

**LANE COMMUNITY COLLEGE  
EUGENE, OREGON**

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
Year Ended June 30, 2012**

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**Mary F.T. Spilde, President  
Gregory L. Morgan, Chief Financial Officer  
Stan Barker, Director of College Finance and Purchasing**

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# **INTRODUCTORY SECTION**



November 28, 2012

Board of Education  
Lane Community College  
4000 E. 30<sup>th</sup> Ave.  
Eugene, Oregon 97405

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for Lane Community College for the fiscal year ended June 30, 2012, in accordance with Oregon Revised Statutes (ORS) 297.405 to 297.555 and 297.990, known as Municipal Audit Law. The responsibility for the completeness and fairness of the data presented and all accompanying disclosures rests with the management of Lane Community College. We believe the report and its data are accurate and complete in all material aspects in disclosing the financial position and results of operations of Lane Community College as of June 30, 2012, and for the year then ended.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Lane Community College's MD&A can be found immediately following the independent auditor's report in the Financial Section.

### **College Description**

Lane Community College is a comprehensive, two-year, public college founded in 1964. Lane serves a 4,600 square-mile area from the Cascade Mountains to the Pacific Ocean. The district has a population of approximately 351,000. In recent years, more than 36,000 people take one or more classes at Lane each year (unduplicated headcount). Congruent with its mission, Lane offers a broad range of educational programs leading to four associate degrees: associate of arts/Oregon transfer, associate of science, associate of general studies, and associate of applied science. All Lane educational programs are based on recognized fields of study and are approved by the Oregon Department of Community College and Workforce Development as sufficient in content and length. The College is the second largest of Oregon's seventeen community colleges.

## **College Mission**

Lane is the community's college:

We provide comprehensive, accessible, quality, learning-centered educational opportunities that promote student success.

## **Programs**

Lane Community College has five major areas of study:

1. Career-Technical education trains students who want to qualify to work in specific fields.
2. College Transfer courses for students who will continue their education at a four-year college or university.
3. Lifelong learning opportunities through both credit and non-credit courses and workshops.
4. Developmental skill-building classes for people who want to learn basic reading, writing, mathematics and study skills, finish high school, or learn English as a second language.
5. Workforce training and small business development: In cooperation with district businesses and agencies, Lane offers job-related training customized to the organization's needs. In addition, Lane offers training and support for area small businesses.

## **Economy**

Lane County is larger than Delaware and Rhode Island combined. Although 90 percent of Lane County is forestland, Eugene and Springfield combined are the second largest urban area in Oregon. The principal industries in Lane County are agriculture, higher education, high technology, forest products, recreation, health care, and tourism. Lane County is the home of the University of Oregon and several high tech companies, in addition to forest products companies such as Weyerhaeuser. According to the Oregon Office of Economic Analysis (OOEA) Lane County's per capita income is estimated at \$33,522 compared to the United States per capita income of \$38,500. Oregon's economic analysis for 2012 forecasts employment to grow slowly. Decreasing housing starts and further declines in home values nationally will likely continue to impact the Lane County building materials industries. Population growth is expected to be slightly higher than the U.S. average, but much slower than the growth experienced in the mid-1990's. Other financial and demographic information can be found in the Statistical Section of Lane Community College's CAFR and budget document.



## **Governing Bodies**

The members of the board of education of Lane Community College are duly elected representatives of the people, pursuant to the statutes of Oregon and consistent with the rules of the Oregon State Board of Education. The Lane Community College board of education has statutory charge and control of all activities, operations and programs of the college including its property, personnel, and finances. The college is not a component unit of any other entity. The college has one discretely presented component unit, Lane Community College Foundation, for which the college is considered to be financially accountable. The Board of Education comprises seven qualified members elected for four-year terms. Members are elected from established zones within the community college district.

## **Oregon State Board of Education**

The Oregon State Board of Education is the agency that provides state-level regulations of Oregon's community college system. The Commissioner of the Department of Community Colleges and Workforce Development serves as an administrative officer of community college matters. The Board establishes state standards for educational programs and facilities and approves courses of study.

## **College Management**

The President, appointed by the local Board of Education, is the Chief Executive Officer of the College. The President and executive team of the college administer policies set by the Lane Board of Education.

## **Accreditation**

The Northwest Commission on Colleges and Universities has granted accreditation to Lane Community College. The college's most recent full-scale accreditation visit occurred in October 2004, with the latest regular interim site visit and evaluation accepted and accreditation reaffirmed in January 2010. The Oregon Department of Community Colleges and Workforce Development has approved all college transfer courses, and the State Board of Education has approved all career-technical programs.

## **Independent Audit**

State statutes require an annual audit by independent certified public accountants. The Lane Board of Education has selected the accounting firm of Kenneth Kuhns & Co. as its auditors. In addition to meeting the requirements set forth in Oregon statutes, the audit also was designed to meet the requirements of the federal Single Audit Amendment of 1996 and related OMB Circular A-133.

### **Long Range Financial Plan**

The Board of Education approved a Long Range Financial Plan to guide future budget decisions on 14 December 2011. It includes board financial policies and guides financial and budget development.

### **Internal Controls**

The primary strategy to improve internal controls is education of staff on tools available to improve financial management and process improvement. Another strategy implemented recently is an ongoing program of data testing of records and transactions by audit software to efficiently identify items needing closer review.

### **Awards**

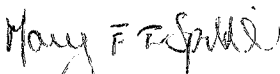
The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to Lane Community College for its comprehensive annual financial report for the fiscal year ended June 30, 2011. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. In addition Lane received the Certificate of Achievement for Excellence in Budget Presentation from GFOA for the fiscal year ended June 30, 2012. Both awards have been received for six consecutive years in a row, an unprecedented achievement by an Oregon Community College for both awards in the same years.


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

### **Acknowledgments**

We wish to express our appreciation to the entire business office staff for their efforts and contributions to our Comprehensive Annual Financial Report. We further extend our thanks to the staff of Kenneth Kuhns & Co. for their efforts during this audit. We also thank the Lane Board of Education for its support and dedication to the financial health of the college.

Sincerely,

  
Mary F. T. Spilde  
President

  
Gregory L. Morgan  
Chief Financial Officer

LANE COMMUNITY COLLEGE

June 30, 2012

*Board of Education*

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<u>Official</u>	<u>Address</u>	<u>Office</u>
Susie Johnston	301 Spyglass Drive Eugene, Oregon 97401	Chair
Robert Ackerman	PO Box 41749 Eugene, Oregon 97404	Vice Chair
Pat Albright	2712 Jackson Street Eugene, Oregon 97405	Member
Gary LeClair	3100 MLK Jr Parkway Springfield, Oregon 97477	Member
Tony McCown	650 Harlow Road, #254 Springfield, Oregon 97477	Member
Rosie Pryor	2671 Wilshire Drive Eugene, Oregon 97405	Member
Sharon Stiles	642 35 <sup>th</sup> Court Florence, Oregon 97439	Member

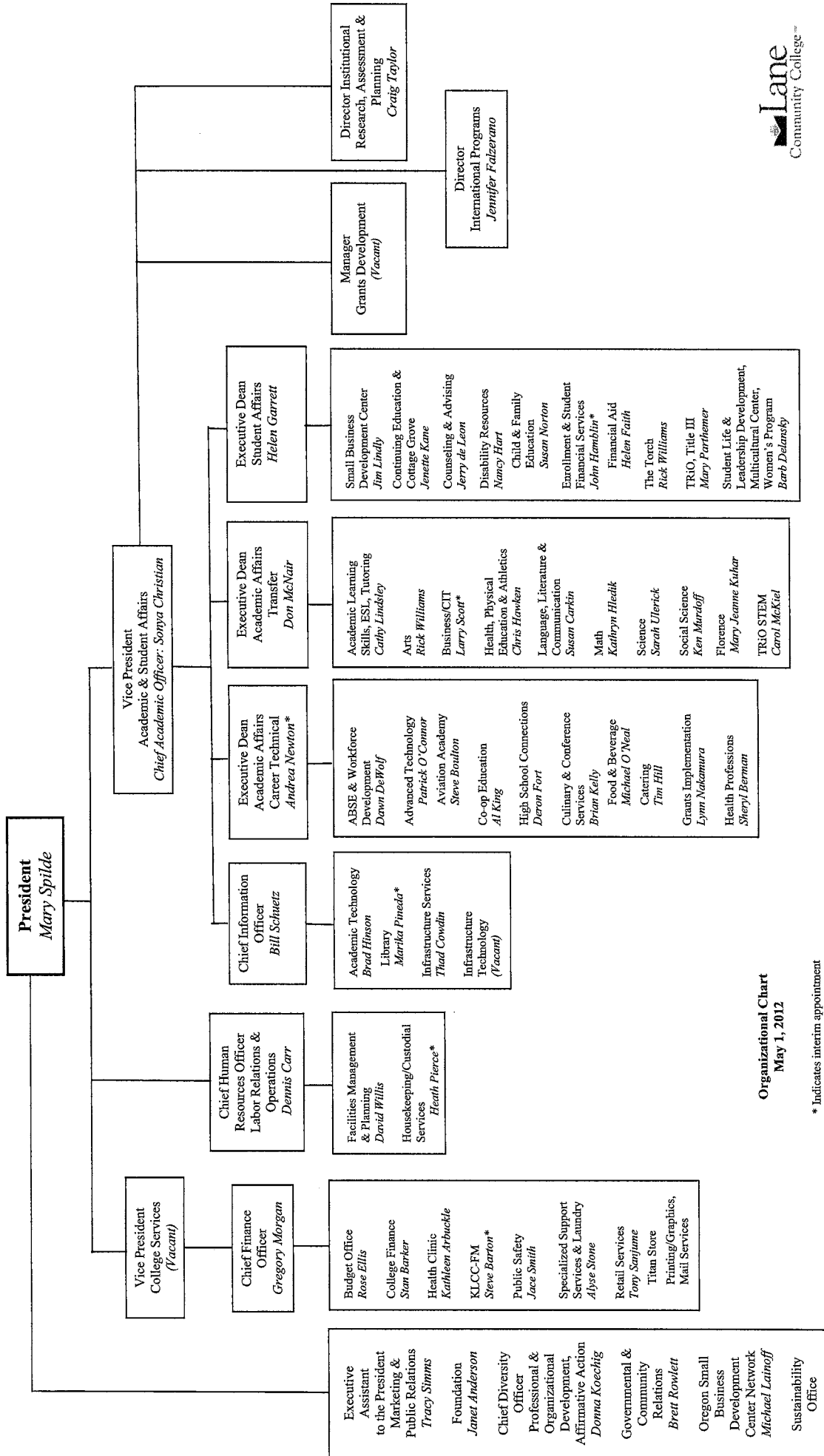
*Administration*

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Mary F.T. Spilde President

Gregory L. Morgan Chief Financial Officer

# Lane Community College 2011-2012



Organizational Chart  
May 1, 2012

\* Indicates interim appointment



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lane Community College  
Oregon

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011.

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Christopher P. Moynell*

President

*Jeffrey R. Enos*

Executive Director

## **FINANCIAL SECTION**

KENNETH KUHNS & CO.  
CERTIFIED PUBLIC ACCOUNTANTS  
570 LIBERTY STREET S.E., SUITE 210  
SALEM OREGON 97301-3594  
TELEPHONE (503) 585-2550

INDEPENDENT AUDITOR'S REPORT

November 28, 2012

Board of Education  
Lane Community College  
Eugene, Oregon

We have audited the statement of net assets of Lane Community College as of June 30, 2012, and the related statements of revenues, expenses, and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Lane Community College Foundation, a discretely presented component unit of Lane Community College. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Lane Community College Foundation, is based on the report of the other auditors.

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 of material misstatement. The financial statements of Lane Community College Foundation were not audited in accordance with *Government Auditing Standards*. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit, and the report of the other auditors, provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Lane Community College as of June 30, 2012, and the changes in its financial position and, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 11 to the financial statements, the College reclassified certain amounts in the College's Statement of Revenues, Expenses and Changes in Net Assets as a result of a change in accounting for the Direct Loan Program.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2012 on our consideration of Lane Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3 through 9 and the schedule of funding progress on page 32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The other supplementary information and schedule of expenditures of federal awards required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* (OMB Circular A-133) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The other supplementary information and schedule of expenditures of federal awards 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 and other 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. In our opinion, the other supplementary information and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.

*Kenneth Kuhns & Co.*

Kenneth Kuhns & Co.



## **Management's Discussion and Analysis**

# Lane Community College

## Management's Discussion and Analysis

This section of Lane Community College's (the College) comprehensive annual financial report provides an overview and analysis of the College's financial performance during the fiscal year ended June 30, 2012. This overview has been prepared by management, along with the financial statements and related note disclosures, and should be read in conjunction with them. The financial statements, notes to the financial statements and this discussion are the responsibility of management.

### Overview of the Financial Statements

This discussion and analysis serves as an introduction to the College's basic entity-wide financial statements, which have been prepared in accordance with generally accepted accounting principles. The entity-wide presentation is designed to provide readers with a broad overview of the College's finances, in a manner similar to a private sector business. These financial statements focus on the College's overall financial condition, its results of operations and its cash flows. The entity-wide financial statements consist of:

- *The Statement of Net Assets*, which presents the College's financial position at the end of the year and includes all assets and liabilities. The difference between total assets and total liabilities – Net Assets – is an indicator of the College's present financial condition. Over time, increases or decreases in the College's net assets show whether its financial health is improving or deteriorating. Assets and liabilities are generally measured using current values; capital assets are stated at historical cost, less an allowance for depreciation.
- *The Statement of Revenues, Expenses and Changes in Net Assets*, which presents the College's operating results for the year. Revenues and expenses are generally reported using the accrual method of accounting, which records transactions as soon as they occur, regardless of when cash is exchanged. Usage of capital assets is reported as depreciation expense, which amortizes the cost of assets over their estimated useful lives. Revenues and expenses are reported as either operating or non-operating. Operating revenues come primarily from tuition, auxiliary enterprises (such as the Bookstore), and grants and contracts. State appropriations and property taxes, while budgeted for operations, must be classified in the statement as non-operating revenues.
- *The Statement of Cash Flows*, which presents information about cash receipts and cash payments during the year. This statement also assists users in assessing the College's ability to generate net cash flows, its ability to meet its obligations as they come due, and its potential need for external financing.
- *The Notes to the Basic Financial Statements* provide additional information that is essential to a full understanding of the data provided in the entity-wide financial statements.

## Financial Highlights

- As of June 30, 2012 the College's assets exceeded its liabilities by \$143,418,400 (*Net Assets*). Of this amount, \$49,708,518 is classified as unrestricted net assets. These unrestricted net assets may be used to meet the College's ongoing obligations. The largest component (\$84,501,930) of net assets is the College's investment in capital assets, which represents its land, buildings, machinery and equipment, net of accumulated depreciation and related debt. The College uses these capital assets to provide educational services to its students; consequently these assets are not available for future spending.
- State community college support revenues show a 77.69% increase from 2011. This is because the state is following a pattern of paying five quarterly state payments (one payment being deferred from the prior fiscal year) in the first year of a biennium and three quarterly payments (the fourth quarterly payment being deferred to the next fiscal year) in the second year of a biennium. Thus there is an uneven revenue flow from the state. This is further explained on page 6.
- The College's capital contributions increased this year as a result of the College's partnering with the State and other organizations in building our new Eugene downtown campus.
- Extensive capital construction at the College has resulted in a dramatic increase in Capital Assets Net, Current liabilities and a dramatic decrease in cash - end of year.
- The College's net assets increased from the prior year.

## Analysis of the Statement of Net Assets As of June 30, 2012

This Statement includes all of the assets and liabilities of the College using the previously described accrual method of accounting, which is similar to the accounting presentation used by business. Net Assets is a measure of the College's financial condition.

