions included: a) a rate of return on investment of 8% compounded annually; b) a consumer price inflation rate of 2.75% per year; c) a future general wage inflation rate of 3.75% per year; d) healthcare cost inflation to decrease from 6.9% in 2012 to 4.5% in 2029. The actuarial assumptions used in OPERS valuations are based on past experience and on current expectations as to future economic conditions. The assumptions are intended to estimate the future experience of the members of OPERS, anticipated earnings on investments, and projected member benefits. Variations in future experience will result in changes in required contributions.

9. TERMINATION BENEFITS

The District's collective bargaining agreements with certified personnel and administrators include provisions for early retirement benefits for personnel who have been regularly employed for a minimum of 15 consecutive years with the District. The early retirement options provide for the payment of monthly stipends, the term and amount of which depend upon the option selected as specified in the collective bargaining agreements. As of June 30, 2014 there was 1 former employee receiving stipends.

SOUTH LANE SCHOOL DISTRICT 45J3
LANE COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

9. TERMINATION BENEFITS (Continued)

Employees who are eligible for full PERS benefits may elect early retirement and be provided with full health insurance benefits if they have not elected to receive stipends. The retiree and their spouse are provided this benefit for a term of ten years or until the loss of retiree and spouse eligibility. As of June 30, 2014, there were 29 former employees receiving health care benefits.

Another option has been established to allow qualified employees who were not eligible for the original early retirement program (stipends or health care benefits) to be entitled to a one time stipend payment of \$5,000, upon retirement.

The termination benefit liability of \$521,730 is measured at the discounted present value of expected future cash flows using a discount rate of 1.166 percent and a healthcare cost trend rate of 6.4 percent. This liability is not actuarially determined, but the District has recorded the full costs of future benefits. There is no trust established for the value of this liability. The benefits are to be paid through the fiscal year ending June 30, 2019. The District funds the obligation for these benefits on a current basis and the cost for the year ended June 30, 2014 and 2013 were \$268,743 and \$405,565, respectively.

This liability is recorded in the long-term debt, see footnote 7.

10. COMMITMENTS AND CONTINGENCIES

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

A substantial portion of operating funding is received from the State of Oregon. State funding is determined through state wide revenue projections that are paid to individual school districts based on pupil counts and other factors in the state school funds revenue formula. Since these projections and pupil counts fluctuate they can cause either increases or decreases in revenue. Due to these future uncertainties at the state level, the future effect on the District's operations cannot be determined.

11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District carries commercial insurance to cover the risk of loss. During the last three years, settled claims for all risks have not exceeded covered limits. Also, there has been no reduction in coverage compared to the prior year.

12. PRIOR YEAR ADJUSTMENT

The prior period adjustment shown in the general fund is to remove items previously incorrectly recorded as prepaid assets.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

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SOUTH LANE SCHOOL DISTRICT NO. 45J3

LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2014

	GENERAL FUND			VARIANCE TO FINAL BUDGET
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES:				
Taxes	\$ 5,479,631	\$ 5,479,631	\$ 5,669,640	\$ 190,009
Earnings on Investments	39,000	39,000	40,764	1,764
Other Local Sources	233,900	843,900	171,242	(672,658)
Intermediate Sources	526,000	526,000	519,856	(6,144)
State Sources	17,844,508	17,844,508	18,348,285	503,777
Federal Sources	-	-	152,476.00	152,476
Total Revenues	<u>24,123,039</u>	<u>24,733,039</u>	<u>24,902,263</u>	<u>169,224</u>
EXPENDITURES:				
Instruction	14,258,513	14,308,513 (1)	13,683,736	624,777
Support Services	10,150,816	10,710,816 (1)	10,673,519	37,297
Contingency	1,000,000	1,000,000 (1)	-	1,000,000
Total Expenditures	<u>25,409,329</u>	<u>26,019,329</u>	<u>24,357,255</u>	<u>1,662,074</u>
Revenues Over, (Under) Expenditures	(1,286,290)	(1,286,290)	545,008	1,831,298
Other Financing Sources (Uses)				
Lease Purchase Receipts	35,000	35,000	509,577	474,577
Sale of Capital Assets	-	-	410,946	410,946
Transfers In	75,000	75,000	75,000	-
Transfers Out	1,373,710	1,373,710 (2)	(1,363,710)	10,000
Total Other Financing Sources (Uses)	<u>1,483,710</u>	<u>1,483,710</u>	<u>(368,187)</u>	<u>895,523</u>
Net Change in Fund Balance	197,420	197,420	176,821	(20,599)
Prior Period Adjustment	-	-	(223,780)	(223,780)
Beginning Fund Balance	<u>2,550,000</u>	<u>2,550,000</u>	<u>4,336,153</u>	<u>1,786,153</u>
Ending Fund Balance	<u>\$ 2,747,420</u>	<u>\$ 2,747,420</u>	<u>\$ 4,289,194</u>	<u>\$ 1,541,774</u>

(1) - Appropriation Level

(2) - Budgeted as Debt Service/Transfers

SOUTH LANE SCHOOL DISTRICT NO. 45J3

LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2014

	SPECIAL REVENUE FUNDS			VARIANCE TO FINAL BUDGET
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES:				
Local Sources	\$ -	\$ -	\$ 49,867	\$ 49,867
Intermediate Sources	-	30,058	58,700	28,642
Federal Sources	1,813,647	2,140,982	1,689,218	(451,764)
Total Revenues	1,813,647	2,171,040	1,797,785	(373,255)
EXPENDITURES:				
Instruction	1,476,558	1,476,558 (1)	1,288,838	187,720
Support Services	296,754	654,147 (1)	462,625	191,522
Enterprise/Community Services	40,335	40,335 (1)	5,593	34,742
Total Expenditures	1,813,647	2,171,040	1,757,056	413,984
Net Change in Fund Balance	-	-	40,729	40,729
Beginning Fund Balance	-	-	(8,116)	(8,116)
Ending Fund Balance	\$ -	\$ -	\$ 32,613	\$ 32,613

(1) - Appropriation Level

SOUTH LANE SCHOOL DISTRICT NO. 45J3

LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2014

	<u>SPECIAL PROJECTS FUNDS</u>			VARIANCE TO FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Earnings on Investments	\$ 105,555	\$ 105,555	\$ 218	\$ (105,337)
Other Local Sources	1,513,550	1,563,550	1,469,551	(93,999)
Intermediate Sources	368,000	368,000	21,939	(346,061)
State Sources	12,000	12,000	12,000 (3)	-
Federal Sources	1,051,860	1,076,128	1,341,827	265,699
Total Revenues	<u>3,050,965</u>	<u>3,125,233</u>	<u>2,845,535</u>	<u>(279,698)</u>
EXPENDITURES:				
Instruction	1,790,300	1,790,300 (1)	1,289,533	500,767
Support Services	1,276,600	1,300,868 (1)	983,540	317,328
Enterprise/Community Services	1,681,445	1,731,445 (1)	1,466,396	265,049
Facilities Acquisition	129,150	129,150 (1)	30,500	98,650
Debt Service	76,000	76,000 (2)	75,897	103
Contingency	231,463	231,463 (1)	-	231,463
Total Expenditures	<u>5,184,958</u>	<u>5,259,226</u>	<u>3,845,866</u>	<u>1,413,360</u>
Revenues Over, (Under) Expenditures	(2,133,993)	(2,133,993)	(1,000,331)	1,133,662
Other Financing Sources (Uses)				
Transfers In	945,000	945,000	945,000	-
Transfers Out	(151,000)	(151,000) (2)	(150,508)	492
Total Other Financing Sources (Uses)	<u>794,000</u>	<u>794,000</u>	<u>794,492</u>	<u>492</u>
Net Change in Fund Balance	(1,339,993)	(1,339,993)	(205,839)	1,134,154
Beginning Fund Balance	1,383,193	1,383,193	339,415	(1,043,778)
Ending Fund Balance	<u>\$ 43,200</u>	<u>\$ 43,200</u>	<u>\$ 133,576</u>	<u>\$ 90,376</u>

(1) - Appropriation Level

(2) - Budgeted as Debt Service/Transfers

(3) - This includes the National School Lunch Program State Revenue Matching amount of \$11,781 that was used to support lunch fund expenses recorded in the General fund.