In summary form Net Assets consisted of:

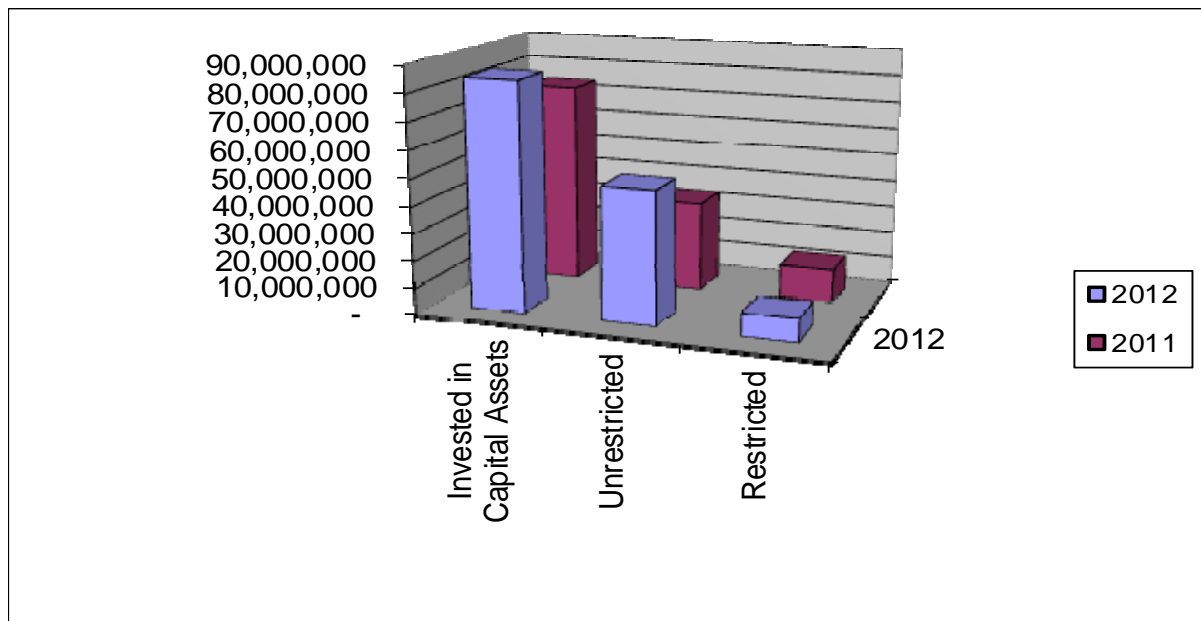
	2012	2011	Percent Change
<b>Assets:</b>			
Current assets	\$ 70,295,232	\$ 83,020,880	-15.33%
Pension asset	54,222,876	58,922,826	-7.98%
Capital assets, net	136,489,942	104,195,257	30.99%
Other noncurrent assets	<u>21,236,463</u>	<u>14,056,644</u>	51.08%
Total assets	<u>\$ 282,244,513</u>	<u>\$ 260,195,607</u>	8.47%
<b>Liabilities:</b>			
Current liabilities	\$ 38,835,410	\$ 35,575,608	9.16%
Noncurrent liabilities	<u>99,990,703</u>	<u>104,055,373</u>	-3.91%
Total liabilities	<u>138,826,113</u>	<u>139,630,981</u>	-0.58%
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	84,501,930	74,245,090	13.81%
Restricted	9,207,952	12,746,012	-27.76%
Unrestricted	<u>49,708,518</u>	<u>33,573,524</u>	48.06%
Total net assets	<u>143,418,400</u>	<u>120,564,626</u>	18.96%
Total liabilities and net assets	<u>\$ 282,244,513</u>	<u>\$ 260,195,607</u>	8.47%

At June 30, 2012 the College’s current assets of \$70.3 million was sufficient to cover current liabilities of \$38.8 million. This represents a current ratio of 1.8. Current assets consist primarily of cash and cash equivalents, investments, receivables from property taxes, student accounts and grants, plus bookstore inventory. The College’s noncurrent asset of \$54.2 million is its pension asset, created when the College paid into a PERS investment account used to cover a portion of the College’s unfunded actuarial liability. Also included in noncurrent assets is capital assets (land, buildings, machinery and equipment), net of accumulated depreciation, used to provide services to students.

Current liabilities consisted primarily of payroll, interest and operating payables, plus the current portion (\$8,824,328) of current maturities of long-term obligations. Noncurrent liabilities consist of long-term debt relating to general obligation bonds, pension bonds, and other debt obligations.

Within Net Assets, the “invested in capital assets” amount of \$84,501,930 represents the total original cost of all of the College’s land, buildings, machinery and equipment, and infrastructure, less total accumulated depreciation on these assets, and also less debt related to their acquisition. Restricted net assets consisted of amounts legally restricted for student financial aid grants and loans, debt service, and grants and contracts.

The following graph shows the allocation of Net Assets for the College:



**Analysis of the Statement of Revenues, Expenses and Changes in Net Assets For the Year Ended June 30, 2012**

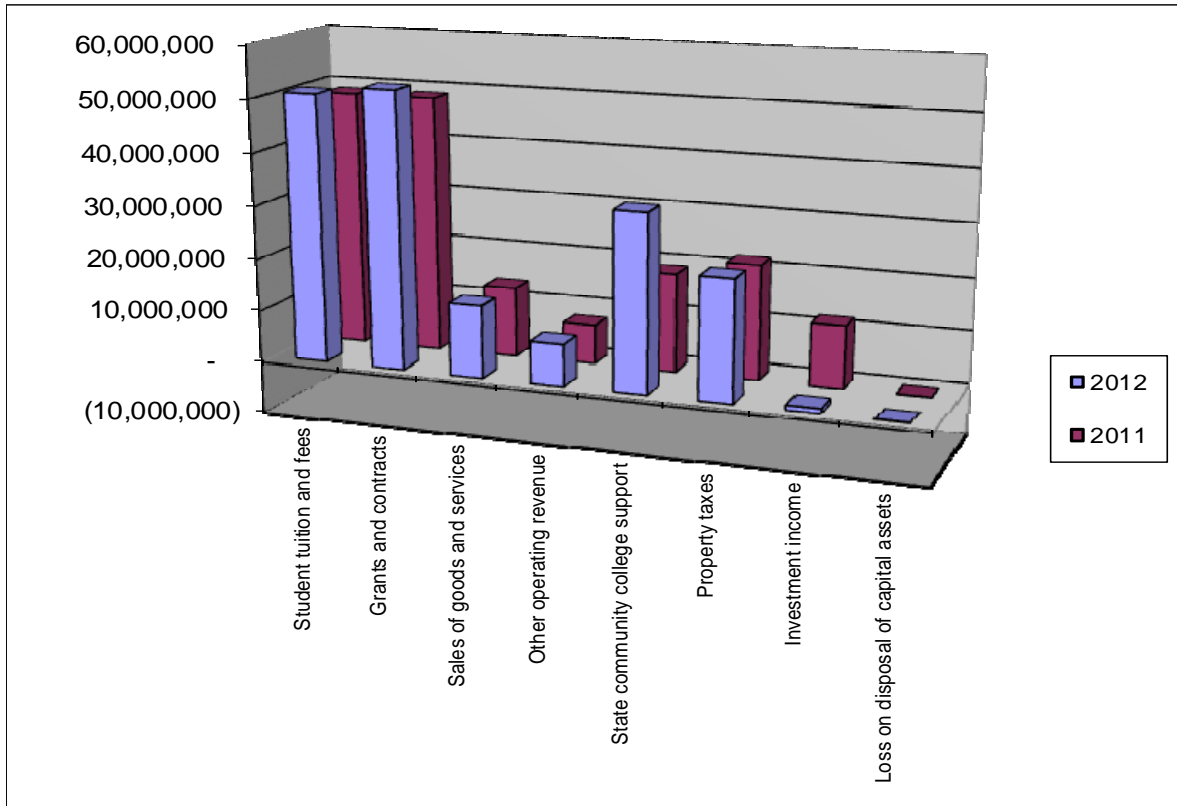
The Statement of Revenues, Expenses and Changes in Net Assets presents the College’s operating results, as well as its non-operating revenues and expenses, and reconciles the changes in Net Assets (discussed above). State appropriations and property taxes, while budgeted for operations, must be classified in the statement as non-operating revenues. In summary form the year’s results were:

	2012	2011	Percent Change
<b>Operating revenues:</b>			
Student tuition and fees	\$ 50,944,010	\$ 48,676,549	4.66%
Grants and contracts	52,458,273	48,694,168	7.73%
Sales of goods and services	13,781,545	13,420,535	2.69%
Other operating revenue	<u>7,991,844</u>	<u>7,475,413</u>	6.91%
Total operating revenues	125,175,672	118,266,665	5.84%
<b>Nonoperating revenues:</b>			
State community college support	33,478,815	18,841,504	77.69%
Property taxes	23,037,606	21,842,450	5.47%
Investment income	<u>905,484</u>	<u>11,781,138</u>	-92.31%
Total revenues	<u>182,597,577</u>	<u>170,731,757</u>	6.95%
<b>Operating expenses:</b>			
Instruction	59,592,551	58,238,835	2.32%
Community services	6,412,405	5,550,825	15.52%
Instructional support services	5,921,969	5,473,840	8.19%
Student services	26,379,672	23,786,244	10.90%
College support services	14,287,846	11,873,926	20.33%
Plant operations and maintenance	10,730,306	10,647,742	0.78%
Financial aid	45,242,381	40,850,517	10.75%
Depreciation	<u>3,705,278</u>	<u>3,262,947</u>	13.56%
Total operating expenses	172,272,408	159,684,876	7.88%
Nonoperating expenses	<u>4,554,558</u>	<u>4,604,180</u>	-1.08%
Total expenses	<u>176,826,966</u>	<u>164,289,056</u>	7.63%
Income before contributions	5,770,611	6,442,701	-10.43%
Capital contributions	<u>17,083,163</u>	<u>400,000</u>	4170.79%
Change in net assets	22,853,774	6,842,701	233.99%
Net assets - beginning of year	<u>120,564,626</u>	<u>113,721,925</u>	6.02%
Net assets - end of year	<u>\$ 143,418,400</u>	<u>\$ 120,564,626</u>	18.96%

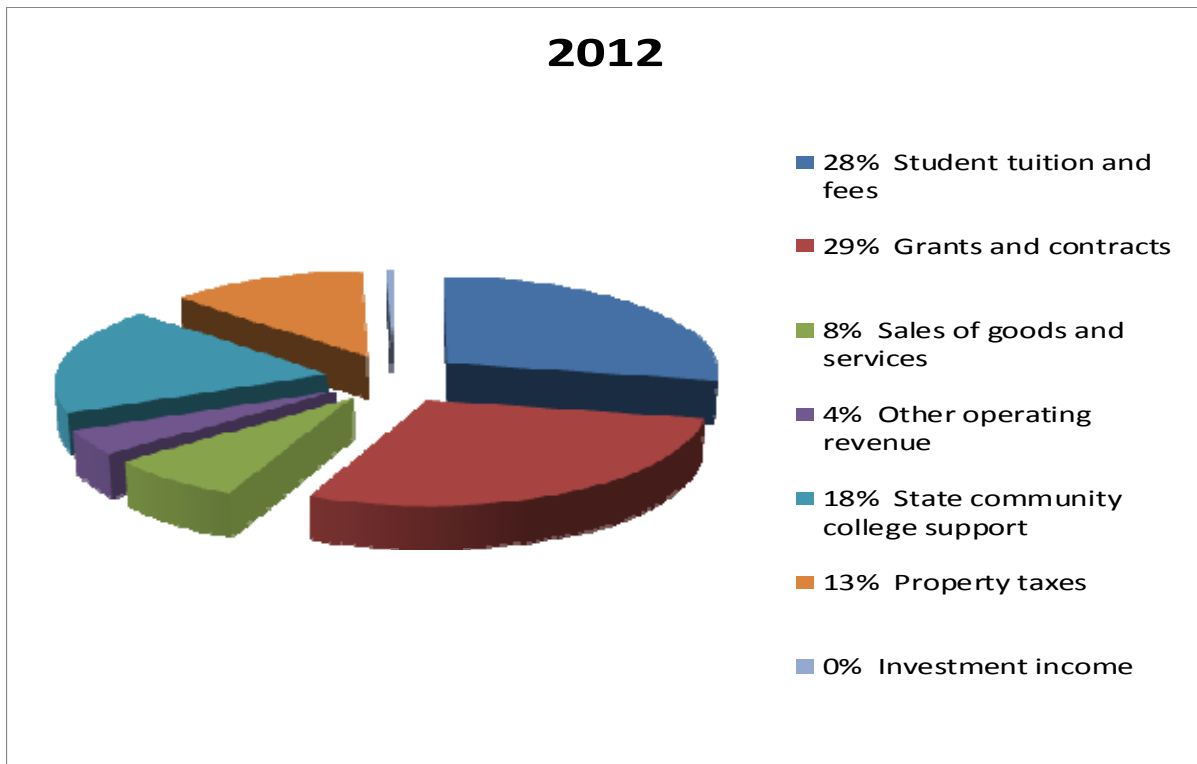
### *Revenues:*

The largest sources of operating revenue for the College are tuition and fees, auxiliary enterprise activities, and grants and contracts. Auxiliary enterprise activities are College operations that provide goods and services to students, faculty, staff or the general public, and charge fees directly related to the cost of these goods and services. They include the Bookstore, Foodservices, the Laundry and the Center for Meeting and Learning, and are intended to be self-supporting.

Appropriations from the State of Oregon constitute 58.3% of non-operating revenue. The College received \$33,478,815 in State aid in this fiscal year, which represented a 77.69% increase from the prior year. The reason for this stems from the 2003 legislative session, in which the Oregon Legislature acted to defer their fourth quarterly payment from April until July in odd numbered years. In 2011 the College's revenue for the 4<sup>th</sup> quarterly payment of \$7,048,931 was paid in July rather than April, thus shifting it from 2011 and into the 2012 fiscal year. This produces the large disparity in State aid between 2011 and 2012. The following graph shows a comparison of revenue sources from 2011 to 2012:



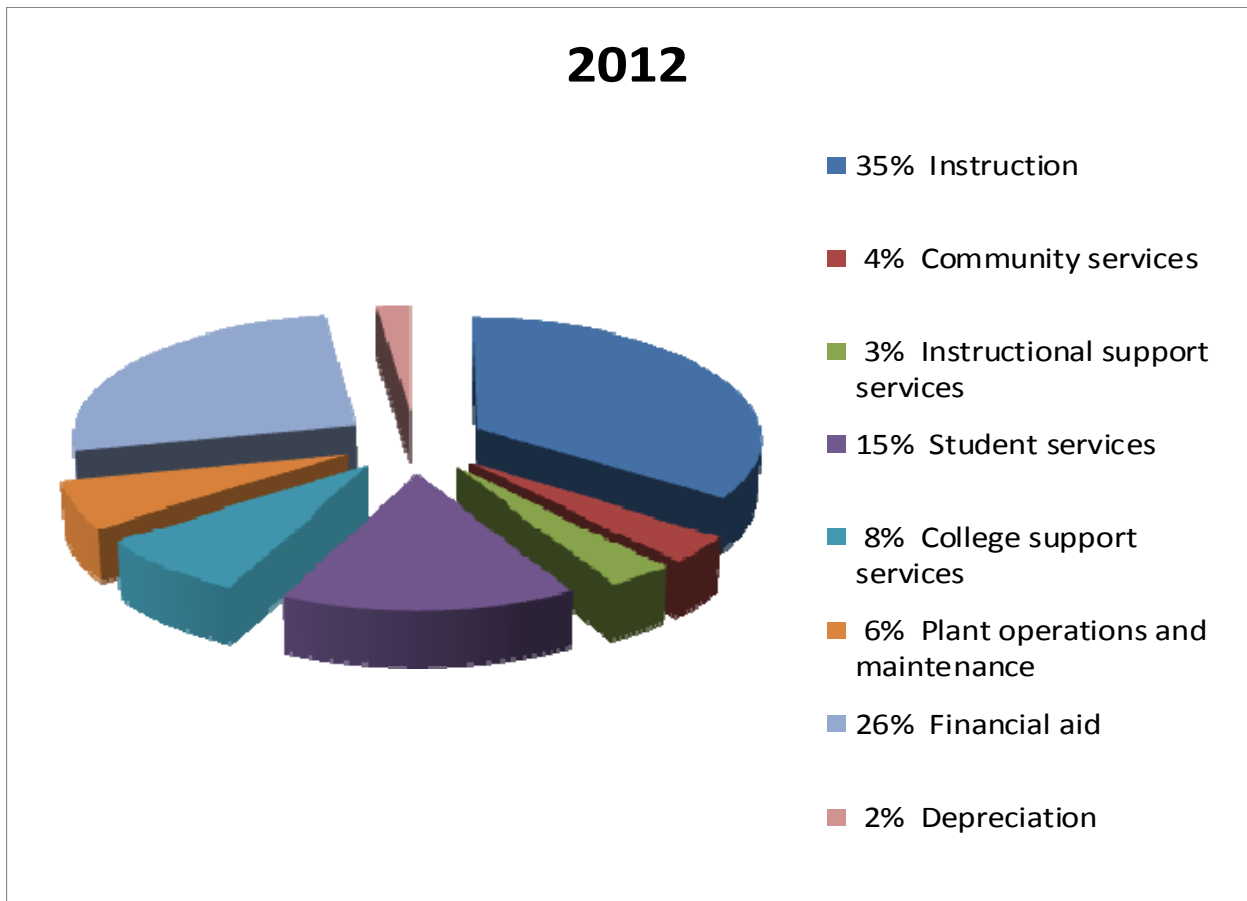
The following graph shows the percentage allocation of revenue sources for 2012:



*Expenses:*

The College expended \$172,272,408 on salaries and benefits, materials and services, utilities, scholarships and depreciation. Instruction represents the largest percentage of total expenses.

The following graph shows the percentage allocation of operating expenses for 2012:



**Analysis of the Statement of Cash Flows  
For the Year Ended June 30, 2012**

This statement provides a measurement of the College’s financial health by supplying information about cash receipts and cash payments during the year. It also assists users in assessing the College’s ability to generate net cash flows, its ability to meet its obligations as they come due, and its need for external financing. This statement is reported on the direct method, which portrays net cash flows from operations as major classes of operating receipts (e.g. tuition and fees) and payments (e.g. cash paid to employees). GASB Statements 34 and 35 require the use of this method for reporting cash flows.

In summary form the cash flows for the year were:

	2012	2011	Percent Change
Cash provided by (used in):			
Operating activities	\$ (26,444,411)	\$ (31,625,664)	-16.38%
Non-capital financing activities	52,544,290	37,236,852	41.11%
Capital financing activities	(32,502,078)	(509,374)	6280.79%
Investing activities w	<u>(8,027,268)</u>	<u>2,433,270</u>	-429.90%
Net increase (decrease) in cash	(14,429,467)	7,535,084	-291.50%
Cash - beginning of year	<u>49,031,042</u>	<u>41,495,958</u>	18.16%
Cash - end of year	<u>\$ 34,601,575</u>	<u>\$ 49,031,042</u>	-29.43%

The largest sources of cash from operating activities were student tuition and fees, auxiliary enterprises and grants and contracts. Major uses of cash were payments made to employees, vendors, grants and contracts and student financial aid.

State aid and property taxes are the primary sources of non-capital financing cash. GASB Statements 34 and 35 require the College to report these sources as non-operating even though the College's budget depends on these sources to continue to provide our current level of educational offerings. The non-capital financing activities had significant changes due to the effect of the State's fourth quarter payment being delayed between years as explained on page 6. The cash flows from capital financing activities had significant changes due to the acquisition of capital assets. The large change in investment activities is due to a leverage loan disbursement.

### **Capital Asset and Debt Administration**

#### *Capital Assets:*

The College's investment in capital assets at June 30, 2012 amounts to \$136.5 million, net of accumulated depreciation. Investment in capital assets includes land, buildings, machinery and equipment, library collections and infrastructure. Additional information pertaining to the College's capital assets is located in note 3 to these financial statements.

#### *Debt:*

At June 30, 2012 the College had total long-term obligations outstanding of \$99,064,129. Additional information pertaining to the College's long-term obligations is located in note 4 to these financial statements.

### **Contacting the College's Financial Management**

This financial report is designed to provide our stakeholders, taxpayers and creditors with a general overview of the College's finances. Questions concerning any of the information in this report or requests for additional financial information should be addressed to:

College Finance  
Lane Community College  
4000 E. 30<sup>th</sup> Avenue  
Eugene, OR 97405



## **Basic Financial Statements**

LANE COMMUNITY COLLEGE

Statement of Net Assets  
June 30, 2012

<u>Assets</u>	<u>College</u>	<u>Foundation (Component Unit)</u>
Current assets:		
Cash and cash equivalents	\$ 34,601,575	\$ 8,794,013
Investments	19,580,748	-
Receivables, net:		
Property taxes	1,757,596	-
Accounts	12,322,620	971,617
Loans and notes, current portion	400,000	13,507
Prepayments	475,505	27,232
Inventories	1,157,188	-
Total current assets	<u>70,295,232</u>	<u>9,806,369</u>
Noncurrent assets:		
Receivables, net	17,639,055	450,495
Long term investments	1,675,133	11,135,692
Pension asset	54,222,876	-
Net pension obligation	1,158,745	-
Deferred charges	763,530	-
Investment in property, annuity trust	-	787,200
Capital assets:		
Non-depreciable	56,628,499	-
Depreciable	127,157,764	11,782,213
Less accumulated depreciation	<u>(47,296,321)</u>	<u>-</u>
Total noncurrent assets	<u>211,949,281</u>	<u>24,155,600</u>
Total assets	<u>282,244,513</u>	<u>33,961,969</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	8,034,875	305,848
Accrued liabilities	5,840,356	-
Accrued interest payable	113,289	-
Due to others	63,497	-
Unearned revenue	15,959,065	123,015
Current maturities of long-term obligations	<u>8,824,328</u>	<u>40,000</u>
Total current liabilities	<u>38,835,410</u>	<u>468,863</u>
Noncurrent liabilities:		
Long-term obligations, net of current maturities:		
Pension bonds payable	50,556,117	-
General obligation bonds payable	29,153,012	-
Debt obligations payable	19,355,000	-
Notes payable	-	18,710,000
Net OPEB obligation	926,574	-
Obligations under split-interest agreements	<u>-</u>	<u>243,565</u>
Total noncurrent liabilities	<u>99,990,703</u>	<u>18,953,565</u>
Total liabilities	<u>138,826,113</u>	<u>19,422,428</u>
<u>Net Assets</u>		
Invested in capital assets, net of related debt	<u>84,501,930</u>	<u>-</u>
Restricted for debt service	1,790,488	-
Restricted for pension obligations	1,371,759	-
Restricted for student financial aid	5,800,583	-
Restricted for grants and contracts	245,122	-
Restricted for permanent endowment	-	9,123,173
Restricted for temporary endowment and scholarships	<u>-</u>	<u>4,669,107</u>
Total restricted net assets	<u>9,207,952</u>	<u>13,792,280</u>
Unrestricted	<u>49,708,518</u>	<u>747,261</u>
Total net assets	<u>\$ 143,418,400</u>	<u>\$ 14,539,541</u>

The accompanying notes are an integral part of this statement

LANE COMMUNITY COLLEGE

Statement of Revenues, Expenses and Changes in Net Assets  
Year Ended June 30, 2012

	<u>College</u>	<u>Foundation (Component Unit)</u>
Operating revenues:		
Student tuition and fees	\$ 50,944,010	\$ -
Grants and contracts	52,458,273	-
Sales of goods and services	13,781,545	-
Other operating revenue	<u>7,991,844</u>	<u>3,612,455</u>
Total operating revenues	<u>125,175,672</u>	<u>3,612,455</u>
Operating expenses:		
Instruction	59,592,551	-
Community services	6,412,405	-
Instructional support services	5,921,969	-
Student services	26,379,672	-
College support services	14,287,846	-
Plant operations and maintenance	10,730,306	-
Financial aid	45,242,381	-
Foundation programs	-	3,899,433
Depreciation	<u>3,705,278</u>	<u>-</u>
Total operating expenses	<u>172,272,408</u>	<u>3,899,433</u>
Operating income-(loss)	<u>(47,096,736)</u>	<u>(286,978)</u>
Nonoperating revenues-(expenses):		
State community college support	33,478,815	-
Property taxes	23,037,606	-
Investment income	578,851	317,391
Investment income from pension asset	326,633	-
Interest expense	(4,494,525)	-
Loss on disposal of capital assets	<u>(60,033)</u>	<u>-</u>
Total nonoperating revenues-(expenses)	<u>52,867,347</u>	<u>317,391</u>
Income before contributions	5,770,611	30,413
Capital contributions	<u>17,083,163</u>	<u>-</u>
Change in net assets	22,853,774	30,413
Net assets - July 1, 2011	<u>120,564,626</u>	<u>14,509,128</u>
Net assets - June 30, 2012	<u><u>\$ 143,418,400</u></u>	<u><u>\$ 14,539,541</u></u>

The accompanying notes are an integral part of this statement.

## LANE COMMUNITY COLLEGE

Statement of Cash Flows  
Year Ended June 30, 2012

	<u>College</u>
Cash flows from operating activities:	
Tuition and fees	\$ 51,570,470
Grants and contracts	53,576,008
Sales of goods and services	13,768,371
Other cash receipts	19,229,092
Payments to employees for services	(89,973,538)
Payments to suppliers for goods and services	(29,809,885)
Payments for student scholarships and grants	(44,804,929)
Net cash used in operating activities	<u>(26,444,411)</u>
Cash flows from noncapital financing activities:	
Cash received from State community college support	33,478,815
Cash received from property taxes	22,699,725
Principal paid on pension bonds	(2,105,000)
Interest paid on pension bonds	(1,529,250)
Net cash provided by noncapital financing activities	<u>52,544,290</u>
Cash flows from capital and related financing activities:	
Capital grants received	7,563,078
Proceeds from sale of capital assets	6,262
Acquisition of capital assets	(33,177,130)
Principal paid on bonds and debt obligations	(4,745,000)
Interest paid on bonds and debt obligations	(2,149,288)
Net cash used in capital and related financing activities	<u>(32,502,078)</u>
Cash flows from investing activities:	
Sale of investments	5,627,149
Interest on investments	252,583
Leverage loan disbursement	(13,907,000)
Net cash used in investing activities	<u>(8,027,268)</u>
Net decrease in cash and cash equivalents	(14,429,467)
Cash and cash equivalents - July 1, 2011	<u>49,031,042</u>
Cash and cash equivalents - June 30, 2012	<u>\$ 34,601,575</u>
Reconciliation of operating income-(loss) to net cash used in operating activities:	
Operating income-(loss)	<u>\$ (47,096,736)</u>
Adjustments to reconcile operating income-(loss) to net cash used in operating activities:	
Depreciation	3,705,278
Amortization	5,017,019
Decrease-(increase) in:	
Accounts receivable	1,961,009
Loans and notes receivable	139,544
Inventories	(77,054)
Prepaid expenses	(2,037)
Net pension obligation	(262,251)
Increase-(decrease) in:	
Accounts payable	(1,244,417)
Accrued liabilities	483,088
Vacation payable	131,573
Due to others	(67,143)
Unearned revenue	10,867,716
Total adjustments	<u>20,652,325</u>
Net cash used in operating activities	<u>\$ (26,444,411)</u>
Noncash Investing, Capital and Financing Activities:	
Investment income from pension asset	\$ 326,633
Pension asset	(326,633)
Capital contributions	9,520,085
Capital contributions deferred/receivable	(9,520,085)
Book value of capital assets disposed	66,295
Loss on disposal of capital assets	(66,295)
Total noncash investing, capital and financing activities	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

# LANE COMMUNITY COLLEGE

## Notes to Financial Statements Year Ended June 30, 2012

### 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of Lane Community College have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB), including GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, and Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis for Public Colleges and Universities*. The College follows the “business-type activities” reporting requirements of GASB Statement Nos. 34 and 35.

#### (A) Organization and Operation

Lane Community College (the College) was formed in 1964 under ORS Chapter 341. The College is governed by a seven member Board of Education whose members are elected independently.

#### (B) Description of the Reporting Entity

The financial statements of the College present the College and its component unit, Lane Community College Foundation, for which the College is considered to be financially accountable. The Foundation is a discretely presented component unit and is reported in a separate column in the basic financial statements.

The Foundation is a legally separate, tax-exempt entity and acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. The Board of Directors of the Foundation is self-perpetuating. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests, are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements.

The Foundation reports as a not-for-profit organization under Financial Accounting Standards Board (FASB) standards. As a result, certain revenue recognition criteria and presentation features are different from GASB revenue recognition and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences.

During the year ended June 30, 2012, the Foundation provided scholarships of \$669,562 for the benefit of the College. The College provided personnel and administrative contributions to the Foundation totaling \$230,422 during the year. Complete financial statements for the Foundation can be obtained at: 4000 East 30th Avenue, Eugene, Oregon 97405-0640.

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Contd)

(C) Basis of Accounting

The basic financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenues in the years in which they are levied. Grants and other similar types of revenue are recognized as soon as all eligibility requirements imposed by the grantor have been met.

The College applies all applicable Governmental Accounting Standards Board (GASB) pronouncements and all applicable Financial Accounting Standards Board (FASB) statements and interpretations, Accounting Principles Board (APB) opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The College has elected not to follow subsequent private-sector guidance.

Operating revenues and expenses are distinguished from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the College's ongoing operations. The principal operating revenues of the College are charges to students for tuition and fees, grants and contracts for specific operating activities of the College and sales of goods and services. Operating expenses include the cost of faculty, administration and support expenses, enterprise operations and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(D) Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires 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 and expenses during the reporting period. Actual results could differ from those estimates.

(E) Investments

Investments included in cash and investments are reported at fair value. The College invests primarily in the State of Oregon Local Government Investment Pool and U.S. government and agencies securities. All College investments are authorized by Oregon Revised Statutes. For purposes of the statement of cash flows, cash, demand deposits, the State of Oregon Local Government Investment Pool and short-term investments purchased with original maturities of three months or less are considered to be cash and cash equivalents.

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Contd)

(E) Investments (Contd)

The College maintains depository insurance under Federal depository insurance funds and state and financial institution collateral pools for its cash deposits and investments, except the Local Government Investment Pool and U.S. government and agencies securities, which are exempt from statutes requiring such insurance.

(F) Property Taxes Receivable

Ad valorem property taxes are levied on all taxable property as of July 1. Property taxes become an enforceable lien on that date for real property and for personal property. Collection dates are November 15, February 15, and May 15. Discounts are allowed if amounts due are received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Uncollected taxes, including delinquent amounts, are considered substantially collectable or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. Property taxes are recognized as revenues when levied.

(G) Accounts, Grants and Loans Receivable

Unreimbursed grant expenditures due from grantor agencies are recorded in the financial statements as receivables and revenues. Cash received from grantor agencies in excess of related grant expenditures is recorded as unearned revenue.

Loans receivable consist primarily of student financial aid loans made with federal funds.

Accounts receivable and loans receivable are shown net of an allowance for uncollectible amounts.

(H) Inventories

Inventories, primarily books and supplies, are valued at the lower of cost (first-in, first-out method) or market, and are charged to expense as sold or used.

(I) Capital Assets

Capital assets include land, buildings and improvements, furniture and equipment and library books with a useful life of more than one year. The College's capitalization threshold is \$10,000 for all capital assets except library books. Library books are capitalized regardless of cost. Donated assets are recorded at their fair market value on the date donated. Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add value or functionality to the asset are not capitalized, but are expensed as incurred.

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Contd)

(I) Capital Assets (Contd)

Interest incurred during the construction phase of capital assets constructed with proceeds from the Series 2010 Debt Obligations payable is included as part of the capitalized cost of the assets constructed. The College capitalized interest totaling \$718,918 during the 2011-12 fiscal year.

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10 to 50
Furniture and equipment	5 to 25
Library books	10

(J) Compensated Absences

Vacation payable is recorded as a liability and an expense when earned by employees. Sick pay, which does not vest, is recorded when leave is taken.

(K) Leases

Leases which meet certain criteria established by the Financial Accounting Standards Board are classified as capital leases. Leases which do not meet criteria of a capital lease are classified as operating leases.

(L) Retirement Plans

Public Employees Retirement System

Substantially all of the College's employees are participants in the Oregon Public Employees Retirement System (PERS). Contributions to PERS are made on a current basis as required by the plan and charged to expense as accrued.

Early Retirement Program

The College offers a voluntary early retirement program to management and faculty employees who are between the ages of 55 and 65 and meet certain service criteria. Participants receive a monthly early retirement payment (until age 62 for faculty employees, until age 65 or a maximum of 84 payments for management employees). Payment of benefits is made from a pension trust fund which accumulates employer contributions. The employer contributions are based upon actuarially determined amounts. Pension expense equal to the annual required contribution is recognized on the accrual basis.



LANE COMMUNITY COLLEGE

Notes to Financial Statements  
Year Ended June 30, 2012

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Contd)

(L) Retirement Plans (Contd)

Other Postemployment Benefits

The College offers a voluntary early retirement health care and life insurance program to faculty and management employees who are between the ages of 55 and 65 and meet certain service criteria. For faculty participants, the College pays the employees' and employee spouses' monthly cost of coverage until the employee reaches age 65 or qualifies for Medicare coverage. Spouse coverage continues until the spouse reaches age 65. For management participants, the College pays the employees' and employee spouses' monthly cost of coverage until the employee qualifies for Medicare coverage or for 84 months, whichever comes first. Spouse coverage ceases when employee coverage ceases. Pension expense equal to the annual required contribution is recognized on the accrual basis.

(M) Restricted Net Assets

Restricted net assets reported in the Statement of Net Assets represent amounts for which constraints were imposed by creditors, grantors, contributors or laws or regulations.

2 - CASH AND INVESTMENTS:

The College's cash and investments are comprised of the following at June 30, 2012:

Cash on hand and other	\$ 100,714
Deposits with financial institutions	13,920,164
Investments	<u>42,376,851</u>
Total cash and investments	56,397,729
Less cash and investments in pension trust fund	<u>(540,273)</u>
Cash and investments, as reported in statement of net assets	<u><u>\$55,857,456</u></u>

Deposits

Deposits with financial institutions are bank demand deposits and certificates of deposit. The total bank balance, as shown on the banks' records at June 30, 2012, is \$17,753,438. Of these deposits, \$500,248 was covered by federal depository insurance.

LANE COMMUNITY COLLEGE

Notes to Financial Statements  
Year Ended June 30, 2012

2 - CASH AND INVESTMENTS: (Contd)

The Oregon State Treasurer is responsible for monitoring public funds held by bank depositories in excess of FDIC insured amounts, and for assuring that public funds on deposit are collateralized to the extent required by Oregon Revised Statutes (ORS) Chapter 295. ORS Chapter 295 requires depository banks to place and maintain on deposit with a third-party custodian bank securities having a value of 10%, 25% or 110% of public funds on deposit depending primarily on the capitalization level of the depository bank.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the College's deposits may not be returned to it. The College does not have a policy for deposits custodial credit risk. Of the College's bank balance, \$17,253,190 was exposed to custodial credit risk as of June 30, 2012, because deposits in excess of FDIC insurance were uncollateralized and/or were collateralized but not held by the third-party custodian bank in the College's name.

Investments

State statutes authorize the College to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, commercial paper, and the Oregon Local Government Investment Pool, among others. The College has no investment policy that would further limit its investment choices.