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SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

SUPPLEMENTARY DATA

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SOUTH LANE SCHOOL DISTRICT NO. 45J3

LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2014

DEBT SERVICE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:				
From Local Sources:				
Taxes	\$ 2,065,000	\$ 2,065,000	\$ 2,174,950	\$ 109,950
Earnings From Investments	10,000	10,000	7,046	(2,954)
Total Revenues	<u>2,075,000</u>	<u>2,075,000</u>	<u>2,181,996</u>	<u>106,996</u>
EXPENDITURES:				
Debt Service	2,193,710	2,193,710 (1)	2,192,810	900
Contingency	<u>400,000</u>	<u>400,000 (1)</u>	<u>-</u>	<u>400,000</u>
Total Expenditures	<u>2,593,710</u>	<u>2,593,710</u>	<u>2,192,810</u>	<u>400,900</u>
Revenues Over, (Under) Expenditures	(518,710)	(518,710)	(10,814)	507,896
Other Financing Sources (Uses)				
Transfers In	<u>68,710</u>	<u>68,710</u>	<u>68,710</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>68,710</u>	<u>68,710</u>	<u>68,710</u>	<u>-</u>
Net Change in Fund Balance	(450,000)	(450,000)	57,896	507,896
Beginning Fund Balance	<u>450,000</u>	<u>450,000</u>	<u>543,313</u>	<u>93,313</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 601,209</u>	<u>\$ 601,209</u>

(1) - Appropriation Level

SOUTH LANE SCHOOL DISTRICT NO. 45J3

LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2014

CAPITAL PROJECTS FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:				
From Local Sources:				
Earnings From Investments	\$ -	\$ -	\$ 27	\$ 27
Construction Excise Tax	38,000	78,000	79,434	1,434
Rental Revenue	54,000	54,000	50,496	(3,504)
Other Local Sources	500	12,270	11,770	(500)
Total Revenues	<u>92,500</u>	<u>144,270</u>	<u>141,727</u>	<u>(2,543)</u>
EXPENDITURES:				
Support Services	387,731	439,501 (1)	416,306	23,195
Debt Service	29,800	29,800 (1)	42,586	(12,786)
Contingency	100,000	100,000 (1)	-	100,000
Total Expenditures	<u>517,531</u>	<u>569,301</u>	<u>458,892</u>	<u>110,409</u>
Revenues Over, (Under) Expenditures	(425,031)	(425,031)	(317,165)	107,866
Other Financing Sources (Uses)				
Gain on Sale	8,700	8,700	-	(8,700)
Transfers In	350,000	350,000	350,000	-
Total Other Financing Sources (Uses)	<u>358,700</u>	<u>358,700</u>	<u>350,000</u>	<u>(8,700)</u>
Net Change in Fund Balance	(66,331)	(66,331)	32,835	99,166
Beginning Fund Balance	<u>66,331</u>	<u>66,331</u>	<u>93,424</u>	<u>27,093</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 126,259</u>	<u>\$ 126,259</u>

(1) - Appropriation Level

SOUTH LANE SCHOOL DISTRICT NO. 45J3

LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2014

INTERNAL SERVICE FUNDS

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Interfund Charges	\$ 1,636,070	\$ 1,636,070	\$ 1,767,211	\$ 131,141
Earnings on Investments	200	200	91	(109)
Total Revenues	<u>1,636,270</u>	<u>1,636,270</u>	<u>1,767,302</u>	<u>131,032</u>
EXPENDITURES:				
Debt Service	1,826,270	1,826,270 (1)	1,766,260	60,010
Contingencies	-	- (1)	-	-
Total Expenditures	<u>1,826,270</u>	<u>1,826,270</u>	<u>1,766,260</u>	<u>60,010</u>
Net Change in Fund Balance	(190,000)	(190,000)	1,042	191,042
Beginning Fund Balance	<u>190,000</u>	<u>190,000</u>	<u>258,821</u>	<u>68,821</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>259,863</u>	<u>\$ 259,863</u>
Reconciliation to financial statements:				
Deferred Bond Issuance Costs			-	
Net Pension Asset			17,577,396	
Long-Term liabilities payable in one year			(546,131)	
Long-Term liabilities payable after one year, net of bond discount			<u>(21,794,113)</u>	
Net Position – End of Year			<u>\$ (4,502,985)</u>	

(1) - Appropriation Level

SOUTH LANE SCHOOL DISTRICT NO. 45J3

LANE COUNTY, OREGON

COMBINING SCHEDULE OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
For the Year Ended June 30, 2014

	<u>STUDENT TRUST</u>	<u>HIGH SCHOOL SCHOLARSHIP</u>	<u>NURSES</u>	<u>TOTAL</u>
<u>ASSETS</u>				
Cash and Investments	\$ 70,910	\$ 307,119	\$ 10,147	\$ 388,176
Total Assets	<u>70,910</u>	<u>307,119</u>	<u>10,147</u>	<u>388,176</u>
<u>LIABILITIES</u>				
Due to Other Funds	<u>-</u>	<u>-</u>	<u>206</u>	<u>206</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>206</u>	<u>206</u>
<u>NET POSITION</u>				
Held in trust for future expenditures	<u>70,910</u>	<u>307,119</u>	<u>9,941</u>	<u>387,970</u>
Total Net Position	<u>\$ 70,910</u>	<u>\$ 307,119</u>	<u>\$ 9,941</u>	<u>\$ 387,970</u>

SOUTH LANE SCHOOL DISTRICT NO. 45J3

LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2014

PRIVATE PURPOSE TRUST FUNDS

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Earnings from Investments	\$ 2,025	\$ 2,025	\$ 2,117	\$ 92
Contributions	6,000	6,000	2,225	(3,775)
Total Revenues	<u>8,025</u>	<u>8,025</u>	<u>4,342</u>	<u>(3,683)</u>
EXPENDITURES:				
Instruction Services	60,000	60,000 (1)	5,000	55,000
Support Services	7,975	7,975 (1)	452	7,523
Enterprise Services	25,000	25,000 (1)	3,440	21,560
Contingency	307,050	307,050 (1)	-	307,050
Total Expenditures	<u>400,025</u>	<u>400,025</u>	<u>8,892</u>	<u>336,133</u>
Revenues Over (Under) Expenditures	(392,000)	(392,000)	(4,550)	
Other Financing Sources (Uses)				
Transfers In	76,000	76,000	75,508	492
Total Other Financing Sources (Uses)	<u>76,000</u>	<u>76,000</u>	<u>75,508</u>	<u>492</u>
Net Change in Fund Balance	(316,000)	(316,000)	70,958	386,958
Beginning Fund Balance	<u>316,000</u>	<u>316,000</u>	<u>317,012</u>	<u>1,012</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 387,970</u>	<u>\$ 387,970</u>