	S&P Rating	Fair Value	Percent	Maturities	
				0-1 Year	1-2 Years
Corporate Debt:					
Bank of America	A	\$ 1,509,003	3.6%	\$ 1,509,003	\$ -
Barclays Bank	A+	3,847,956	9.1%	\$ 3,847,956	
Credit Suisse	A+	3,040,591	7.2%	3,040,591	-
Deutsche Bank	A+	3,569,440	8.4%	3,569,440	
HSBC Finance Corp	A	3,752,763	8.9%	3,752,763	
UBS AG	A	2,507,844	5.9%	832,711	1,675,133
Wells Fargo & Co.	A	3,028,284	7.1%	3,028,284	
Investment in Oregon Local Government					
Investment Pool		<u>21,120,970</u>	<u>49.8%</u>	<u>21,120,970</u>	<u>-</u>
Total investments		<u>\$42,376,851</u>	<u>100.0%</u>	<u>\$40,701,718</u>	<u>\$1,675,133</u>

The College's investment in the Oregon Local Government Investment Pool is an open-ended, no-load diversified portfolio pool. The fair value of the College's position in the pool is substantially the same as the value of the College's participant balance.

LANE COMMUNITY COLLEGE

Notes to Financial Statements  
Year Ended June 30, 2012

2 - CASH AND INVESTMENTS: (Contd)

The Oregon Local Government Investment Pool is an external investment pool which is part of the Oregon Short-Term Fund. Investment policies are governed by the Oregon Revised Statutes and the Oregon Investment Council (Council). The State Treasurer is the investment officer for the Council. Investments are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board. The Oregon Short-Term Fund does not receive credit quality ratings from nationally recognized statistical rating organizations.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Oregon Short-Term Fund manages this risk by limiting the maturity of the investments held by the fund. Weighted average maturities of investments in the Oregon Short-Term Fund at June 30, 2012 were: 63% mature within 93 days, 17% mature from 94 days to one year, and 20% mature from one to three years.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The securities underlying the College's investment in the corporate debt are held by the College's counterparty, not in the College's name.

Foundation Cash and Investments

The Foundation's cash and cash equivalents consist of demand deposits with financial institutions. At June 30, 2012, \$9,956,956 of these cash balances was not covered by federal depository insurance.

The Foundation's investments consist of funds that are managed by professional fund managers chosen by the Board of Trustees and are invested in U.S. Government and agency obligations, corporate bonds, equity securities, mortgage-backed securities, money market accounts and certificates of deposit. These investments are carried at market or appraised value, and unrealized gains and losses are reflected in the statement of activities. A summary of investments at June 30, 2012 is as follows:

Money market/cash management accounts	\$ 264,863
Certificates of deposit	1,900,000
Equity securities	5,911,975
U.S. Government and agency obligations	495,730
Corporate bonds	<u>2,563,124</u>
Total investments	<u><u>\$ 11,135,692</u></u>

LANE COMMUNITY COLLEGE

Notes to Financial Statements  
Year Ended June 30, 2012

3 - CAPITAL ASSETS:

The College's capital assets activity for the year ended June 30, 2012 was as follows:

	Balance July 1, 2011	Increases	Decreases	Balance June 30, 2012
Capital assets not being depreciated:				
Land	\$ 5,695,521	\$ 1	\$ -	\$ 5,695,522
Construction in progress	15,770,465	35,185,348	22,836	50,932,977
Total capital assets not being depreciated	21,465,986	35,185,349	22,836	56,628,499
Capital assets being depreciated:				
Buildings and improvements	113,516,445	18,329	-	113,534,774
Furniture and equipment	8,340,487	803,627	335,232	8,808,882
Library books	4,732,319	81,789	-	4,814,108
Total capital assets being depreciated	126,589,251	903,745	335,232	127,157,764
Less accumulated depreciation for:				
Buildings and improvements	34,902,072	3,039,588	-	37,941,660
Furniture and equipment	4,944,895	479,236	268,937	5,155,194
Library books	4,013,013	186,454	-	4,199,467
Total accumulated depreciation	43,859,980	3,705,278	268,937	47,296,321
Total capital assets being depreciated, net	82,729,271	(2,801,533)	66,295	79,861,443
Total capital assets, net	<u>\$ 104,195,257</u>	<u>\$ 32,383,816</u>	<u>\$ 89,131</u>	<u>\$ 136,489,942</u>

4 - LONG-TERM OBLIGATIONS:

Changes in the College's long-term obligations for the year ended June 30, 2012 are as follows:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012	Due Within One Year	Interest Paid
Vacation payable	\$ 2,917,755	\$ 3,049,328	\$ 2,917,755	\$ 3,049,328	\$ 3,049,328	\$ -
Bonds payable	36,655,000	-	4,745,000	31,910,000	3,480,000	1,430,370
Bonds payable premium	783,264	-	60,252	723,012	-	-
Debt obligations payable	19,355,000	-	-	19,355,000	-	718,918
Pension bonds payable	53,414,987	1,541,130	2,105,000	52,851,117	2,295,000	1,529,250
Total	<u>\$ 113,126,006</u>	<u>\$ 4,590,458</u>	<u>\$ 9,828,007</u>	<u>\$ 107,888,457</u>	<u>\$ 8,824,328</u>	<u>\$ 3,678,538</u>

LANE COMMUNITY COLLEGE

Notes to Financial Statements  
Year Ended June 30, 2012

4 - LONG-TERM OBLIGATIONS: (Contd)

Bonds Payable

On November 4, 2008, voters approved authority for the College to issue \$83 million in general obligation bonds to be used to renovate outdated infrastructure and instructional technology. In June 2009, the College issued Series 2009 General Obligation Bonds in the original amount of \$45,000,000 to finance the costs of capital construction and improvements to District facilities and to pay the costs of issuance of the Bonds. The bonds will be retired from property taxes levied by the College. The bonds are due annually and interest is payable semi-annually, on June 15 and December 15, with interest rates ranging from 3.0% to 5.0%. Future bonded debt requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012-13	\$ 3,480,000	\$ 1,281,075	\$ 4,761,075
2013-14	3,780,000	1,176,675	4,956,675
2014-15	1,935,000	1,053,075	2,988,075
2015-16	2,105,000	979,800	3,084,800
2016-17	2,295,000	889,600	3,184,600
2017-18	2,480,000	792,063	3,272,063
2018-19	1,205,000	687,862	1,892,862
2019-20	1,180,000	637,163	1,817,163
2020-21	2,250,000	587,462	2,837,462
2021-22	3,460,000	490,713	3,950,713
2022-23	3,725,000	348,300	4,073,300
2023-24	4,015,000	180,675	4,195,675
Totals	<u>\$31,910,000</u>	<u>\$ 9,104,463</u>	<u>\$41,014,463</u>

Pension Bonds Payable

In April 2003, the College issued \$51,803,948 of Limited Tax Pension Obligation Bonds and transferred the net proceeds to the State of Oregon Public Employees Retirement System to cover a portion of the College's share of the cost sharing plan's unfunded actuarial liability. The resulting pension asset is being used to pay a portion of the College's annual required contribution. Principal payments are due annually through June 30, 2028 and interest is payable in December and June of each year with rates ranging from 5.13% to 6.25%. Future pension bonds requirements are as follows:

LANE COMMUNITY COLLEGE

Notes to Financial Statements  
Year Ended June 30, 2012

4 - LONG-TERM OBLIGATIONS: (Contd)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012-13	\$ 2,295,000	\$ 1,529,250	\$ 3,824,250
2013-14	2,495,000	1,529,250	4,024,250
2014-15	2,700,000	1,529,250	4,229,250
2015-16	2,915,000	1,529,250	4,444,250
2016-17	3,140,000	1,529,250	4,669,250
2017-18	3,375,000	1,529,250	4,904,250
2018-19	3,620,000	1,529,250	5,149,250
2019-20	3,875,000	1,529,250	5,404,250
2020-21	4,140,000	1,529,250	5,669,250
2021-22	4,420,000	1,529,250	5,949,250
2022-23	4,705,000	1,529,250	6,234,250
2023-24	5,010,000	1,529,250	6,539,250
2024-25	5,605,000	1,245,684	6,850,684
2025-26	6,250,000	927,880	7,177,880
2026-27	6,945,000	572,880	7,517,880
2027-28	3,285,000	183,960	3,468,960
	<u>64,775,000</u>	<u>\$ 21,281,404</u>	<u>\$ 86,056,404</u>
Total	64,775,000	\$ 21,281,404	\$ 86,056,404
Less deferred interest	<u>(11,923,883)</u>		
Carrying amount	<u>\$ 52,851,117</u>		

Debt Obligations Payable

In December 2010, the College issued \$19,355,000 of Full Faith and Credit Obligations, Series 2010 (Federally Taxable – Recovery Zone Economic Development Bonds – Direct Payment). The Obligations are being used to finance the costs of capital improvements for the College’s student housing project, to pay capitalized interest and to pay the costs of issuance of the Obligations.

The College has irrevocably elected to designate the Obligations as “Recovery Zone Economic Development Bonds” under the provisions of the American Recovery and Reinvestment Act of 2009. The College has additionally irrevocably elected to receive subsidy payments (each a “Direct Payment”) from the United States Treasury in connection therewith in an amount equal to 45 percent of the portion of each financing payment designated and constituting interest. The debt service payments are the responsibility of the College. To the extent the Direct Payments are not received by the Escrow Agent on a timely basis, the College shall make the debt service payments in full when due.

LANE COMMUNITY COLLEGE

Notes to Financial Statements  
Year Ended June 30, 2012

4 - LONG-TERM OBLIGATIONS: (Contd)

Principal payments are due annually through December 1, 2035 and interest is payable on June 1st and December 1st of each year with rates ranging from 4.324% to 7.197%. Future debt service requirements are as follows:

	Principal	Total	Interest Subsidy	Net	Net Debt Service
2012-13	\$ -	\$ 1,307,142	\$ (588,214)	\$ 718,928	\$ 718,928
2013-14	-	1,307,142	(588,214)	718,928	718,928
2014-15	-	1,307,142	(588,214)	718,928	718,928
2015-16	-	1,307,142	(588,214)	718,928	718,928
2016-17	680,000	1,292,440	(581,598)	710,842	1,390,842
2017-18	695,000	1,261,323	(567,595)	693,728	1,388,728
2018-19	715,000	1,226,592	(551,966)	674,626	1,389,626
2019-20	735,000	1,188,899	(535,005)	653,894	1,388,894
2020-21	760,000	1,142,921	(514,314)	628,607	1,388,607
2021-22	790,000	1,088,671	(489,902)	598,769	1,388,769
2022-23	820,000	1,032,321	(464,544)	567,777	1,387,777
2023-24	855,000	973,696	(438,163)	535,533	1,390,533
2024-25	890,000	912,621	(410,679)	501,942	1,391,942
2025-26	925,000	849,096	(382,093)	467,003	1,392,003
2026-27	960,000	783,121	(352,404)	430,717	1,390,717
2027-28	995,000	714,696	(321,613)	393,083	1,388,083
2028-29	1,035,000	643,646	(289,641)	354,005	1,389,005
2029-30	1,075,000	569,796	(256,408)	313,388	1,388,388
2030-31	1,120,000	492,971	(221,837)	271,134	1,391,134
2031-32	1,165,000	411,848	(185,332)	226,516	1,391,516
2032-33	1,210,000	326,384	(146,873)	179,511	1,389,511
2033-34	1,260,000	237,501	(106,875)	130,626	1,390,626
2034-35	1,310,000	145,020	(65,259)	79,761	1,389,761
2035-36	1,360,000	48,940	(22,023)	26,917	1,386,917
Totals	<u>\$ 19,355,000</u>	<u>\$ 20,571,071</u>	<u>\$ (9,256,980)</u>	<u>\$ 11,314,091</u>	<u>\$ 30,669,091</u>

Foundation Obligations under Split-Interest Agreements

The Foundation's obligations under split-interest agreements are recorded when incurred at the present value of the distributions to be made to the donor-designated beneficiaries. Distributions are paid over the lives of the beneficiaries or another specified period. Present values are determined using discount rates established by the Internal Revenue Service and actuarially determined expected lives. Obligations under the split-interest agreements are revalued annually at June 30 to reflect actual experience, but the discount rate is not changed. The net revaluations, together with any remaining recorded obligations after all trust obligations under terminated agreements have been met, are recorded as increases/decreases in contributions in the statement of activities. The net revaluation of split-interest agreements at June 30, 2012 was \$251,364.

LANE COMMUNITY COLLEGE

Notes to Financial Statements  
Year Ended June 30, 2012

5 - RETIREMENT PLANS:

STATE OF OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM:

Plan Description

The College participates in the State of Oregon Public Employees Retirement System (PERS), a cost sharing multiple-employer pension plan which provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The system is a statewide defined benefit retirement plan for units of state government, community colleges, political subdivisions, and school districts. PERS is administered under Oregon Revised Statutes Chapter 238 and Chapter 238A by the Public Employees Retirement Board. Participation by state government units, community colleges, and school districts is mandatory. Participation by most political subdivisions is optional but irrevocable if elected. A stand-alone financial report is not available for the College. However, the State of Oregon Public Employees Retirement System issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, 11410 S.W. 68th Parkway, P.O. Box 23700, Tigard, Oregon 97281-3700 or by calling (503) 598-PERS.

Funding Policy

PERS members are required to contribute 6% of their annual covered salary. The College is required to contribute an actuarially determined rate. The current rate is 16.27% (including 9.62% contributed from the pension asset) of annual covered payroll for member employees of the State and Local Government Rate Pool. The current rate is 14.61% (including 9.62% contributed from the pension asset) of annual covered payroll for member employees of the Oregon Public Service Retirement Plan. The contribution requirements of plan members and the College are established and may be amended by the Public Employees Retirement Board. The College's contributions to PERS (including contributions from the pension asset) for the years ending June 30, 2012, 2011 and 2010, totaled \$7,534,279, \$6,058,368 and \$5,727,290, respectively, equal to the required contributions.

Pension Asset

The pension asset is the result of the transfer of the College's pension bond proceeds to PERS to cover a portion of the College's share of the cost sharing plan's unfunded actuarial liability. This pension asset is separately reported by PERS and is being used to pay a portion of the College's annual required contribution. During the 2011-12 fiscal year, changes in the pension asset were as follows:

Balance - July 1, 2011	\$ 58,922,826
Investment income	326,633
Contributions to cost sharing plan	<u>(5,026,583)</u>
Balance - June 30, 2012	<u>\$ 54,222,876</u>

PERS investments are invested with the State Treasurer in the Oregon Short Term Fund (OSTF).



LANE COMMUNITY COLLEGE

Notes to Financial Statements  
Year Ended June 30, 2012

5 - RETIREMENT PLANS: (Contd)

EARLY RETIREMENT PLAN:

Plan Description

The College maintains a single-employer defined benefit public employee early retirement supplement plan which provides early retirement benefits to substantially all management personnel who commenced employment with the College prior to July 1, 1991, and all faculty members of the College. The plan was established under collective bargaining agreements with the faculty and contract negotiations with management.

Funding Policy

The benefits from this program are fully paid by the College and, consequently, no contributions by employees are required. Although there is no obligation on the part of the College to fund these benefits in advance, the College has established the Early Retirement Fund, a pension trust fund, to accumulate assets to pay these benefits in the future. The funding policy for this plan provides for actuarially determined transfer of resources to the Early Retirement Fund that is intended to be a constant dollar amount for each employee covered by the plan so that sufficient assets will be available to pay benefits when due.

Annual Pension Cost and Net Pension Obligation

The College's annual pension cost and net pension obligation to the plan for the year ended June 30, 2012, are as follows:

Annual required contribution	\$ 175,260
Interest on net pension obligation	(21,679)
Adjustment to annual required contribution	<u>104,716</u>
Annual pension cost	258,297
Contribution made	<u>(750,000)</u>
Increase-(decrease) in net pension obligation	(491,703)
Net pension obligation - July 1, 2011	<u>(667,042)</u>
Net pension obligation - June 30, 2012	<u><u>\$(1,158,745)</u></u>

LANE COMMUNITY COLLEGE

Notes to Financial Statements  
Year Ended June 30, 2012

5 - RETIREMENT PLANS: (Contd)

EARLY RETIREMENT PLAN: (CONTD)

The annual required contribution for the year was determined as part of the July 1, 2011 actuarial valuation using the aggregate actuarial cost method. The aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities. Information about funded status and funding progress is presented using the entry age actuarial cost method and is intended to serve as a surrogate for the funded status and funding progress of the plan. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 3.25% compounded annually, and (b) 3.75% salary increases per annum for management employees, reflecting both inflation and seniority/merit adjustments.

Three-Year Trend Information

<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2012	\$ 258,297	290%	\$ (1,158,745)
6/30/2011	\$ 173,910	60%	\$ (667,042)
6/30/2010	\$ 183,124	57%	\$ (736,359)

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 7.8 percent funded. The actuarial accrued liability for benefits was \$1,290,099, and the actuarial value of assets was \$100,778, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,189,321. The anticipated covered payroll (annual payroll of active employees covered by the plan) was \$15,028,628, and the ratio of the UAAL to the anticipated covered payroll was 7.9%.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

PENSION TRUST FUND STATEMENTS:

A separate, audited report is not available for the plan. Information regarding the pension trust funds, which are not included in the basic financial statements, is detailed, as of and for the year ended June 30, 2012, in the following table:

LANE COMMUNITY COLLEGE

Notes to Financial Statements  
Year Ended June 30, 2012

5 - RETIREMENT PLANS: (Contd)

EARLY RETIREMENT PLAN: (CONTD)

**Statement of Plan Net Assets:**

Assets:	
Cash and investments	<u>\$ 540,273</u>
Net assets:	
Reserved for employee benefits	<u>\$ 540,273</u>

**Statement of Changes in Plan Net Assets:**

Additions:	
Employer contributions	\$ 750,000
Interest income	<u>1,258</u>
Total additions	751,258
Deductions:	
Benefits	<u>311,763</u>
Change in net assets	439,495
Net assets - beginning	<u>100,778</u>
Net assets - ending	<u>\$ 540,273</u>

6 – POSTEMPLOYMENT HEALTH CARE BENEFITS:

Plan Description

The College maintains a single-employer defined benefit postemployment health care benefits plan. The plan provides group health care and life insurance benefits for retired employees from the employees' retirement date to age 65. Substantially all management personnel who commenced employment with the College prior to July 1, 1991, and all faculty employees become eligible for these benefits if they qualify for retirement while working for the College. The plan was established under collective bargaining agreements with the faculty and contract negotiations with management. The College implemented GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions for the year ending June 30, 2009.

Funding Policy

The College contributes to the premiums for eligible retirees up to the employer paid maximum at the time of retirement. If the insurance premium exceeds the College maximum, the balance is paid by the retiree. There is no obligation on the part of the College to fund these benefits in advance. Funding is on a pay-as-you-go basis. The College made \$1,060,468 in contributions to the plan for payment of benefits in 2011-12.

LANE COMMUNITY COLLEGE

Notes to Financial Statements  
Year Ended June 30, 2012

6 – POSTEMPLOYMENT HEALTH CARE BENEFITS: (Contd)

Annual OPEB Cost and Net OPEB Obligation

The College's annual pension cost and net pension obligation to the plan for the year ended June 30, 2012, are as follows:

Annual required contribution	\$ 1,331,753
Interest on net OPEB obligation	22,656
Adjustment to annual required contribution	<u>(64,489)</u>
Annual OPEB cost	1,289,920
Contribution made	<u>(1,060,468)</u>
Increase in net OPEB obligation	229,452
Net OPEB obligation - July 1, 2011	<u>697,122</u>
Net OPEB obligation - June 30, 2012	<u><u>\$ 926,574</u></u>

The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ending June 30, 2012, June 30, 2011 and 2010, were as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2012	\$ 1,289,920	82.2%	\$ 926,574
6/30/2011	\$ 1,085,381	84.1%	\$ 697,122
6/30/2010	\$ 1,085,147	97.2%	\$ 524,838

Funded Status and Funding Progress

As of July 1, 2011, the actuarial accrued liability for benefits was \$9,148,512 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$9,148,512. The covered payroll (annual payroll of active employees covered by the plan) was \$15,028,628 and the ratio of the UAAL to the covered payroll was 60.9%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future.

6 – POSTEMPLOYMENT HEALTH CARE BENEFITS: (Contd)

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the actuarial valuation conducted as of July 1, 2011, the projected unit credit actuarial cost method was used. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 3.25% compounded annually, and (b) annual rate of increase in medical care costs of 8.0%, decreasing to 4.5% after 18 years. The UAAL is being amortized as a level dollar over an open thirteen year period.

7 - CONTINGENCIES:

Grants receivable and grant receipts are subject to adjustment by grantor agencies, principally the Federal Government. Any disallowed claims, including claims already collected, could become a liability to the College.

The College is involved in various legal proceedings. Management believes that any losses arising from these actions will not materially affect the College's financial position.

8 - RISK MANAGEMENT:

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The College participates in the United Schools Insurance Program of Oregon and pays an annual premium for its property, crime, commercial general liability and automobile liability and physical damage coverages. The Program is to be self-sustaining through participant premiums and reinsures through commercial companies for claims in excess of certain limits.

The College carries commercial insurance for workers' compensation, boiler and machinery, public official bond and employee dishonesty coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

9 – COMMITMENT:

The College secured additional financing for its Downtown Campus building by using New Markets Tax Credits (NMTC) in accordance with Section 45D of the Internal Revenue Code of 1986, as amended. The NMTC is the result of a federal program designed to stimulate capital investments in low income communities by providing a credit against Federal income taxes for investors that make Qualified Equity Investments (QEI's) into Community Development Entities (CDE's). In order to facilitate the transactions, the College leased that portion of the Downtown Campus building being financed with NMTC's to a special purpose entity (the QALICB). The credit provided to the investor bank (US Bancorp) totals \$7.41 million of the cost of the total investment and is claimed over a seven year period. The College, as one of the guarantors, will indemnify the Bank against the recapture and/or disallowance of NMTC's as a result of (a) the failure of QALICB to maintain its status as a "qualified active low-income community business"; (b) the redemption by a CDE of any portion of the Equity Investments caused directly or indirectly by the QALICB's violation of the CDE Loan Documents; (c) the failure of any tenant or subtenant of the Project to be classified as a Qualified Business; (d) the failure of a CDE to maintain substantially all of the Equity Investments invested in QLICI's attributable to a prepayment of any of the QLICI Loans by the QALICB in violation of the CDE Loan Documents; (e) any Guarantor's gross negligence, fraud, willful misconduct, malfeasance, material violation of any law; (f) any other act or omission by or within the control of any Guarantor; (g) the breach by the QALICB of any warranty or covenant as contained in any of the Transaction Documents; (h) any representation of the QALICB as contained in any Transaction Document shall prove to be false or misleading in any respect; or (i) a determination by the CDFI Fund or the IRS that the use of QLICI proceeds: (i) constituted an inappropriate or abusive use of such proceeds or (ii) is inconsistent with the purposes of Section 45D of the Code and the related Treas. Reg., as provided in Treas. Reg. Section 1.45D-1(g), respectively

10 – SUBSEQUENT EVENT:

The College issued \$38 million in Series 2012 General Obligation Bonds dated August 1, 2012. The bonds will be retired from property taxes levied by the College. The bonds are due annually and interest is payable semi-annually, on June 15 and December 15, with interest rates ranging from 2.0% to 5.0%. The bond proceeds will be used to finance capital costs and to pay the costs of issuance of the bonds.

11 – CHANGE IN ACCOUNTING:

During the 2011-12 fiscal year, the College changed its accounting for Federal direct loans in accordance with recommendations by the National Association of College and University Business Officers (NACUBO). In prior years, loans disbursed to students were recorded as operating expenses and Federal reimbursements were recorded as operating revenues. As a result of the change in accounting, direct loan disbursements and Federal reimbursements are not shown in the statement of revenue, expenses and changes in net assets.

LANE COMMUNITY COLLEGE

Notes to Financial Statements  
Year Ended June 30, 2012

12 – LANE COMMUNITY COLLEGE FOUNDATION –  
DOWNTOWN CAMPUS QALICB, LLC:

In April 2012, the Foundation created Downtown Campus QALICB, LLC, a wholly-owned subsidiary. The LLC was organized to acquire, develop, rehabilitate, own and operate real property.

The LLC entered into a lease agreement with the College to lease real property constructed by the College under a capital lease, which was paid in full during 2012. The lease is for a term of 65 years and was financed with long-term debt. The lease agreement restricts the use of the property and states that the LLC shall sublease the premise to the College.

The LLC entered into an operating lease agreement in June 2012 with the College to lease the property to the College commencing July 1, 2012. The lease calls for quarterly payments of \$30,377 during 2012, \$50,260 during 2013 through June 2019, and \$215,304 for each quarter thereafter, increasing by 1.96 percent annually, ending June 30, 2045.

As of June 30, the assets, liabilities and members capital of the subsidiary consisted of the following:

Cash	\$ 7,912,787
Building, net of accumulated depreciation	11,237,248
Intangible assets	<u>544,965</u>
Total assets	<u>\$ 19,695,000</u>
Notes payable	\$ 18,710,000
Investment from the Foundation	<u>985,000</u>
Total liabilities and member capital	<u>\$ 19,695,000</u>

The notes payable consist of six separate notes payable in quarterly interest only installments commencing September 2012 through June 2019 and quarterly payments totaling \$210,998 thereafter, including interest at 1.25%. The final payment is due in June 2045. The notes are secured by a leasehold trust deed, assignment of leases and rents, security agreement and fixture filing.

13 – BUDGET:

The College budgets all College funds required to be budgeted in accordance with the Oregon Local Budget Law on a Non-GAAP budgetary basis. The Board legally adopts the budget before July 1 through a Board resolution. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. The level of control established by the resolution for each fund is at the major expense function level (i.e. Instruction, Community Services, etc.). Appropriations lapse at year-end.

During the 2011-12 fiscal year, the College overexpended an appropriation in the General Fund college support services by \$420,580; the Administratively Restricted Fund transfers out by \$17,226; and the Capital Projects Fund transfers out by \$2,632.

## **Required Supplementary Information**



LANE COMMUNITY COLLEGE

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Anticipated Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
<b>Early Retirement Plan:</b>						
7/1/2011	\$ 100,778	\$ 1,290,099	\$ 1,189,321	7.8%	\$ 15,028,628	7.9%
7/1/2009	\$ 633,346	\$ 1,134,064	\$ 500,718	55.8%	\$ 13,506,705	3.7%
7/1/2007	\$ 1,248,514	\$ 1,872,515	\$ 624,001	66.7%	\$ 15,013,801	4.2%

The annual required contribution is calculated using the aggregate actuarial cost method. Information in this schedule is calculated using the entry age actuarial cost method as a surrogate for the funding progress of the plan. The June 30, 2007 actuarial valuation is the first year this information was available. The College receives an actuarial valuation every two years.

**Postemployment Health Care Benefits Plan:**

7/1/2011	\$ -	\$ 9,148,512	\$ 9,148,512	0%	\$ 15,028,628	60.9%
7/1/2009	\$ -	\$ 7,526,096	\$ 7,526,096	0%	\$ 13,506,705	55.7%
7/1/2007	\$ -	\$ 10,755,055	\$ 10,755,055	0%	\$ 15,013,801	71.6%

The annual required contribution is calculated using the projected unit credit actuarial cost method. The June 30, 2007 actuarial valuation is the first year this information was available. The College receives an actuarial valuation every two years.

## **Other Supplementary Information**

### **Description of Budgeted College Funds**

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Other supplementary information consists of schedules required by the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Oregon Secretary of State. Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual are presented on a Non GAAP budgetary basis for each College fund required to be budgeted in accordance with the Oregon Local Budget Law.

The level of control established by the College's appropriation resolution is by program (i.e. Instruction, Community Services, Instructional Support Services, Student Services, etc.).

Budgeted College funds are as follows:

General Fund - Accounts for all resources traditionally associated with operating the College which are not required legally or by sound financial management to be accounted for in another fund.

Administratively Restricted Fund - Accounts for specific programs where funds are administratively restricted. Activities recorded in this fund generate revenue primarily through specifically assessed tuition and fees or through other revenue-generating activities.

Special Revenue Fund - Accounts for projects funded from federal, state, and local grant funds.

Student Financial Aid Fund - Accounts for federal, state, and local student loan and grant programs associated with student financial aid.

Debt Service Fund - Accounts for the funds collected to pay the debt service requirements on bonds, debt obligations and pension bonds payable.

Capital Projects Fund - Accounts for improvements to the physical plant of the College and major equipment additions.

Enterprise Fund - Accounts for the operation of the College's bookstore, food service, student health service, laundry, performance season, ASLCC Childcare Co-op, and ASLCC Student Body Fees.

Internal Service Fund - Accounts for goods and services provided on a cost-reimbursement basis to various departments within the College. Programs and activities include warehouse, printing and graphics, telephone services, motor pool and other.

## LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
GENERAL FUND  
Year Ended June 30, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 26,570,532	\$ 33,478,815	\$ 6,908,283
Property taxes	16,000,000	15,746,480	(253,520)
Tuition and fees:			
Tuition	39,021,669	37,190,216	(1,831,453)
Instruction fees	4,200,000	4,836,265	636,265
Other sources:			
Sales of goods and services	400,000	344,125	(55,875)
Interest income	200,000	385,343	185,343
Other	3,058,091	1,421,549	(1,636,542)
<b>Total revenues</b>	<b>89,450,292</b>	<b>93,402,793</b>	<b>3,952,501</b>
<b>Expenditures:</b>			
<b>Instruction:</b>			
Personal services	48,907,300	48,122,164	785,136
Materials and services	3,000,000	2,680,642	319,358
Capital outlay	60,000	40,000	20,000
<b>Total instruction</b>	<b>51,967,300</b>	<b>50,842,806</b>	<b>1,124,494</b>
<b>Instructional support services:</b>			
Personal services	4,138,566	4,031,550	107,016
Materials and services	929,084	761,410	167,674
Capital outlay	112,954	109,137	3,817
<b>Total instructional support services</b>	<b>5,180,604</b>	<b>4,902,097</b>	<b>278,507</b>
<b>Student services:</b>			
Personal services	7,677,250	7,553,171	124,079
Materials and services	658,320	489,152	169,168
<b>Total student services</b>	<b>8,335,570</b>	<b>8,042,323</b>	<b>293,247</b>
<b>College support services:</b>			
Personal services	8,808,303	9,021,160	(212,857)
Materials and services	2,983,313	3,213,312	(229,999)
Capital outlay	193,700	171,424	22,276
<b>Total college support services</b>	<b>11,985,316</b>	<b>12,405,896</b>	<b>(420,580)</b>

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
GENERAL FUND  
Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures: (Contd)			
Plant operations and maintenance:			
Personal services	\$ 3,760,316	\$ 3,378,410	\$ 381,906
Materials and services	<u>3,499,538</u>	<u>2,579,733</u>	<u>919,805</u>
Total plant operations and maintenance	<u>7,259,854</u>	<u>5,958,143</u>	<u>1,301,711</u>
Contingency	<u>2,900,000</u>	<u>-</u>	<u>2,900,000</u>
Total expenditures	<u>87,628,644</u>	<u>82,151,265</u>	<u>5,477,379</u>
Revenues over-(under) expenditures	<u>1,821,648</u>	<u>11,251,528</u>	<u>9,429,880</u>
Other financing sources-(uses):			
Transfers in	414,319	325,006	(89,313)
Transfers out	<u>(9,563,323)</u>	<u>(9,151,518)</u>	<u>411,805</u>
Total other financing sources-(uses)	<u>(9,149,004)</u>	<u>(8,826,512)</u>	<u>322,492</u>
Changes in fund balance	(7,327,356)	2,425,016	9,752,372
Fund balance - July 1, 2011	<u>7,327,356</u>	<u>14,349,634</u>	<u>7,022,278</u>
Fund balance - June 30, 2012	<u>\$ -</u>	<u>\$ 16,774,650</u>	<u>\$ 16,774,650</u>

## LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
ADMINISTRATIVELY RESTRICTED FUND  
Year Ended June 30, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 30,000	\$ 33,546	\$ 3,546
Tuition and fees:			
Tuition	600,000	538,791	(61,209)
Instruction fees	4,600,000	5,130,168	530,168
Other sources:			
Sales of goods and services	1,631,908	2,039,085	407,177
Interest income	8,000	3,732	(4,268)
Other	4,690,256	3,662,879	(1,027,377)
Total revenues	<u>11,560,164</u>	<u>11,408,201</u>	<u>(151,963)</u>
Expenditures:			
Instruction:			
Personal services	3,746,666	3,532,090	214,576
Materials and services	3,325,362	1,114,126	2,211,236
Capital outlay	100,000	95,235	4,765
Total instruction	<u>7,172,028</u>	<u>4,741,451</u>	<u>2,430,577</u>
Community services:			
Personal services	1,603,742	1,108,319	495,423
Materials and services	832,272	533,919	298,353
Capital outlay	32,051	6,147	25,904
Total community services	<u>2,468,065</u>	<u>1,648,385</u>	<u>819,680</u>
Instructional support services:			
Personal services	743,134	685,125	58,009
Materials and services	602,357	295,103	307,254
Capital outlay	66,795	66,795	-
Total instructional support services	<u>1,412,286</u>	<u>1,047,023</u>	<u>365,263</u>
Student services:			
Personal services	2,541,859	2,123,940	417,919
Materials and services	1,418,851	1,496,859	(78,008)
Capital outlay	-	12,645	(12,645)
Total student services	<u>3,960,710</u>	<u>3,633,444</u>	<u>327,266</u>

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
ADMINISTRATIVELY RESTRICTED FUND  
Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures: (Contd)			
College support services:			
Personal services	\$ 419,796	\$ 361,760	\$ 58,036
Materials and services	1,684,049	1,118,800	565,249
Capital outlay	153,200	153,474	(274)
Total college support services	<u>2,257,045</u>	<u>1,634,034</u>	<u>623,011</u>
Plant additions:			
Materials and services	<u>220,056</u>	<u>217,313</u>	<u>2,743</u>
Total expenditures	<u>17,490,190</u>	<u>12,921,650</u>	<u>4,568,540</u>
Revenues over-(under) expenditures	<u>(5,930,026)</u>	<u>(1,513,449)</u>	<u>4,416,577</u>
Other financing sources-(uses):			
Transfers in	4,495,800	4,494,800	(1,000)
Transfers out	<u>(450,663)</u>	<u>(467,889)</u>	<u>(17,226)</u>
Total other financing sources-(uses)	<u>4,045,137</u>	<u>4,026,911</u>	<u>(18,226)</u>
Changes in fund balance	(1,884,889)	2,513,462	4,398,351
Fund balance - July 1, 2011	<u>1,884,889</u>	<u>7,857,318</u>	<u>5,972,429</u>
Fund balance - June 30, 2012	<u>\$ -</u>	<u>\$ 10,370,780</u>	<u>\$ 10,370,780</u>

## LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
SPECIAL REVENUE FUND  
Year Ended June 30, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 16,774,502	\$ 9,156,360	\$ (7,618,142)
Tuition and fees	300,000	110,693	(189,307)
Other sources:			
Grants and contracts	1,477,451	445,708	(1,031,743)
Other	624,353	318,528	(305,825)
Total revenues	<u>19,176,306</u>	<u>10,031,289</u>	<u>(9,145,017)</u>
Expenditures:			
Instruction:			
Personal services	5,000,000	2,454,522	2,545,478
Materials and services	3,083,306	1,110,235	1,973,071
Capital outlay	350,000	102,095	247,905
Total instruction	<u>8,433,306</u>	<u>3,666,852</u>	<u>4,766,454</u>
Community services:			
Personal services	1,850,000	1,344,234	505,766
Materials and services	6,600,000	3,091,938	3,508,062
Capital outlay	545,000	453,540	91,460
Total community services	<u>8,995,000</u>	<u>4,889,712</u>	<u>4,105,288</u>
Instructional support services:			
Personal services	50,000	-	50,000
Materials and services	50,000	3,843	46,157
Total instructional support services	<u>100,000</u>	<u>3,843</u>	<u>96,157</u>
Student services:			
Personal services	1,000,000	731,166	268,834
Materials and services	750,000	437,423	312,577
Total student services	<u>1,750,000</u>	<u>1,168,589</u>	<u>581,411</u>

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
SPECIAL REVENUE FUND  
Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures: (Contd)			
College support services:			
Personal services	\$ 200,000	\$ 79,036	\$ 120,964
Materials and services	<u>100,000</u>	<u>13,347</u>	<u>86,653</u>
Total college support services	<u>300,000</u>	<u>92,383</u>	<u>207,617</u>
Total expenditures	<u>19,578,306</u>	<u>9,821,379</u>	<u>9,756,927</u>
Revenues over-(under) expenditures	(402,000)	209,910	611,910
Other financing sources-(uses):			
Transfers in	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>
Changes in fund balance	(400,000)	209,910	609,910
Fund balance - July 1, 2011	<u>400,000</u>	<u>35,212</u>	<u>(364,788)</u>
Fund balance - June 30, 2012	<u><u>\$ -</u></u>	<u><u>\$ 245,122</u></u>	<u><u>\$ 245,122</u></u>



## LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
STUDENT FINANCIAL AID FUND  
Year Ended June 30, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 114,644,149	\$ 113,034,127	\$ (1,610,022)
Other sources:			
Interest income	75,000	50,622	(24,378)
Other	2,500,000	2,628,477	128,477
Total revenues	117,219,149	115,713,226	(1,505,923)
Expenditures:			
Financial aid	117,788,605	115,661,370	2,127,235
Revenues over-(under) expenditures	(569,456)	51,856	621,312
Other financing sources-(uses):			
Transfers in	569,456	249,964	(319,492)
Changes in fund balance	-	301,820	301,820
Fund balance - July 1, 2011	-	1,366,708	1,366,708
Fund balance - June 30, 2012	\$ -	\$ 1,668,528	\$ 1,668,528

## LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
DEBT SERVICE FUND  
Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Property taxes	\$ 6,175,475	\$ 6,957,587	\$ 782,112
Other sources:			
Interest income	250	2,536	2,286
Other	<u>4,416,066</u>	<u>3,634,250</u>	<u>(781,816)</u>
Total revenues	10,591,791	10,594,373	2,582
Expenditures:			
Debt service	<u>11,809,975</u>	<u>10,528,538</u>	<u>1,281,437</u>
Revenues over-(under) expenditures	<u>6</u>	<u>65,835</u>	<u>65,829</u>
Other financing sources-(uses):			
Transfers in	1,218,184	1,218,184	-
Transfers out	<u>(870,000)</u>	<u>(870,000)</u>	<u>-</u>
Total other financing sources-(uses)	<u>348,184</u>	<u>348,184</u>	<u>-</u>
Changes in fund balance	348,190	414,019	65,829
Fund balance - July 1, 2011	<u>870,000</u>	<u>1,061,775</u>	<u>191,775</u>
Fund balance - June 30, 2012	<u>\$ 1,218,190</u>	<u>\$ 1,475,794</u>	<u>\$ 257,604</u>

## LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
CAPITAL PROJECTS FUND  
Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 545,000	\$ 8,522,958	\$ 7,977,958
Other sources:			
Grants and contracts	-	8,000,000	8,000,000
Interest income	300,000	233,059	(66,941)
Other	<u>21,480,981</u>	<u>1,098,831</u>	<u>(20,382,150)</u>
Total revenues	<u>22,325,981</u>	<u>17,854,848</u>	<u>(4,471,133)</u>
Expenditures:			
Plant additions:			
Personal services	2,818,439	1,406,414	1,412,025
Materials and services	50,107,554	39,954,297	10,153,257
Capital outlay	<u>773,082</u>	<u>473,949</u>	<u>299,133</u>
Total plant additions	<u>53,699,075</u>	<u>41,834,660</u>	<u>11,864,415</u>
Revenues over-(under) expenditures	<u>(31,373,094)</u>	<u>(23,979,812)</u>	<u>7,393,282</u>
Other financing sources-(uses):			
Transfers in	5,148,568	5,148,208	(360)
Transfers out	<u>(1,363,701)</u>	<u>(1,366,333)</u>	<u>(2,632)</u>
Total other financing sources-(uses)	<u>3,784,867</u>	<u>3,781,875</u>	<u>(2,992)</u>
Changes in fund balance	(27,588,227)	(20,197,937)	7,390,290
Fund balance - July 1, 2011	<u>27,588,227</u>	<u>23,287,778</u>	<u>(4,300,449)</u>
Fund balance - June 30, 2012	<u>\$ -</u>	<u>\$ 3,089,841</u>	<u>\$ 3,089,841</u>

## LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
ENTERPRISE FUND  
Year Ended June 30, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Tuition and fees	\$ 1,820,224	\$ 2,339,049	\$ 518,825
Sale of goods and services	13,912,653	11,986,866	(1,925,787)
Other	600,199	237,323	(362,876)
Total revenues	<u>16,333,076</u>	<u>14,563,238</u>	<u>(1,769,838)</u>
Expenditures:			
Student services:			
Personal services	5,727,522	3,451,629	2,275,893
Materials and services	11,258,584	10,140,080	1,118,504
Capital outlay	400,000	130,114	269,886
Total student services	<u>17,386,106</u>	<u>13,721,823</u>	<u>3,664,283</u>
College support services:			
Personal services	285,783	262,648	23,135
Materials and services	31,085	38,758	(7,673)
Capital outlay	99,500	99,061	439
Total college support services	<u>416,368</u>	<u>400,467</u>	<u>15,901</u>
Total expenditures	<u>17,802,474</u>	<u>14,122,290</u>	<u>3,680,184</u>
Revenues over-(under) expenditures	<u>(1,469,398)</u>	<u>440,948</u>	<u>1,910,346</u>
Other financing sources-(uses):			
Transfers in	218,957	214,257	(4,700)
Transfers out	(149,559)	(149,559)	-
Total other financing sources-(uses)	<u>69,398</u>	<u>64,698</u>	<u>(4,700)</u>
Changes in fund balance	(1,400,000)	505,646	1,905,646
Fund balance - July 1, 2011	<u>1,400,000</u>	<u>7,458,909</u>	<u>6,058,909</u>
Fund balance - June 30, 2012	<u>\$ -</u>	<u>\$ 7,964,555</u>	<u>\$ 7,964,555</u>

## LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
INTERNAL SERVICE FUND  
Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Sale of goods and services	\$ 1,439,000	\$ 1,077,795	\$ (361,205)
Fees	46,000	48,828	2,828
Other sources	<u>90,636</u>	<u>50,716</u>	<u>(39,920)</u>
Total revenues	<u>1,575,636</u>	<u>1,177,339</u>	<u>(398,297)</u>
Expenditures:			
College support services:			
Personal services	1,200,000	809,288	390,712
Materials and services	775,616	677,945	97,671
Capital outlay	<u>110,000</u>	<u>82,809</u>	<u>27,191</u>
Total expenditures	<u>2,085,616</u>	<u>1,570,042</u>	<u>515,574</u>
Revenues over-(under) expenditures	<u>(509,980)</u>	<u>(392,703)</u>	<u>117,277</u>
Other financing sources-(uses):			
Transfers in	357,968	357,968	-
Transfers out	<u>(3,088)</u>	<u>(3,088)</u>	<u>-</u>
Total other financing sources-(uses)	<u>354,880</u>	<u>354,880</u>	<u>-</u>
Changes in fund balance	(155,100)	(37,823)	117,277
Fund balance - July 1, 2011	<u>155,100</u>	<u>576,493</u>	<u>421,393</u>
Fund balance - June 30, 2012	<u>\$ -</u>	<u>\$ 538,670</u>	<u>\$ 538,670</u>

LANE COMMUNITY COLLEGE

Schedule of Property Tax Transactions  
ALL COUNTIES  
Year Ended June 30, 2012

<u>Tax Year</u>	<u>Uncollected Taxes 7/1/2011</u>	<u>2011-12 Levy</u>	<u>Discounts/ Adjustments</u>	<u>Collections</u>	<u>Uncollected Taxes 6/30/2012</u>
2011-12	\$ -	\$ 23,342,260	\$ (649,392)	\$ 21,927,389	\$ 765,479
2010-11	648,593	-	(26,420)	197,062	425,111
2009-10	337,730	-	(11,324)	39,513	286,893
2008-09	177,395	-	(6,751)	94,726	75,918
2007-08	59,052	-	(2,713)	33,673	22,666
2006-07	19,910	-	(2,763)	2,853	14,294
2005-06	14,107	-	(2,508)	(803)	12,402
Prior	162,928	-	(6,179)	1,916	154,833
Totals	<u>\$ 1,419,715</u>	<u>\$ 23,342,260</u>	<u>\$ (708,050)</u>	22,296,329	<u>\$ 1,757,596</u>
		Interest and other taxes		<u>407,738</u>	
		Total turnovers by counties		<u>\$ 22,704,067</u>	
		Allocation by fund:			
		General Fund		\$ 15,746,480	
		Debt Service Fund		<u>6,957,587</u>	
		Total allocations		<u>\$ 22,704,067</u>	

# STATISTICAL SECTION

This part of Lane Community College's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the College's overall financial health.

Financial Trends - These schedules contain trend information to help the reader understand how the College's financial performance and well-being have changed over time.

Revenue Capacity - These schedules contain information to help the reader assess the College's most significant revenue sources, tuition and property tax.

Debt Capacity - These schedules present information to help the reader assess the affordability of the College's current levels of outstanding debt and the College's ability to issue additional debt in the future.

Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the College's financial activities take place.

Operating Information - These schedules contain services and infrastructure data to help the reader understand how the information in the College's financial report relates to the services the College provides and the activities it performs.

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

## **Financial Trends Information**



LANE COMMUNITY COLLEGE  
EUGENE, OREGON

Net Assets by Component and  
Changes in Net Assets  
Last Ten Fiscal Years

	June 30,			
	2012	2011	2010	2009
<b>NET ASSETS BY COMPONENT</b>				
Invested in capital assets, net of related debt	\$ 84,501,930	\$ 74,245,090	\$ 71,599,531	\$ 62,199,844
Net assets, restricted	9,207,952	12,746,012	7,291,576	6,588,984
Net assets, unrestricted	49,708,518	33,573,524	34,830,818	17,363,286
<b>TOTAL NET ASSETS</b>	<b>\$ 143,418,400</b>	<b>\$ 120,564,626</b>	<b>\$ 113,721,925</b>	<b>\$ 86,152,114</b>
	Years ended June 30,			
	2012	2011	2010	2009
<b>CHANGES IN NET ASSETS</b>				
Operating revenues				
Student tuition and fees	\$ 50,944,010	\$ 48,676,549	\$ 45,582,278	\$ 34,986,270
Grants and contracts	52,458,273	48,694,168	56,603,841	34,322,646
Sale of goods and services	13,781,545	13,420,535	12,019,997	10,076,217
Other operating revenue	7,991,844	7,475,413	6,918,513	5,997,134
<b>Total operating revenues</b>	<b>125,175,672</b>	<b>118,266,665</b>	<b>121,124,629</b>	<b>85,382,267</b>
Operating expenses				
Instruction	59,592,551	58,238,835	54,650,662	49,007,701
Community services	6,412,405	5,550,825	5,086,857	5,846,678
Instructional support services	5,921,969	5,473,840	4,704,212	4,197,496
Student services	26,379,672	23,786,244	22,526,789	19,246,710
College support services	14,287,846	11,873,926	11,953,269	13,697,310
Plant operations and maintenance	10,730,306	10,647,742	18,775,624	10,520,521
Financial aid	45,242,381	40,850,517	38,449,942	23,422,827
Depreciation	3,705,278	3,262,947	2,741,972	2,634,292
<b>Total operating expenses</b>	<b>172,272,408</b>	<b>159,684,876</b>	<b>158,889,327</b>	<b>128,573,535</b>
Nonoperating revenues (expenses)				
State community college support	33,478,815	18,841,504	35,907,437	23,078,963
Property taxes	23,037,606	21,842,450	15,783,198	20,936,965
Investment income (loss)	905,484	11,781,138	9,093,894	(15,448,802)
Interest expense	(4,494,525)	(4,583,511)	(4,718,909)	(3,358,846)
Other nonoperating revenues (expenses)	(60,033)	(20,669)	(28,901)	(32,696)
<b>Total nonoperating revenues (expenses)</b>	<b>52,867,347</b>	<b>47,860,912</b>	<b>56,036,719</b>	<b>25,175,584</b>
Capital contributions	17,083,163	400,000	9,297,790	3,168,405
Cumulative effect of change in accounting policy	-	-	-	-
<b>TOTAL CHANGE IN NET ASSETS</b>	<b>\$ 22,853,774</b>	<b>\$ 6,842,701</b>	<b>\$ 27,569,811</b>	<b>\$ (14,847,279)</b>

**Source**

Lane Community College Comprehensive Annual Financial Report

June 30,					
2008	2007	2006	2005	2004	2003
\$ 55,955,863	\$ 51,565,256	\$ 46,360,872	\$ 39,977,408	\$ 36,011,588	\$ 34,695,426
23,296,176	29,822,485	24,520,311	19,363,962	5,598,883	4,666,052
21,747,354	1,459,072	10,376,790	8,501,502	18,572,563	10,477,110
<u>\$ 100,999,393</u>	<u>\$ 82,846,813</u>	<u>\$ 81,257,973</u>	<u>\$ 67,842,872</u>	<u>\$ 60,183,034</u>	<u>\$ 49,838,588</u>
Years ended June 30,					
2008	2007	2006	2005	2004	2003
\$ 29,297,111	\$ 26,334,730	\$ 24,738,713	\$ 23,995,084	\$ 24,271,741	\$ 20,888,674
22,107,702	21,534,477	20,135,836	19,579,057	20,403,013	21,506,332
9,032,167	8,924,091	8,164,357	7,715,107	7,909,354	7,844,387
6,141,068	6,786,545	9,123,625	8,129,542	8,004,852	7,166,643
<u>66,578,048</u>	<u>63,579,843</u>	<u>62,162,531</u>	<u>59,418,790</u>	<u>60,588,960</u>	<u>57,406,036</u>
45,476,077	44,966,427	46,786,387	42,897,001	40,388,797	38,590,488
5,226,699	5,640,256	6,271,872	4,628,001	4,341,655	4,566,641
3,840,765	3,759,209	4,158,551	4,240,181	4,021,474	3,533,114
18,069,265	17,572,117	18,539,224	16,970,501	16,501,475	16,928,976
9,841,113	10,889,598	10,209,791	10,573,040	9,967,619	10,337,220
6,062,482	6,227,768	7,392,183	7,000,488	8,200,617	9,700,529
16,169,250	15,028,302	14,619,491	14,037,767	14,525,851	14,760,787
2,605,782	2,577,474	2,688,425	2,615,716	2,673,187	2,647,499
<u>107,291,433</u>	<u>106,661,151</u>	<u>110,665,924</u>	<u>102,962,695</u>	<u>100,620,675</u>	<u>101,065,254</u>
35,988,864	18,452,511	33,145,221	19,840,398	33,953,152	19,646,961
18,861,085	18,675,731	18,417,047	17,645,859	16,672,694	16,247,883
(139,417)	11,576,191	10,729,777	17,867,687	4,512,905	462,034
(3,558,839)	(3,786,858)	(3,990,268)	(4,150,201)	(4,541,056)	(1,914,800)
(124,643)	(70,735)	2,542		(221,534)	(131,079)
<u>51,027,050</u>	<u>44,846,840</u>	<u>58,304,319</u>	<u>51,203,743</u>	<u>50,376,161</u>	<u>34,310,999</u>
-	-	925,543	-	-	-
7,838,915	(176,692)	2,688,632	-	-	-
<u>\$ 18,152,580</u>	<u>\$ 1,588,840</u>	<u>\$ 13,415,101</u>	<u>\$ 7,659,838</u>	<u>\$ 10,344,446</u>	<u>\$ (9,348,219)</u>