(1) - Appropriation Level

LANE COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2014

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE		FEDERAL CFDA NUMBER	GRANT AMOUNT	2013-2014 REVENUES	2013-2014 EXPENDITURES
U.S. Department of Education:					
Passed through Oregon State Department of Education:					
Title I-A Grants to Local Educ. Agencies	07/01/13-0930/14	84.010	\$ 672,719	\$ 666,159	\$ 666,159
	07/01/12-09/30/13	84.010	755,644	23,417	23,417
	Total		<u>1,428,363</u>	<u>689,576</u>	<u>689,576</u>
Special Education-Grants to States	07/01/13 - 09/30/15	84.027	505,068	454,495	454,495
	07/01/12 - 09/30/14	84.027	520,034	169	169
	Total		<u>1,025,102</u>	<u>454,664</u>	<u>454,664</u>
Special Education-Preschool Grants	07/01/13 - 09/30/15	84.173	2,989	2,989	2,989
	07/01/12 - 09/30/14	84.173	3,463	3,463	3,463
	Total		<u>6,452</u>	<u>6,451</u>	<u>6,451</u>
Special Education-Grants to States	08/01/13 - 06/30/14	84.027	3,225	3,225	3,225
	Total		<u>3,225</u>	<u>3,225</u>	<u>3,225</u>
Special Education-Grants to States	10/01/13 - 09/30/14	84.027	5,305	1,693	1,693
	10/01/12 - 09/30/13	84.027	5,305	2,707	2,707
	Total		<u>10,610</u>	<u>4,400</u>	<u>4,400</u>
Special Education-Grants to States	07/01/13 - 06/30/14	84.027	900	900	900
	Total		<u>900</u>	<u>900</u>	<u>900</u>
Beginning Educator Mentoring	08/01/13 - 06/30/15	99.998	78,800	78,800	78,800
	Total		<u>78,800</u>	<u>78,800</u>	<u>78,800</u>
Improving Teacher Quality State Grant	07/01/13 - 09/30/14	84.367	135,716	91,720	91,720
	07/01/12 - 09/30/13	84.367	145,679	2,627	2,627
	Total		<u>281,395</u>	<u>94,347</u>	<u>94,347</u>
ALDER Data Quality	07/01/13 - 06/30/14	84.384	72,910	71,773	71,773
	Total		<u>72,910</u>	<u>71,773</u>	<u>71,773</u>
School District Collaboration	08/01/13 - 09/30/14	99.998	297,610	275,358	275,358
	Total		<u>297,610</u>	<u>275,358</u>	<u>275,358</u>
Educator Effectiveness - NQTL - OF:	01/02/14 - 06/30/15	99.998	30,058	30,058	30,058
	Total		<u>30,058</u>	<u>30,058</u>	<u>30,058</u>
District PTL:	10/01/13 - 09/30/14	99.998	1,515	1,509	1,509
	Total		<u>1,515</u>	<u>1,509</u>	<u>1,509</u>
District PT 2014L:	03/01/14 - 06/30/14	99.998	1,415	1,415	1,415
	Total		<u>1,415</u>	<u>1,415</u>	<u>1,415</u>
Oregon FIRST Robotics Year 1:	08/01/13 - 06/30/14	99.998	4,000	3,733	3,733
	Total		<u>4,000</u>	<u>3,733</u>	<u>3,733</u>
Passed through Lane Education Service District:					
Rehabilitation Services-Vocational Rehabilitation	07/01/13 - 06/30/14	84.126A	\$32,596	\$32,339	\$32,339
	Total		<u>32,596</u>	<u>32,339</u>	<u>32,339</u>

LANE COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2014

-Continued from page 44-

Career and Technical Education-National Prog	07/01/13 - 06/30/14	84.048	26,964	23,079	23,079
	Total		26,964	23,079	23,079
Passed through Oregon University System:					
Gaining Early Awareness and Readiness for Undergraduate Programs	07/01/13 - 06/30/14	84.334	40,000	39,987	39,987
	Total		40,000	39,987	39,987
Total U.S. Department of Education			\$ 3,341,915	\$ 1,811,612	\$ 1,811,612
U.S. Department of Labor:					
Passed through Lane Workforce Partnership:					
WIA Youth Activities	07/01/13 - 06/30/14	17.259	\$139,707	\$116,562	\$116,562
	Total		139,707	116,562	116,562
Total U.S. Department of Labor			\$ 139,707	\$ 116,562	\$ 116,562
U.S. Department of Health and Human Services:					
Passed through Oregon Employment Division:					
Child Care and Development Block Grant	07/01/13 - 06/30/14	93.575	\$15,000	\$11,140	\$11,140
	Total		15,000	11,140	11,140
Total U.S. Department of Health and Human Services			\$ 15,000	\$ 11,140	\$ 11,140
U.S. Department of Agriculture:					
Passed through Oregon State Department of Education:					
National School Lunch Program	07/01/13 - 06/30/14	10.555	N/A	\$641,837	\$641,837 (1)
School Breakfast Program	07/01/13 - 06/30/14	10.553	N/A	220,146	220,146 (1)
Fresh Fruit and Vegetable Program	07/01/13 - 06/30/14	10.582	N/A	90,916	90,916
Child and Adult Care Food Program	07/01/13 - 06/30/14	10.558	N/A	3,689	3,689
National School Lunch Program	07/01/13 - 06/30/14	10.555	N/A	70,887	70,887 (1)
	Total		-	1,027,474	1,027,474
Passed through Umpqua National Forest:					
Collaborative Forest Restoration	06/22/09 - 06/15/14	10.679	12,000	8,634	8,634
	Total		12,000	8,634	8,634
Secure Rural Schools and Community Self-Determination	09/20/12 - 09/19/17	15.234	66,163	4,743	4,743
	03/02/12 - 03/01/13	15.234	66,953	17,430	17,430
	Total		133,116	22,173	22,173
Oregon Youth Conservation Corps	08/01/13 - 06/30/14	17.259	16,800	16,800	16,800
Oregon Youth Employment Initiative	06/01/13 - 09/07/13	17.259	12,692	9,317	9,317
	Total		29,492	26,117	26,117
Passed through US Army Corps of Engineers:					
US Army Corps of Engineers	08/27/12-07/31/14	12.xxx	13,000	7,333	7,333
			13,000	7,333	7,333
Total U.S. Department of Agriculture:			187,608	1,091,731	1,091,731
Total Special Revenue Funds			3,684,230	3,031,045	3,031,045
U.S. Department of Education - General Fund:					
Passed through Lane County and Lane Education Service District:					
Schools & Roads -Grants to States	2013-2014	10.665	N/A	\$150,976	\$150,976
	Total		-	150,976	150,976
Kindergarten Readiness Assessment:					
	03/01/12 - 08/30/13	93.708	1,500	1,500	1,500
			1,500	1,500	1,500
Total General Fund			1,500	152,476	152,476
Total Federal Financial Assistance			\$ 3,685,730	\$ 3,183,521	\$ 3,183,521

(1) Major Program

Note: Modified accrual basis was used for The Schedule of Federal Awards document.