## **Revenue Capacity Information**

LANE COMMUNITY COLLEGE  
EUGENE, OREGON

Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Tax Collections In First Year <sup>a</sup>	Percent of Levy Collected In First Year	Delinquent Tax Collections <sup>a</sup>	Total Tax Collections <sup>a</sup>	Percent of Total Tax Collections To Tax Levy
2011-12	\$ 23,342,260	\$ 21,927,389	93.94 %	-	\$ 21,927,389	93.94 %
2010-11	22,325,922	21,062,898	94.34	197,062	21,259,960	95.23
2009-10	22,169,481	20,766,615	93.67	411,141	21,177,756	95.53
2008-09	21,353,330	20,066,039	93.97	553,679	20,619,718	96.56
2007-08	19,644,259	18,425,199	93.79	484,041	18,909,240	96.26
2006-07	19,017,200	18,023,724	94.78	370,268	18,393,992	96.72
2005-06	18,777,789	17,771,627	94.64	356,219	18,127,846	96.54
2004-05	17,960,646	16,909,509	94.15	423,600	17,333,109	96.51
2003-04	16,996,180	16,019,015	94.25	425,541	16,444,556	96.75
2002-03	16,451,425	15,334,516	93.21	518,123	15,852,639	96.36

**Source**

Lane Community College Comprehensive Annual Financial Report

LANE COMMUNITY COLLEGE  
EUGENE, OREGON

Property Tax Collections by County  
Last Ten Fiscal Years

Fiscal Year	Lane County Tax Collectons and Percent of Total		Linn County Tax Collectons and Percent of Total		Benton County Tax Collectons and Percent of Total		Douglas County Tax Collectons and Percent of Total		Total Tax Collections	
2011-12	\$21,939,330	98.4%	\$ 257,512	1.2%	\$ 91,471	0.4%	\$ 8,016	0.0%	\$22,296,329	100.0%
2010-11	21,314,282	98.4%	248,115	1.1%	85,159	0.4%	7,357	0.0%	21,654,913	100.0%
2009-10	21,190,905	98.5%	241,456	1.1%	82,365	0.4%	7,045	0.0%	21,521,771	100.0%
2008-09	20,428,518	98.5%	231,219	1.1%	80,178	0.4%	7,655	0.0%	20,747,570	100.0%
2007-08	18,446,121	98.4%	217,703	1.2%	73,665	0.4%	7,046	0.0%	18,744,535	100.0%
2006-07	18,373,381	98.4%	211,848	1.1%	72,439	0.4%	6,985	0.0%	18,664,653	100.0%
2005-06	18,133,739	98.5%	206,469	1.1%	69,959	0.4%	6,880	0.0%	18,417,047	100.0%
2004-05	17,381,013	98.5%	189,344	1.1%	68,813	0.4%	6,689	0.0%	17,645,859	100.0%
2003-04	16,425,971	98.5%	176,496	1.1%	63,837	0.4%	6,390	0.0%	16,672,694	100.0%
2002-03	16,003,792	98.5%	175,093	1.1%	62,659	0.4%	6,339	0.0%	16,247,883	100.0%

**Source**

Lane Community College Comprehensive Annual Financial Report  
Lane Community College finance records

LANE COMMUNITY COLLEGE  
EUGENE, OREGON

Lane County, Oregon  
Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

	Fiscal Year			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Property Class</b>				
Residential	\$ 8,955,117,306	\$ 9,522,959,872	\$ 9,989,431,512	\$10,502,688,478
Commercial	2,103,738,367	2,185,533,393	2,302,417,337	2,449,674,221
Industrial	1,854,390,409	1,919,557,441	1,957,339,447	2,032,880,568
Tract	2,103,491,893	2,161,911,275	2,308,999,165	2,425,269,060
Farm and Range	394,294,409	414,253,706	440,370,096	468,602,706
Forest	533,563,049	568,973,019	542,464,517	563,131,668
Multiple Housing	732,656,705	758,745,092	778,798,291	820,527,442
Recreation	370,344,717	378,899,180	405,885,969	424,572,910
Small Tract Forestland	28,807,941	-	81,123,446	85,315,051
Miscellaneous	32,525,469	5,217,328	3,054,968	2,717,555
Personal	618,865,151	623,347,004	629,866,384	699,049,095
Manufactured Structures	376,116,986	317,905,282	326,733,010	343,158,137
Utilities	586,197,304	555,389,096	604,715,749	522,590,588
	<u>18,690,109,706</u>	<u>19,412,691,688</u>	<u>20,371,199,891</u>	<u>21,340,177,479</u>
<b>Other</b>				
Plus Nonprofit Housing	7,316,912	7,536,419	7,762,512	7,995,387
Less Urban Renewal Excess	<u>(220,766,804)</u>	<u>(228,971,647)</u>	<u>(219,576,480)</u>	<u>(209,003,975)</u>
Total Taxable Assessed Value	<u>\$18,476,659,814</u>	<u>\$ 19,191,256,460</u>	<u>\$20,159,385,923</u>	<u>\$21,139,168,891</u>
<b>Total Direct Tax Rate</b>	1.4378	1.4264	1.4069	1.4070
<b>Estimated Actual Value of Property</b>	<u>\$23,022,376,114</u>	<u>\$ 24,256,098,187</u>	<u>\$26,749,361,683</u>	<u>\$30,357,084,748</u>
<b>Actual Value of Property per Capita</b>	70,158	73,637	80,244	90,326
<b>Total Assessed Value to Estimated Actual Value of Taxable Property</b>	80.26%	79.12%	75.36%	69.64%

**Notes**

- a. Assessments are limited to an increase of 3% not to exceed real market value. However, property is subject to reassessment if improved, partitioned, subdivided, rezoned, previously omitted, or disqualified from exemption.
- b. Taxable assessed values are reported net of tax exempt property.
- c. Total Direct Tax Rate is per \$1,000 of value.

**Source**

Lane County Department of Assessment and Taxation

Fiscal Year					
<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$11,090,299,584	\$11,669,538,072	\$12,238,252,806	\$12,738,935,537	\$13,182,948,833	\$13,632,435,080
2,566,299,522	2,648,462,926	2,741,402,996	2,952,788,580	3,122,253,063	3,196,797,665
2,149,473,463	2,293,935,760	2,144,226,025	2,193,056,565	1,891,268,723	1,869,301,503
2,546,657,884	2,700,717,402	2,872,632,830	3,320,335,139	3,564,939,764	3,677,573,128
489,415,814	515,361,179	548,688,937	554,752,761	546,310,962	540,685,754
595,563,995	622,589,415	642,533,655	659,628,419	672,286,396	686,965,719
850,025,101	1,025,875,403	1,131,366,250	1,139,612,646	1,184,602,539	1,231,657,010
443,672,771	466,972,883	486,392,156	194,649,646	75,114,951	77,096,961
90,899,787	93,510,612	96,112,182	99,675,432	100,182,200	100,853,981
3,178,931	2,181,525	1,994,500	1,841,079	1,665,266	1,586,352
682,280,293	737,126,581	764,432,164	742,435,555	699,549,325	672,963,916
353,034,694	348,267,868	349,767,857	327,511,572	274,857,036	273,342,593
<u>513,314,800</u>	<u>549,141,809</u>	<u>545,274,620</u>	<u>694,125,923</u>	<u>698,150,851</u>	<u>718,537,083</u>
22,374,116,639	23,673,681,435	24,563,076,978	25,619,348,854	26,014,129,909	26,679,796,745
8,235,249	8,289,461	8,538,145	8,794,289	9,058,117	9,329,861
<u>(216,778,574)</u>	<u>(245,618,775)</u>	<u>(273,863,735)</u>	<u>(288,676,272)</u>	<u>(290,901,476)</u>	<u>(302,973,107)</u>
\$22,165,573,314	\$23,436,352,121	\$24,297,751,388	\$25,339,466,871	\$25,732,286,550	\$26,386,153,499
1.4086	1.4020	1.4007	1.3971	1.3921	1.3942
\$42,292,447,595	\$48,272,185,611	\$50,553,660,475	48,652,787,224	45,082,696,469	44,523,156,510
124,485	140,678	146,160	139,932	129,344	105,511
52.41%	48.55%	48.06%	52.08%	57.08%	59.26%

LANE COMMUNITY COLLEGE  
EUGENE, OREGON

Direct and Overlapping<sup>a</sup> Property Tax Rates  
Last Ten Fiscal Years  
*Rate per \$1,000 of assessed value*

Taxing Entity	Fiscal Year Taxes are Payable <sup>b</sup>			
	2003	2004	2005	2006
<u>County Direct Rate</u>				
Lane County <sup>d</sup>	1.2712	1.2710	1.2763	1.2773
General Obligation Debt Service	<u>0.1666</u>	<u>0.1554</u>	<u>0.1306</u>	<u>0.1297</u>
	1.4378	1.4264	1.4069	1.4070
<u>Lane Community College</u>	0.8848	0.8790	0.8850	0.8814
<u>Lane Education Service District</u>	0.2232	0.2232	0.2232	0.2232
<u>Linn-Benton-Lincoln ESD</u>	0.3049	0.3049	0.3049	0.3049
<u>Schools</u>				
Alsea	5.4155	5.2941	5.2232	5.0811
Bethel	7.2583	7.0612	7.0725	6.8802
Blachly	5.1023	5.1023	5.1023	5.1023
Creswell	8.2003	8.6097	8.2889	7.1900
Crow-Applegate	7.8422	6.4255	6.4255	6.4255
Eugene	7.5571	7.2850	7.2819	7.6460
Fern Ridge	5.9498	7.5838	7.3979	7.2300
Harrisburg	6.9592	6.9097	6.8023	6.2940
Harrisburg/Wyatt <sup>e</sup>	0.7066	-	-	-
Junction City	6.0418	6.1773	4.5604	4.5604
Lincoln County	5.9321	5.8102	5.7579	5.7893
Lowell	5.6540	5.6716	5.6514	5.0409
Mapleton	4.8917	4.8917	4.8917	4.8917
Marcola	4.6887	4.6687	4.6687	4.6687
McKenzie	7.0227	6.5633	6.7114	6.7077
Monroe	5.7285	5.5369	4.7740	4.6341
Oakridge	6.2731	6.2736	6.3333	6.0645
Pleasant Hill	6.7918	6.8636	7.2862	7.4557
Siuslaw	5.4296	5.3695	5.3728	5.2274
South Lane	6.2689	6.6472	6.5484	6.4694
Springfield	5.5210	5.5664	5.6143	5.4978
<u>Cities</u>				
Coburg	3.7506	3.7506	3.7506	3.7506
Cottage Grove	6.5907	6.1687	6.4687	7.2087
Creswell	2.6705	2.6705	2.6705	2.6705
Eugene	8.4130	9.0446	9.0866	9.0222
Florence	3.5261	3.4718	3.4453	3.4019
Glenwood				
Junction City	6.0445	6.0445	6.0445	6.0445
Lowell	2.3348	2.3204	2.2569	2.2434
Oakridge	8.6504	7.7722	7.8283	7.9370
Springfield	5.1514	6.1743	6.1473	6.1078
Veneta	8.3047	6.2568	6.1732	6.1149
Westfir	9.3035	9.3036	9.3036	9.3036
<u>Water Districts</u>				
Blue River	0.9488	0.9488	0.9488	0.9488
Glenwood	1.8983	3.1855	4.1425	4.1425
Heceta	0.2202	0.3453	0.3200	0.2896
Junction City	0.3239	0.3378	0.3200	0.2893
Marcola	0.4037	0.4037	0.4037	0.4037
McKenzie-Palisades	0.6969	0.6817	0.6695	0.6635
Rainbow Water & Fire	3.0955	3.2471	3.2122	3.1816
River Road	1.9694	1.9694	1.9694	1.9694
River Road Subdistrict #1	0.2796	0.2796	0.2796	0.2796



Fiscal Year Taxes are Payable<sup>b</sup>

2007	2008	2009	2010	2011	2012
1.2781	1.2793	1.2793	1.2793	1.2793	1.2793
<u>0.1305</u>	<u>0.1227</u>	<u>0.1214</u>	<u>0.1178</u>	<u>0.1128</u>	<u>0.1149</u>
1.4086	1.4020	1.4007	1.3971	1.3921	1.3942
0.8496	0.8306	0.8705	0.8534	0.8589	0.8782
0.2232	0.2232	0.2232	0.2232	0.2232	0.2232
0.3049	0.3049	0.3049	0.3049	0.3049	0.3049
5.0811	5.0811	5.0811	5.0811	5.0811	5.0811
6.8494	6.8041	7.1555	6.8780	6.1279	6.1057
5.1023	5.1023	5.1023	5.1023	5.1023	5.1023
7.1185	8.5743	8.7008	8.3737	8.2917	8.3599
6.4255	6.4255	6.4255	6.4255	6.4255	6.4255
8.5330	7.5889	7.6242	7.6414	7.4448	7.4256
7.0595	6.6965	6.7856	6.8415	6.9201	6.9724
6.2797	6.2815	6.3056	6.1016	6.1666	6.0778
-	-	-	-	-	-
4.5604	4.5604	4.5604	4.5604	4.5604	4.5604
5.6715	5.6203	5.6348	5.6986	5.6593	5.6566
5.0409	5.0409	5.0409	5.0409	5.0409	5.0409
4.8917	4.8917	4.8917	4.8917	4.8917	4.8917
4.6687	4.6687	4.6687	4.6687	4.6687	4.6687
6.6651	6.7239	6.6563	6.6893	6.6121	6.6207
4.6341	4.6341	4.6341	4.6341	4.6341	4.6341
6.3211	6.4086	6.7461	6.5203	5.4935	5.6758
7.4033	7.0455	6.8934	7.2296	6.7206	6.3620
5.1293	5.0460	5.0849	5.7716	5.6134	5.4012
6.4217	6.3615	6.3478	6.4016	6.4495	6.3893
5.5181	5.5456	5.3920	5.5868	5.6012	5.6341
5.3830	5.4907	5.4845	3.1918	3.2294	5.3222
7.2087	7.2087	7.2087	7.2087	7.2087	7.2087
2.6705	2.6705	2.6705	2.6705	2.6705	2.6705
8.1407	8.1547	10.3051	8.5617	8.3254	8.0381
3.3723	3.3503	3.2297	3.1827	3.1339	3.1396
				0.0734	0.8997
6.0445	6.0445	6.0445	6.0445	6.0445	6.0445
2.2858	2.1613	2.1613	2.1613	2.1613	2.1613
7.8872	7.8231	7.7599	7.7166	7.7100	7.7251
6.1191	6.5391	7.1869	7.4824	7.3901	7.3336
5.1020	5.0852	5.0355	7.4556	7.6890	5.4157
9.3036	9.3036	9.3036	9.3036	9.3036	7.7733
0.9488	0.9488	0.9488	0.9488	0.9488	0.9488
4.1425	3.8949	3.8473	3.8509	3.6901	3.5355
0.2656	0.2708	0.2573	0.2525	0.2438	0.2432
0.3111	0.3115	0.2965	0.2859	0.2886	0.2806
0.4037	0.4037	0.4037	0.4037	0.4037	0.4037
0.6482	0.3620	0.3620	0.3620	0.3620	0.3620
3.1485	3.7303	3.6749	3.6241	3.5816	3.7598
1.9694	1.9694	1.9694	1.9694	1.9694	1.9694
-	0.2796	0.2796	0.2796	0.2796	0.2796

LANE COMMUNITY COLLEGE  
EUGENE, OREGON

Direct and Overlapping<sup>a</sup> Property Tax Rates, continued  
Last Ten Fiscal Years - Unaudited  
Rate per \$1,000 of assessed value

Taxing Entity	Fiscal Year Taxes are Payable <sup>b</sup>			
	2003	2004	2005	2006
<b><u>Rural Fire Protection Districts</u></b>				
Bailey-Spencer	2.3930	2.3930	2.3930	2.3930
Coburg	1.3277	1.7791	1.7750	1.7259
Creswell <sup>f</sup>	1.0180	-	-	-
Dexter	1.4151	1.6151	1.6151	1.6151
Eugene	2.5417	2.5417	1.7199	2.5417
Goshen	1.7196	1.7196	1.7196	1.7196
Hazeldell	-	2.7115	2.7115	2.7115
Junction City	0.9844	0.9844	0.9844	1.6694
Lake Creek	3.0757	3.0757	3.0757	3.0757
Lane County District #1	1.9848	1.9848	1.9848	1.9848
Lane Rural	2.1174	2.1174	2.1174	2.1174
Lorane	2.2952	2.8587	2.9589	2.9159
Lowell	3.5903	3.6349	3.4430	3.3938
Mapleton	1.3869	1.3869	1.3869	1.3869
McKenzie	2.3106	2.3106	2.3106	2.3106
Mohawk Valley	2.6784	2.5642	2.5126	2.5451
Monroe	2.2554	2.1732	1.7298	1.6854
Pleasant Hill	1.1031	1.1031	1.1031	1.1031
Santa Clara	1.0439	1.0439	1.0439	1.0439
Siuslaw	1.5417	1.5417	1.5417	1.5417
South Lane <sup>e</sup>	-	1.0335	1.0335	1.0335
Southern Lane <sup>e</sup>	1.0476	-	-	-
Swishhome-Deadwood	2.1452	2.1452	2.1452	2.1452
Upper McKenzie	1.1951	1.1951	1.1951	1.1951
Willakenzie	1.8796	3.0669	3.0669	3.0669
Zumwalt	2.3419	2.3419	2.3419	2.3419
<b><u>Miscellaneous Districts</u></b>				
Fern Ridge Library	0.4212	0.3824	0.3824	0.6324
Lane Library	-	-	-	0.5900
Port of Siuslaw	0.1474	0.1474	0.1474	0.1474
River Road Park & Recreation	3.5176	3.4794	3.5123	3.5010
Siuslaw Library	0.6228	0.6175	0.6118	0.6060
Western Lane Ambulance	0.3198	0.3198	0.3198	0.4198
Willamalane Park & Recreation	2.4203	2.3491	2.3344	2.3255