SOUTH LANE SCHOOL DISTRICT NO. 45J3

LANE COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED - GENERAL FUND

For the Year Ended June 30, 2014

GENERAL FUND

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/13	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/14
<u>LANE COUNTY</u>						
CURRENT:						
2013-14	\$ 5,799,308	\$ 149,707	\$ 14,912	\$ 2,302	\$ 5,494,442	\$ 172,373
PRIOR:						
2012-13	177,638	(130)	(19,621)	5,831	66,976	97,003
2011-12	105,543	(45)	(10,384)	6,506	33,205	68,505
2010-11	69,950	(3)	(10,287)	7,207	22,763	44,110
2009-10	44,526	(2)	(7,181)	5,197	13,986	28,558
PRIOR:	50,356	-	(8,615)	2,491	3,694	40,539
Total Prior	448,014	(181)	(56,088)	27,232	140,623	278,715
Total General Fund	\$ 6,247,322	\$ 149,526	\$ (41,176)	\$ 29,534	\$ 5,635,065	\$ 451,088

DOUGLAS COUNTY

CURRENT:						
2013-14	\$ 9934	\$ 244	\$ -33	\$ 6	\$ 9,208	\$ 455
PRIOR:						
2012-13	498	-	(55)	17	200	260
2011-12	301	-	(33)	20	100	188
2010-11	205	-	(40)	31	99	97
2009-10	99	-	(28)	22	57	36
PRIOR:	55	-	(27)	7	11	25
Total Prior	1,158	-	(183)	97	467	604
Total General Fund	\$ 11,092	\$ 244	\$ (216)	\$ 103	\$ 9,676	\$ 1,059

RECONCILIATION TO REVENUE:

	GENERAL FUND
Cash Collections by County Treasurer Above	\$ 5,644,741
Accrual of Receivables:	
June 30, 2013	(22,524)
June 30, 2014	21,272
Other Taxes	26,151
Total Revenue	\$ 5,669,640

SOUTH LANE SCHOOL DISTRICT NO. 45J3

LANE COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED - DEBT SERVICE FUND
For the Year Ended June 30, 2014

DEBT SERVICE FUND

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/13	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/14
<u>LANE COUNTY</u>						
CURRENT:						
2013-14	\$ 2,250,993	\$ 58,109	\$ 5,788	\$ 893	\$ 2,132,660	\$ 66,906
PRIOR:						
2012-13	64,493	(51)	(3,159)	2,263	25,997	37,652
2011-12	38,318	(18)	(1,382)	2,525	12,888	26,590
2010-11	25,396	(1)	(2,238)	2,797	8,835	17,121
2009-10	16,166	(1)	(1,670)	2,017	5,428	11,085
PRIOR:	18,282	(0)	(2,080)	967	1,434	15,735
Total Prior	162,655	(70)	(10,530)	10,570	54,583	108,183
Total General Fund	\$ 2,413,648	\$ 58,038	\$ (4,741)	\$ 11,464	\$ 2,187,242	\$ 175,089
<u>DOUGLAS COUNTY</u>						
CURRENT:						
2013-14	\$ 3855.75	\$ 94.64	\$ -12.71	\$ 2.26	\$ 3574.12	\$ 177
PRIOR:						
2012-13	171	(0)	1	6	78	101
2011-12	104	(0)	(0)	8	39	73
2010-11	70	(0)	(6)	12	38	38
2009-10	34	(0)	(7)	8	22	14
PRIOR:	19	(0)	(8)	3	4	10
Total Prior	398	(0)	(20)	38	181	234
Total General Fund	\$ 4,254	\$ 94	\$ (33)	\$ 40	\$ 3,756	\$ 411
RECONCILIATION TO REVENUE:						DEBT SERVICE FUND
Cash Collections by County Treasurer Above						\$ 2,190,998
Accrual of Receivables:						
June 30, 2013						(8,176)
June 30, 2014						7,722
Other Taxes						(15,593)
Total Revenue						\$ 2,174,950

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SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

OTHER INFORMATION

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SOUTH LANE SCHOOL DISTRICT 45J3
2013 - 14 DISTRICT AUDIT REVENUE SUMMARY

Revenue from Local Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
1110 Ad Valorem Taxes Levied by District	\$5,614,699		\$2,174,950				
1120 Local Option Ad Valorem Taxes Levied by District							
1130 Construction Excise Tax				\$79,434			
1190 Penalties and Interest on Taxes	\$54,941						
1200 Revenue from Local Governmental Units Other Than Districts							
1311 Regular Day School Tuition - From Individuals							
1312 Regular Day School Tuition - Other Dist Within State	\$47,430						
1313 Regular Day School Tuition - Other Districts Outside							
1320 Adult/Continuing Education Tuition							
1330 Summer School Tuition	\$361						
1411 Transportation Fees - From Individuals							
1412 Transportation Fees - Other Dist Within State							
1413 Transportation Fees - Other Districts Outside							
1420 Summer School Transportation Fees							
1500 Earnings on Investments	\$40,764	\$218	\$7,046	\$27		\$91	\$2,117
1600 Food Service		\$224,898					
1700 Extracurricular Activities		\$927,844					
1800 Community Services Activities							
1910 Rentals				\$50,496			
1920 Contributions and Donations From Private Sources		\$202,370					\$2,225
1930 Rental or Lease Payments From Private Contractors							
1940 Services Provided Other Local Education Agencies							
1950 Textbook Sales and Rentals							
1960 Recovery of Prior Years' Expenditure	\$16,567	\$4,725					
1970 Services Provided Other Funds						\$1,767,211	
1980 Fees Charged to Grants	\$16,372						
1990 Miscellaneous	\$90,513	\$159,578		\$11,770			
Total Revenue from Local Sources	\$5,881,647	\$1,519,633	\$2,181,996	\$141,727	\$0	\$1,767,302	\$4,342

Revenue from Intermediate Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
2101 County School Funds	\$53,067						
2102 General ESD Revenue							
2103 Excess ESD Local Revenue							
2105 Natural Gas, Oil, and Mineral Receipts							
2110 Intermediate "I" Tax							
2199 Other Intermediate Sources							
2200 Restricted Revenue	\$466,789	\$80,639					
2800 Revenue in Lieu of Taxes							
2900 Revenue for/on Behalf of the District							
Total Revenue from Intermediate Sources	\$519,856	\$80,639	\$0	\$0	\$0	\$0	\$0

Revenue from State Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
3101 State School Fund - General Support	\$18,059,322						
3102 State School Fund - School Lunch Match		\$12,000					
3103 Common School Fund	\$288,963						
3104 State Managed County Timber							
3106 State School Fund - Accrual							
3199 Other Unrestricted Grants-in-Aid							
3204 Driver Education							
3222 State School Fund (SSF) Transportation Equipment							
3299 Other Restricted Grants-in-Aid							
3800 Revenue in Lieu of Taxes							
3900 Revenue for/on Behalf of the District							
Total Revenue from State Sources	\$18,348,285	\$12,000	\$0	\$0	\$0	\$0	\$0

Revenue from Federal Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
4100 Unrestricted Revenue Direct From the Federal Government							
4200 Unrestricted Revenue From the Federal Government Through the State							
4300 Restricted Revenue From the Federal Government							
4500 Restricted Revenue From the Federal Government Through the State	\$1,500	\$2,949,017					
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies		\$11,140					
4801 Federal Forest Fees	\$150,976						
4802 Impact Aid to School Districts for Operation (PL 874)							
4803 Coos Bay Wagon Road Funds							
4899 Other Revenue in Lieu of Taxes							
4900 Revenue for/on Behalf of the District		\$70,887					
Total Revenue from Federal Sources	\$152,476	\$3,031,045	\$0	\$0	\$0	\$0	\$0

Revenue from Other Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
5100 Long Term Debt Financing Sources	\$509,577						
5200 Interfund Transfers	\$75,000	\$945,000	\$68,710	\$350,000			\$75,508
5300 Sale of or Compensation for Loss of Fixed Assets	\$410,946						
5400 Resources - Beginning Fund Balance	\$4,336,153	\$331,299	\$543,313	\$93,424		\$258,821	\$317,012
Total Revenue from Other Sources	\$5,331,676	\$1,276,299	\$612,023	\$443,424	\$0	\$258,821	\$392,520
Grand Totals	\$30,233,940	\$5,919,616	\$2,794,019	\$585,151	\$0	\$2,026,123	\$396,862

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SOUTH LANE SCHOOL DISTRICT 45J3
2013 - 14 DISTRICT AUDIT EXPENDITURE SUMMARY

Fund: 100 General Fund

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	\$4,273,691	\$2,944,995	\$1,244,014	\$27,615	\$57,067			
1113 Elementary Extracurricular	\$0							
1121 Middle/Junior High Programs	\$2,384,500	\$1,613,387	\$693,188	\$15,158	\$62,767			
1122 Middle/Junior High School Extracurricular	\$0							
1131 High School Programs	\$3,773,398	\$2,510,154	\$1,093,517	\$53,263	\$102,087	\$14,377		
1132 High School Extracurricular	\$0							
1140 Pre-Kindergarten Programs	\$0							
1210 Programs for the Talented and Gifted	\$2,114	\$1,583	\$398		\$133			
1220 Restrictive Programs for Students with Disabilities	\$1,945,555	\$1,260,021	\$554,053	\$131,481				
1250 Less Restrictive Programs for Students with Disabilities	\$0							
1260 Treatment and Habilitation	\$0							
1271 Remediation	\$0							
1272 Title I	\$0							
1280 Alternative Education	\$1,055,578			\$1,054,721	\$858			
1291 English Second Language Programs	\$248,900	\$159,027	\$88,823	\$164	\$886			
1292 Teen Parent Program	\$0							
1293 Migrant Education	\$0							
1294 Youth Corrections Education	\$0							
1299 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$0							
Total Instruction Expenditures	\$13,683,737	\$8,489,167	\$3,673,993	\$1,282,402	\$223,797	\$14,377	\$0	\$0
Support Services Expenditures								
2110 Attendance and Social Work Services	\$0							
2120 Guidance Services	\$373,478	\$250,892	\$114,676	\$7,239	\$671			
2130 Health Services	\$152,781	\$98,208	\$50,190	\$1,732	\$2,517		\$135	
2140 Psychological Services	\$219,957	\$144,493	\$72,568		\$2,897			
2150 Speech Pathology and Audiology Services	\$230,175	\$160,248	\$67,759	\$1,028	\$380		\$760	
2160 Other Student Treatment Services	\$150,162			\$150,162				
2190 Service Direction, Student Support Services	\$222,398	\$139,312	\$63,514	\$16,797	\$2,774			
2210 Improvement of Instruction Services	\$233,149	\$146,558	\$75,882	\$4,851	\$5,770		\$89	
2220 Educational Media Services	\$205,631	\$128,815	\$61,794	\$7,232	\$7,791			
2230 Assessment & Testing	\$0							
2240 Instructional Staff Development	\$0							
2310 Board of Education Services	\$13,086			\$3,061	\$2,321		\$7,705	
2320 Executive Administration Services	\$255,604	\$166,387	\$79,110	\$5,596	\$4,352		\$159	
2410 Office of the Principal Services	\$2,010,414	\$1,347,565	\$653,013	\$9,835				
2490 Other Support Services - School Administration	\$0							
2510 Direction of Business Support Services	\$0							
2520 Fiscal Services	\$427,916	\$200,837	\$103,841	\$106,416	\$6,726		\$10,096	
2540 Operation and Maintenance of Plant Services	\$2,939,002	\$836,194	\$519,177	\$968,953	\$134,088	\$283,445	\$197,145	
2550 Student Transportation Services	\$2,552,756	\$965,573	\$654,738	\$50,087	\$328,138	\$509,577	\$44,643	
2570 Internal Services	\$0							
2610 Direction of Central Support Services	\$0							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0							
2630 Information Services	\$0							
2640 Staff Services	\$292,101	\$185,082	\$73,810	\$18,401	\$13,699		\$1,109	
2660 Technology Services	\$394,910	\$169,861	\$105,576	\$87,007	\$32,465			
2670 Records Management Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$0							
Total Support Services Expenditures	\$10,673,519	\$4,940,024	\$2,695,648	\$1,438,397	\$544,589	\$793,022	\$261,839	\$0
Enterprise and Community Services Expenditures								
3100 Food Services	\$0							
3200 Other Enterprise Services	\$0							
3300 Community Services	\$0							
3500 Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement	\$0							
4180 Other Capital Items	\$0							
4190 Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures								
5100 Debt Service	\$0							
5200 Transfers of Funds	\$1,363,710							\$1,363,710
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures	\$1,363,710	\$0	\$0	\$0	\$0	\$0	\$0	\$1,363,710
Grand Total	\$25,720,966	\$13,429,190	\$6,369,642	\$2,720,799	\$768,386	\$807,399	\$261,839	\$1,363,710

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**SOUTH LANE SCHOOL DISTRICT 45J3
2012 - 13 DISTRICT AUDIT EXPENDITURE SUMMARY**

Fund: 200 Special Revenue Funds

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	\$87,734	\$61,342	\$19,910		\$6,482			
1113 Elementary Extracurricular	\$147,846			\$46,654	\$94,516		\$6,677	
1121 Middle/Junior High Programs	\$1,382	\$3,059	\$311		-\$1,988			
1122 Middle/Junior High School Extracurricular	\$51,382			\$8,485	\$42,743		\$154	
1131 High School Programs	\$60,159	\$29,290	\$5,286	\$4,852	\$20,732			
1132 High School Extracurricular	\$946,817	\$248,917	\$55,804	\$71,993	\$518,269		\$51,834	
1140 Pre-Kindergarten Programs	\$0							
1210 Programs for the Talented and Gifted	\$5,635	\$2,586	\$636	\$2,000	\$412			
1220 Restrictive Programs for Students with Disabilities	\$493,454	\$262,489	\$230,213	\$751				
1250 Less Restrictive Programs for Students with Disabilities	\$0							
1260 Treatment and Habilitation	\$0							
1271 Remediation	\$11,656	\$8,814	\$2,842					
1272 Title I	\$647,109	\$382,943	\$247,857	\$146	\$16,164			
1280 Alternative Education	\$125,196	\$75,182	\$39,302	\$7,250	\$3,462			
1291 English Second Language Programs	\$0							
1292 Teen Parent Program	\$0							
1293 Migrant Education	\$0							
1294 Youth Corrections Education	\$0							
1299 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$0							
Total Instruction Expenditures	\$2,578,370	\$1,074,622	\$602,162	\$142,131	\$700,791	\$0	\$58,664	\$0

Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$194,068	\$89,490	\$21,066	\$61,928	\$21,583			
2120 Guidance Services	\$0							
2130 Health Services	\$69,244	\$21,332	\$10,428	\$19,225	\$17,019	\$1,240		
2140 Psychological Services	\$0							
2150 Speech Pathology and Audiology Services	\$0							
2160 Other Student Treatment Services	\$0							
2190 Service Direction, Student Support Services	\$3,225	\$1,216	\$273	\$1,075	\$661			
2210 Improvement of Instruction Services	\$632,510	\$291,561	\$92,309	\$68,486	\$180,154			
2220 Educational Media Services	\$0							
2230 Assessment & Testing	\$0							
2240 Instructional Staff Development	\$134,153	\$44,489	\$8,668	\$65,717	\$15,279			
2310 Board of Education Services	\$0							
2320 Executive Administration Services	\$0							
2410 Office of the Principal Services	\$0							
2490 Other Support Services - School Administration	\$0							
2510 Direction of Business Support Services	\$0							
2520 Fiscal Services	\$15,144		\$500				\$14,644	
2540 Operation and Maintenance of Plant Services	\$0							
2550 Student Transportation Services	\$361				\$361			
2570 Internal Services	\$0							
2610 Direction of Central Support Services	\$0							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0							
2630 Information Services	\$12,795	\$611	\$101	\$859	\$7,196		\$4,027	
2640 Staff Services	\$0							
2660 Technology Services	\$76,827			\$10,285	\$53,125		\$13,417	
2670 Records Management Services	\$0							
2690 Other Support Services - Central	\$39,094	\$9,434	\$1,432	\$8,571	\$6,927		\$12,730	
2700 Supplemental Retirement Program	\$268,743	\$17,924	\$250,819					
Total Support Services Expenditures	\$1,446,164	\$476,057	\$385,596	\$236,146	\$302,306	\$1,240	\$44,818	\$0

Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$1,305,011	\$479,146	\$293,812	\$22,518	\$501,632	\$7,175	\$728	
3200 Other Enterprise Services	\$0							
3300 Community Services	\$166,978	\$86,876	\$35,176	\$33,959	\$10,967			
3500 Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures	\$1,471,989	\$566,022	\$328,989	\$56,476	\$512,599	\$7,175	\$728	\$0

Facilities Acquisition and Construction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement Services	\$30,500					\$30,500		
4180 Other Capital Items	\$0							
4190 Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures	\$30,500	\$0	\$0	\$0	\$0	\$30,500	\$0	\$0

Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$75,897						\$75,897	
5200 Transfers of Funds	\$150,508							\$150,508
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures	\$226,405	\$0	\$0	\$0	\$0	\$0	\$75,897	\$150,508
Grand Total	\$5,753,428	\$2,116,701	\$1,316,747	\$434,753	\$1,515,696	\$38,915	\$180,108	\$150,508

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SOUTH LANE SCHOOL DISTRICT 45J3
2013 - 14 DISTRICT AUDIT EXPENDITURE SUMMARY

Fund: 300 Debt Service Funds

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	\$0							
1113 Elementary Extracurricular	\$0							
1121 Middle/Junior High Programs	\$0							
1122 Middle/Junior High School Extracurricular	\$0							
1131 High School Programs	\$0							
1132 High School Extracurricular	\$0							
1140 Pre-Kindergarten Programs	\$0							
1210 Programs for the Talented and Gifted	\$0							
1220 Restrictive Programs for Students with Disabilities	\$0							
1250 Less Restrictive Programs for Students with Disabilities	\$0							
1260 Treatment and Habilitation	\$0							
1271 Remediation	\$0							
1272 Title I	\$0							
1280 Alternative Education	\$0							
1291 English Second Language Programs	\$0							
1292 Teen Parent Program	\$0							
1293 Migrant Education	\$0							
1294 Youth Corrections Education	\$0							
1299 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$0							
Total Instruction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$0							
2120 Guidance Services	\$0							
2130 Health Services	\$0							
2140 Psychological Services	\$0							
2150 Speech Pathology and Audiology Services	\$0							
2160 Other Student Treatment Services	\$0							
2190 Service Direction, Student Support Services	\$0							
2210 Improvement of Instruction Services	\$0							
2220 Educational Media Services	\$0							
2230 Assessment & Testing	\$0							
2240 Instructional Staff Development	\$0							
2310 Board of Education Services	\$0							
2320 Executive Administration Services	\$0							
2410 Office of the Principal Services	\$0							
2490 Other Support Services - School Administration	\$0							
2510 Direction of Business Support Services	\$0							
2520 Fiscal Services	\$0							
2540 Operation and Maintenance of Plant Services	\$0							
2550 Student Transportation Services	\$0							
2570 Internal Services	\$0							
2610 Direction of Central Support Services	\$0							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0							
2630 Information Services	\$0							
2640 Staff Services	\$0							
2660 Technology Services	\$0							
2670 Records Management Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$0							
Total Support Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Enterprise and Community Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$0							
3200 Other Enterprise Services	\$0							
3300 Community Services	\$0							
3500 Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Facilities Acquisition and Construction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement Services	\$0							
4180 Other Capital Items	\$0							
4190 Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Other Uses Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$2,192,810							
5200 Transfers of Funds	\$0						\$2,192,810	
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures	\$2,192,810	\$0	\$0	\$0	\$0	\$0	\$2,192,810	\$0
Grand Total	\$2,192,810	\$0	\$0	\$0	\$0	\$0	\$2,192,810	\$0

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**SOUTH LANE SCHOOL DISTRICT 45J3
2013 - 14 DISTRICT AUDIT EXPENDITURE SUMMARY**

Fund: 400 Capital Projects Funds

Instruction Expenditures							
Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	\$0						
1113 Elementary Extracurricular	\$0						
1121 Middle/Junior High Programs	\$0						
1122 Middle/Junior High School Extracurricular	\$0						
1131 High School Programs	\$0						
1132 High School Extracurricular	\$0						
1140 Pre-Kindergarten Programs	\$0						
1210 Programs for the Talented and Gifted	\$0						
1220 Restrictive Programs for Students with Disabilities	\$0						
1250 Less Restrictive Programs for Students with Disabilities	\$0						
1260 Treatment and Habilitation	\$0						
1271 Remediation	\$0						
1272 Title I	\$0						
1280 Alternative Education	\$0						
1291 English Second Language Programs	\$0						
1292 Teen Parent Program	\$0						
1293 Migrant Education	\$0						
1294 Youth Corrections Education	\$0						
1299 Other Programs	\$0						
1300 Adult/Continuing Education Programs	\$0						
1400 Summer School Programs	\$0						
Total Instruction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures							
Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$0						
2120 Guidance Services	\$0						
2130 Health Services	\$0						
2140 Psychological Services	\$0						
2150 Speech Pathology and Audiology Services	\$0						
2160 Other Student Treatment Services	\$0						
2190 Service Direction, Student Support Services	\$0						
2210 Improvement of Instruction Services	\$0						
2220 Educational Media Services	\$0						
2230 Assessment & Testing	\$0						
2240 Instructional Staff Development	\$0						
2310 Board of Education Services	\$0						
2320 Executive Administration Services	\$0						
2410 Office of the Principal Services	\$0						
2490 Other Support Services - School Administration	\$0						
2510 Direction of Business Support Services	\$0						
2520 Fiscal Services	\$0						
2540 Operation and Maintenance of Plant Services	\$416,306		\$95,232	\$236,720	\$84,059	\$295	
2550 Student Transportation Services	\$0						
2570 Internal Services	\$0						
2610 Direction of Central Support Services	\$0						
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0						
2630 Information Services	\$0						
2640 Staff Services	\$0						
2660 Technology Services	\$0						
2670 Records Management Services	\$0						
2690 Other Support Services - Central	\$0						
2700 Supplemental Retirement Program	\$0						
Total Support Services Expenditures	\$416,306	\$0	\$0	\$95,232	\$236,720	\$84,059	\$295
Enterprise and Community Services Expenditures							
Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$0						
3200 Other Enterprise Services	\$0						
3300 Community Services	\$0						
3500 Custody and Care of Children Services	\$0						
Total Enterprise and Community Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures							
Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$0						
4120 Site Acquisition and Development Services	\$0						
4150 Building Acquisition, Construction, and Improvement Services	\$0						
4180 Other Capital Items	\$0						
4190 Other Facilities Construction Services	\$0						
Total Facilities Acquisition and Construction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures							
Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$42,586					\$42,587	
5200 Transfers of Funds	\$0						
5300 Apportionment of Funds by ESD	\$0						
5400 PERS UAL Bond Lump Sum	\$0						
Total Other Uses Expenditures	\$42,586	\$0	\$0	\$0	\$0	\$42,587	\$0
Grand Total	\$458,892	\$0	\$0	\$95,232	\$236,720	\$84,059	\$42,882

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**SOUTH LANE SCHOOL DISTRICT 45J3
2013 - 14 DISTRICT AUDIT EXPENDITURE SUMMARY**

Fund: 600 Internal Service Funds

		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures									
1111 Elementary, K-5 or K-6		\$0							
1113 Elementary Extracurricular		\$0							
1121 Middle/Junior High Programs		\$0							
1122 Middle/Junior High School Extracurricular		\$0							
1131 High School Programs		\$0							
1132 High School Extracurricular		\$0							
1140 Pre-Kindergarten Programs		\$0							
1210 Programs for the Talented and Gifted		\$0							
1220 Restrictive Programs for Students with Disabilities		\$0							
1250 Less Restrictive Programs for Students with Disabilities		\$0							
1260 Treatment and Habilitation		\$0							
1271 Remediation		\$0							
1272 Title I		\$0							
1280 Alternative Education		\$0							
1291 English Second Language Programs		\$0							
1292 Teen Parent Program		\$0							
1293 Migrant Education		\$0							
1294 Youth Corrections Education		\$0							
1299 Other Programs		\$0							
1300 Adult/Continuing Education Programs		\$0							
1400 Summer School Programs		\$0							
Total Instruction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures									
2110 Attendance and Social Work Services		\$0							
2120 Guidance Services		\$0							
2130 Health Services		\$0							
2140 Psychological Services		\$0							
2150 Speech Pathology and Audiology Services		\$0							
2160 Other Student Treatment Services		\$0							
2190 Service Direction, Student Support Services		\$0							
2210 Improvement of Instruction Services		\$0							
2220 Educational Media Services		\$0							
2230 Assessment & Testing		\$0							
2240 Instructional Staff Development		\$0							
2310 Board of Education Services		\$0							
2320 Executive Administration Services		\$0							
2410 Office of the Principal Services		\$0							
2490 Other Support Services - School Administration		\$0							
2510 Direction of Business Support Services		\$0							
2520 Fiscal Services		\$0							
2540 Operation and Maintenance of Plant Services		\$0							
2550 Student Transportation Services		\$0							
2570 Internal Services		\$0							
2610 Direction of Central Support Services		\$0							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services		\$0							
2630 Information Services		\$0							
2640 Staff Services		\$0							
2660 Technology Services		\$0							
2670 Records Management Services		\$0							
2690 Other Support Services - Central		\$0							
2700 Supplemental Retirement Program		\$0							
Total Support Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Enterprise and Community Services Expenditures									
3100 Food Services		\$0							
3200 Other Enterprise Services		\$0							
3300 Community Services		\$0							
3500 Custody and Care of Children Services		\$0							
Total Enterprise and Community Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures									
4110 Service Area Direction		\$0							
4120 Site Acquisition and Development Services		\$0							
4150 Building Acquisition, Construction, and Improvement Services		\$0							
4180 Other Capital Items		\$0							
4190 Other Facilities Construction Services		\$0							
Total Facilities Acquisition and Construction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures									
5100 Debt Service		\$1,766,260						\$1,766,260	
5200 Transfers of Funds		\$0							
5300 Apportionment of Funds by ESD		\$0							
5400 PERS UAL Bond Lump Sum		\$0							
Total Other Uses Expenditures		\$1,766,260	\$0	\$0	\$0	\$0	\$0	\$1,766,260	\$0
Grand Total		\$1,766,260	\$0	\$0	\$0	\$0	\$0	\$1,766,260	\$0

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**SOUTH LANE SCHOOL DISTRICT 45J3
2013 - 14 DISTRICT AUDIT EXPENDITURE SUMMARY**

Fund: 700 Trust and Agency Funds

Instruction Expenditures							
Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	\$0						
1113 Elementary Extracurricular	\$0						
1121 Middle/Junior High Programs	\$0						
1122 Middle/Junior High School Extracurricular	\$0						
1131 High School Programs	\$0						
1132 High School Extracurricular	\$5,000		\$5,000				
1140 Pre-Kindergarten Programs	\$0						
1210 Programs for the Talented and Gifted	\$0						
1220 Restrictive Programs for Students with Disabilities	\$0						
1250 Less Restrictive Programs for Students with Disabilities	\$0						
1260 Treatment and Habilitation	\$0						
1271 Remediation	\$0						
1272 Title I	\$0						
1280 Alternative Education	\$0						
1291 English Second Language Programs	\$0						
1292 Teen Parent Program	\$0						
1293 Migrant Education	\$0						
1294 Youth Corrections Education	\$0						
1299 Other Programs	\$0						
1300 Adult/Continuing Education Programs	\$0						
1400 Summer School Programs	\$0						
Total Instruction Expenditures	\$5,000	\$0	\$0	\$5,000	\$0	\$0	\$0
Support Services Expenditures							
Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$0						
2120 Guidance Services	\$0						
2130 Health Services	\$452			\$452			
2140 Psychological Services	\$0						
2150 Speech Pathology and Audiology Services	\$0						
2160 Other Student Treatment Services	\$0						
2190 Service Direction, Student Support Services	\$0						
2210 Improvement of Instruction Services	\$0						
2220 Educational Media Services	\$0						
2230 Assessment & Testing	\$0						
2240 Instructional Staff Development	\$0						
2310 Board of Education Services	\$0						
2320 Executive Administration Services	\$0						
2410 Office of the Principal Services	\$0						
2490 Other Support Services - School Administration	\$0						
2510 Direction of Business Support Services	\$0						
2520 Fiscal Services	\$0						
2540 Operation and Maintenance of Plant Services	\$0						
2550 Student Transportation Services	\$0						
2570 Internal Services	\$0						
2610 Direction of Central Support Services	\$0						
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0						
2630 Information Services	\$0						
2640 Staff Services	\$0						
2660 Technology Services	\$0						
2670 Records Management Services	\$0						
2690 Other Support Services - Central	\$0						
2700 Supplemental Retirement Program	\$0						
Total Support Services Expenditures	\$452	\$0	\$0	\$0	\$452	\$0	\$0
Enterprise and Community Services Expenditures							
Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$0						
3200 Other Enterprise Services	\$0						
3300 Community Services	\$3,440		\$3,440				
3500 Custody and Care of Children Services	\$0						
Total Enterprise and Community Services Expenditures	\$3,440	\$0	\$0	\$3,440	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures							
Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$0						
4120 Site Acquisition and Development Services	\$0						
4150 Building Acquisition, Construction, and Improvement Services	\$0						
4180 Other Capital Items	\$0						
4190 Other Facilities Construction Services	\$0						
Total Facilities Acquisition and Construction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures							
Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$0						
5200 Transfers of Funds	\$0						
5300 Apportionment of Funds by ESD	\$0						
5400 PERS UAL Bond Lump Sum	\$0						
Total Other Uses Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total	\$8,892	\$0	\$0	\$8,440	\$452	\$0	\$0

(Sfda on 'ode-psbf51 ode.state...'; SHARED; AuditInfo; 2012-13 District Revenue & Expenditure Audit Summary.xls)

SOUTH LANE SCHOOL DISTRICT NO. 45J3

LANE COUNTY, OREGON

SUPPLEMENTAL INFORMATION
 As Required by The Oregon Department of Education
 For the Year Ended June 30, 2014

A. Energy bills for heating - all funds:				<u>Objects 325 and 326</u>
			Function 2540	\$ 662,546
			Function 2550	15,775
B. Replacement of equipment - General Fund:				
Include all General Fund expenditures in Object 542, except for the following exclusions:				<u>Amount</u>
Exclude these functions:				
1113, 1122 & 1132	Co-curricular activities	4150	Construction	\$ 296,569
1140	Pre-kindergarten	2550	Pupil transportation	
1300	Continuing education	3100	Food service	
1400	Summer school	3300	Community services	

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

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December 4, 2014

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the South Lane School District No. 45J3 as of and for the year ended June 30, 2014, and have issued our report thereon dated December 4, 2014. 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 South Lane School District No. 45J3 was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations except as follows:

1. Expenditures exceeded budgeted appropriations as described on page 27.

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.

We noted matters involving the internal control structure and its operation that we consider to be significant deficiencies under standard established by the American Institute of Certified Public Accountants, which are noted in the Schedule of Findings and Questioned Costs on page 63.

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.

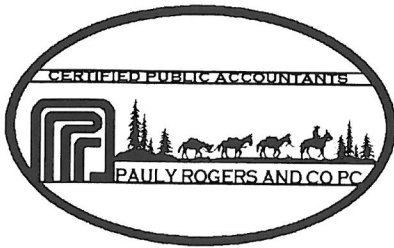


Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

GRANT COMPLIANCE REVIEW

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December 4, 2014

To the Board of Education
South Lane School District No. 45J3
Lane County, Oregon

INDEPENDENT AUDITORS' 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, business-type activities, each major fund, and the aggregate remaining fund information of South Lane School District No. 45J3 as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 4, 2014.

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. We consider the deficiencies described in the accompany schedule of findings and questioned costs to be significant deficiencies.

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*.

We noted certain matters that we reported to management of on the Schedule of Findings and Questioned Costs on page 63. Management's responses to the findings identified in our audit were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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.



Roy R. Rogers, CPA
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December 4, 2014

To the Board of Education
South Lane School District No. 45J3
Lane County, Oregon

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Report on Compliance for Each Major Federal Program

We have audited South Lane School District No. 45J3's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2014. The major federal programs are identified in the summary of auditors' 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.

Auditors' 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, South Lane School District No. 45J3, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

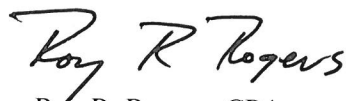
Report on Internal Control Over Compliance

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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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



Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued Unmodified

Internal control over financial reporting:

 Material weakness(es) identified? yes no

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

Noncompliance material to financial statements noted? yes no

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

FEDERAL AWARDS

Internal control over major programs:

 Material weakness(es) identified? yes no

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

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

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

IDENTIFICATION OF MAJOR PROGRAMS

CFDA NUMBER NAME OF FEDERAL PROGRAM CLUSTER

10.553, 10.555 Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? yes no

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

SECTION II – FINANCIAL STATEMENT FINDINGS

2014-FA-1

CONDITION: Adequate controls were not in place to ensure that adjusting journal entries were properly prepared and reviewed.

CRITERIA: Journal entries should be prepared and reviewed by a person independent of the person making the entry prior to the entries being posted to the general ledger.

EFFECT: Without controls or procedures in place to monitor the adjusting journal entry process, there is a likelihood of an unintentional error or irregularity existing and not being detected that could result in a material misstatement of the financial statements.

CAUSE: Insufficient resources appeared to be allocated to the monitoring of the journal entry process.

RECOMMENDATION: A control structure should be implemented where all adjusting journal entries be reviewed and approved by a second party; furthermore, this review and approval should be evidenced prior to posting.

RESPONSE: The District will implement a control structure where all adjusting journal entries must be reviewed and approved by a second party prior to posting. This correction was implemented after November 2013.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONS COSTS:

None.

SECTION IV – PRIOR FINANCIAL STATEMENT FINDINGS:

2013-FA-1

CONDITION: Adequate controls were not in place to ensure that adjusting journal entries were properly prepared and reviewed.

CRITERIA: Journal entries should be prepared and reviewed by a person independent of the person making the entry prior to the entries being posted to the general ledger.

EFFECT: Without controls or procedures in place to monitor the adjusting journal entry process, there is a likelihood of an unintentional error or irregularity existing and not being detected that could result in a material misstatement of the financial statements.

CAUSE: Insufficient resources appeared to be allocated to the monitoring of the journal entry process.

RECOMMENDATION: A control structure should be implemented where all adjusting journal entries be reviewed and approved by a second party; furthermore, this review and approval should be evidenced prior to posting.

RESPONSE: None.

SOUTH LANE SCHOOL DISTRICT NO. 45J3
LANE COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

2013-FA-2

CONDITION: The Business Manager has access to all phases of the accounts payable and payroll transaction cycles.

CRITERIA: Proper segregation of duties should not allow any one employee to have access to both physical assets and the related accounting records or to all phases of the transaction.

EFFECT: Without controls or procedures in place to monitor the payroll and disbursement systems, there exists the likelihood of material misstatement in the financial statements.

CAUSE: Insufficient resources limit the number of available personnel who are properly trained to perform accounting functions. The Business Manager has full general ledger access, the ability to print checks, create vendors, create new employees, and modify pay rates.

RECOMMENDATION: We recommend that the Board evaluate its ability to segregate duties, or develop mitigating controls for those areas where segregation of duties is not feasible, such as having an independent person retain the check stock, or restricting the Business Manager's access to modify employee and vendor information.

RESPONSE: This has been corrected in the year ended June 30, 2014.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The schedule of expenditures of federal awards includes the federal grant activity for South Lane School District No. 45J3 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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