**Notes**

- a. *Overlapping rates are those of other local governments that apply to property owners within Lane County who are located within the other local government's boundaries.*
- b. *Rates may vary based on map code combination of taxing districts and application of Oregon Ballot Measure 5 limits.*
- c. *Beginning in FY1998, tax rates were adjusted under Oregon Ballot Measure 50.*
- d. *Lane County rate is shown net of timber offset*
- e. *Represents Wyatt school district bonds*
- f. *For 2004 Creswell Fire District merged with Southern Lane County FPD to form South Lane County Fire & Rescue.*

**Source**

*Lane County Department of Assessment and Taxation*

Fiscal Year Taxes are Payable<sup>b</sup>

2007	2008	2009	2010	2011	2012
2.3930	2.3930	2.3930	2.3930	2.3930	2.3930
1.6498	1.6353	2.9685	1.6090	1.3678	1.5826
-	-	-	-	-	-
1.6151	2.4151	2.4151	2.4151	2.4151	2.4151
2.5417	2.5417	2.0000	2.0000	1.8500	1.8500
1.7196	1.7196	1.7196	1.7196	1.7196	1.7196
2.7115	2.7115	2.7115	2.7115	2.7115	2.7115
1.6118	1.6575	1.4661	1.4717	1.4357	1.4386
3.0757	3.0757	3.0757	3.0757	3.0757	3.0757
1.9848	1.9848	1.9848	1.9848	1.9848	1.9848
2.1174	2.1174	2.1174	2.1174	2.1174	2.1174
2.8211	2.7770	2.7458	2.9186	2.8854	2.8618
3.3046	3.2265	3.1681	3.1059	2.9855	2.6970
1.3869	2.0869	2.0869	2.0869	2.0869	2.0869
2.3106	2.3106	2.3106	2.3106	2.0606	2.0606
2.4784	2.4095	2.4133	1.9126	1.9126	1.9126
1.6854	1.6854	1.6854	1.6854	1.6854	1.6854
1.1031	1.1031	1.1031	1.1031	1.1031	1.1031
1.0439	1.0439	1.0439	1.6439	1.6439	1.6439
1.5417	1.5417	1.5417	1.5417	1.5417	0.8717
1.0335	1.0335	1.0335	1.0335	1.0335	1.0335
-	-	-	-	-	-
2.1452	2.1452	2.1452	2.1452	2.1452	2.1452
0.7077	1.1951	1.1951	1.1951	1.1951	1.1951
3.0669	3.0669	3.0669	3.0669	3.0669	3.0669
2.3419	2.3419	2.3419	2.3419	2.3419	2.3419
0.6324	0.6324	0.7046	0.6324	0.6324	0.6324
0.5900	0.5900	0.5900	0.5900	0.5900	0.5900
0.1474	0.1474	0.1474	0.1474	0.1474	0.1474
3.4814	3.4789	3.4631	3.5259	3.5259	3.8791
0.5993	0.5928	0.5885	0.5163	0.5163	0.5163
0.4198	0.4198	0.5698	0.5698	0.5698	0.5698
2.1836	2.1457	2.1487	2.0074	2.0074	2.0074

LANE COMMUNITY COLLEGE  
EUGENE, OREGON

Principal Taxpayers  
Year Ended June 30, 2012

**LANE COUNTY**

<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Total Assessed Value</u>	<u>Percentage Of Total Assessed Value</u>	<u>Taxes</u>
IP Eat Three LLC	Wood Products	\$ 221,301,298	0.84 %	\$ 3,700,874
Comcast Corporation	Telecommunications	139,792,400	0.53	2,364,097
Valley River Center LLC	Retail/Commercial	104,445,512	0.40	1,755,745
Qwest Corporation	Utility	115,530,400	0.44	1,739,530
Northwest Natural Gas Co.	Utility	87,866,000	0.33	1,328,909
Symantec Corporation	Electronics	77,845,836	0.30	1,306,864
Peacehealth	Medical Group	531,238,672	2.02	1,231,237
Verizon Communications	Telecommunications	72,679,100	0.28	1,119,082
Gateway Mall Partners	Retail/Commercial	61,378,057	0.23	1,054,684
Weyerhaeuser Co	Wood Products	<u>121,496,739</u>	<u>0.46</u>	1,029,122
Subtotal - ten of the largest taxpayers		1,533,574,014	5.82	
All other taxpayers in Lane County		<u>24,800,322,472</u>	<u>94.18</u>	
Total Lane County Taxpayers		<u>\$ 26,333,896,486</u>	<u>100.00 %</u>	

**Notes**

Lane Community College District encompasses all of Lane County and smaller portions of Benton County, Douglas County and Linn County. These statistics are just for Lane County.

**Source**

Lane County Assessor

LANE COMMUNITY COLLEGE  
EUGENE, OREGON

Tuition Rates and Enrollment Statistics  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Tuition Rate Per Credit Hour</u>	<u>Total FTE <sup>1</sup></u>	<u>Unduplicated Headcount <sup>1</sup></u>
2011-12	84.00	15,375.00	38,671
2010-11	83.00	15,417.10	37,783
2009-10	81.00	14,957.70	37,783
2008-09	75.50	12,823.00	36,899
2007-08	73.00	11,065.00	34,508
2006-07	69.50	11,189.10	35,666
2005-06	67.00	10,738.00	36,089
2004-05	64.50	10,465.00	29,868
2003-04	63.00	11,022.00	29,743
2002-03	49.00	12,364.30	34,394

**Source**

<sup>1</sup> Per Lane Community College Institutional Research and Planning

## **Debt Capacity Information**

LANE COMMUNITY COLLEGE  
EUGENE, OREGON

Computation of Legal Debt Margin  
Last Ten Fiscal Years.

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Total Real Market Value of Taxable Property <sup>a</sup>	<u>\$ 44,523,156,510</u>	<u>\$ 45,082,696,469</u>	<u>\$ 48,652,787,224</u>	<u>\$ 50,553,660,475</u>
Debt Limitation (1.5% of Real Market Value)	\$ 667,847,348	\$ 676,240,447	\$ 729,791,808	\$ 758,304,907
Debt Subject to Limitation	31,910,000	36,655,000	41,015,000	45,000,000
Legal Debt Margin	<u>\$ 635,937,348</u>	<u>\$ 639,585,447</u>	<u>\$ 688,776,808</u>	<u>\$ 713,304,907</u>
Legal Debt Margin as a Percentage of the Debt Limitation	95.22%	94.58%	94.38%	94.07%

**Notes**

Lane Community College District encompasses all of Lane County and smaller portions of Benton County, Douglas County and Linn County. These statistics are just for Lane County.

**Source**

a. Lane County Summary of Assessment and Tax Rolls

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>\$ 48,272,185,611</u>	<u>\$ 42,292,447,595</u>	<u>\$ 30,357,084,748</u>	<u>\$ 26,749,361,683</u>	<u>\$ 24,256,098,187</u>	<u>\$ 23,022,376,144</u>
\$ 724,082,784	\$ 634,386,714	\$ 455,356,271	\$ 401,240,425	\$ 363,841,473	\$ 345,335,642
5,545,000	10,600,000	15,210,000	19,400,000	23,200,000	26,640,000
<u>\$ 718,537,784</u>	<u>\$ 623,786,714</u>	<u>\$ 440,146,271</u>	<u>\$ 381,840,425</u>	<u>\$ 340,641,473</u>	<u>\$ 318,695,642</u>
99.23%	98.33%	96.66%	95.16%	93.62%	92.29%



LANE COMMUNITY COLLEGE  
EUGENE, OREGON

Ratio of Net General Bonded Debt  
to Assessed Value and Net Bonded Debt Per Capita  
Last Ten Fiscal Years

Fiscal Year	Population <sup>a</sup>	Assessed Value <sup>b</sup>	Gross Bonded Debt <sup>c</sup>	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2011-12	353,416	26,386,153,499	84,761,117	1,475,794	83,285,323	0.32%	236
2010-11	351,745	25,732,286,550	90,069,987	1,061,775	89,008,212	0.35%	253
2009-10	351,109	25,339,466,871	94,811,402	1,194,054	93,617,348	0.37%	267
2008-09	346,560	24,297,751,388	99,012,195	905,726	98,106,469	0.40%	283
2007-08	337,870	23,436,352,121	59,622,858	724,659	54,090,840	0.23%	160
2006-07	339,740	22,165,573,314	60,509,510	1,421,536	59,087,974	0.27%	174
2005-06	336,085	21,139,168,891	66,576,172	1,649,198	64,926,974	0.31%	193
2004-05	333,350	20,159,385,923	72,138,882	1,522,492	70,616,390	0.35%	212
2003-04	329,400	19,191,256,460	76,982,192	1,186,199	75,795,993	0.39%	230
2002-03	328,150	18,476,659,814	81,135,951	811,711	80,324,240	0.43%	245

**Source**

- a. Portland State University - Center for Population Research and Census
- b. Lane County Assessors
- c. Lane Community College District Comprehensive Annual Financial Report

LANE COMMUNITY COLLEGE  
EUGENE, OREGON

Overlapping Debt Schedule  
June 30, 2012

Overlapping District	Real Market Valuation	Percent Overlap	Overlapping	
			Gross Property-tax Backed Debt	Net Property-tax Backed Debt
BENTON COUNTY	9,361,403,057	1.72%	313,083	25,472
BENTON CITY SD 1J (MONROE)	318,578,715	54.45%	852,457	852,457
BROWNSVILLE RFPD 2	280,006,545	0.24%	4,990	4,990
CITY OF COTTAGE GROVE	698,875,976	100.00%	1,709,686	-
CITY OF EUGENE	17,228,493,227	99.87%	87,039,439	28,873,082
CITY OF FLORENCE	1,120,629,633	100.00%	13,280,000	9,680,000
CITY OF HARRISBURG	212,425,273	100.00%	1,042,549	13,428
CITY OF MONROE	43,684,511	100.00%	1,500,000	1,500,000
CITY OF OAKRIDGE	162,856,034	100.00%	645,000	645,000
CITY OF SPRINGFIELD	6,088,669,359	100.00%	25,845,000	25,845,000
CITY OF VENETA	328,471,253	100.00%	1,169,994	1,169,994
COBURG RFPD	438,991,667	100.00%	500,000	500,000
HARRISBURG RFPD 6	412,422,985	98.53%	162,579	162,579
HECETA WATER DISTRICT	535,610,950	100.00%	385,000	385,000
JUNCTION CITY RFPD	829,159,074	100.00%	865,000	865,000
LANE COUNTY	37,674,942,446	99.80%	109,171,247	48,863,206
LANE CITY SD 1 (PLEASANT HILL)	661,645,318	100.00%	3,505,000	3,505,000
LANE CTY SD 19 (SPRINGFIELD)	6,392,762,089	100.00%	110,888,543	110,888,543
LANE CTY SD 28J (FERN RIDGE)	1,057,421,957	99.62%	14,551,660	14,551,660
LANE CTY SD 40 (CRESWELL)	760,533,201	100.00%	25,110,000	25,110,000
LANE CTY SD 45J3 (SOUTH LANE)	1,574,068,876	100.00%	39,444,007	39,444,007
LANE CTY SD 4J (EUGENE)	18,472,921,308	100.00%	185,787,258	185,787,258
LANE CTY SD 52 (BETHEL)	3,622,546,351	100.00%	17,145,000	17,145,000
LANE CTY SD 68 (MCKENZIE)	447,782,638	100.00%	3,020,000	3,020,000
LANE DTY SD 76 (OAKRIDGE)	279,387,207	100.00%	1,815,000	1,815,000
LANE CTY SD 97J (SIUSLAW)	2,164,339,166	100.00%	19,315,000	19,315,000
LANE ESD	37,576,216,617	99.99%	7,644,182	7,644,182
LINN CTY SD 7J (HARRISBURG)	448,649,557	100.00%	2,780,000	2,780,000
LORANE FRPD	51,286,334	100.00%	105,000	105,000
MAPLETON FIRE DISTRICT	67,519,882	100.00%	115,000	115,000
NORTH DOUGLAS FIRE & EMS DISTRICT	346,062,113	0.68%	748	748
RIVER ROAD PARK & REC DISTRICT	581,898,316	100.00%	520,000	520,000
SIUSLAW PUBLIC LIBRARY DIST	2,220,366,042	100.00%	270,000	270,000
WILLAMALANE PARK & RECREATION DISTRICT	6,465,680,350	100.00%	3,750,000	-
Totals:		Overlapping Issuer Count: 36	680,252,422.00	551,401,606.00
<b>Net Property-tax Backed Debt of Subject Issuer is:</b>	31,910,000		<b>Ratio of Net Property-tax Backed Debt to Real Market Value is:</b>	0.08%
<b>Net Property-tax Backed Debt of Overlapping Issuers is:</b>	551,401,606		<b>Ratio of Total Net Property-tax Backed Debt to Real Market Value is:</b>	1.53%
<b>Total Net Property-tax Backed Debt of Subject issuer and Overlapping Issuers is:</b>	583,311,606			
<b>Real Market Value of Subject Issuer is:</b>	38,194,316,658	<b>As of: 01/01/2011</b>		

**Source**

Oregon State Treasury - Debt Management Division

LANE COMMUNITY COLLEGE  
EUGENE, OREGON

Outstanding Debt  
Last Ten Fiscal Years

Fiscal Year	Tax Bonded Debt		Other Governmental Non Tax Bonded Debt		Total Outstanding Debt	Total Outstanding Debt as a % of Personal Income	Total Outstanding Debt per Capita
	General Obligation Bonds		Other Debt Obligations	Pension Bonds Payable			
2012	\$ 31,910,000		\$ 19,355,000	\$ 52,851,117	\$ 104,116,117	0.9%	295
2011	36,655,000		19,355,000	53,414,987	109,424,987	0.9%	311
2010	41,015,000		-	53,796,402	94,811,402	0.8%	267
2009	45,000,000		780,000	54,012,195	99,792,195	0.9%	288
2008	5,545,000		1,040,000	54,077,858	60,662,858	0.5%	177
2007	10,600,000		1,300,000	54,013,704	65,913,704	0.6%	194
2006	15,210,000		1,655,000	53,832,330	70,697,330	0.7%	210
2005	19,400,000		2,005,000	53,547,069	74,952,069	0.8%	225
2004	23,200,000		2,350,000	52,934,820	78,484,820	0.9%	238
2003	26,640,000		2,690,000	51,803,948	81,133,948	0.9%	247

**Source**

Lane Community College Comprehensive Annual Financial Report

## **Demographic and Economic Information**

LANE COMMUNITY COLLEGE  
EUGENE, OREGON

Demographic and Economic Statistics  
Last Ten Fiscal Years

Fiscal Year	Population <sup>d</sup>	Personal Income (in thousands) <sup>b, e</sup>	Per Capita Income <sup>c</sup>	Unemployment Rate <sup>e</sup>
2012	353,155	\$ 11,751,939	\$ 33,277	9.5%
2011	348,550	11,698,035	33,277	11.1%
2010	347,690	11,669,172	33,277	11.9%
2009	345,880	11,783,941	33,562	6.6%
2008	343,140	11,679,994	33,522	5.3%
2007	339,740	11,269,508	32,877	5.5%
2006	336,085	10,483,145	30,825	6.1%
2005	333,350	9,981,276	29,841	7.4%
2004	329,400	9,213,725	27,788	8.0%
2003	328,150	8,698,081	26,344	7.1%

**Notes**

- a. Lane Community College District encompasses all of Lane County and smaller portions of Benton County, Douglas County and Linn County. These statistics are just for Lane County.
- b. The 2011 and 2012 personal income was not available and has been estimated by multiplying population by per capita income.
- c. The 2011 and 2012 per capita income was not available and has been estimated to be the same as 2010.

**Source**

- d. Population Research Center, Portland State University. Estimates are for July 1 of the fiscal year.
- e. Bureau of Economic Analysis, U.S. Department of Commerce.
- f. Bureau of Labor Statistics, U.S. Department of Labor. Rates presented are annualized for the calendar year.

LANE COMMUNITY COLLEGE  
EUGENE, OREGON

Principal Employers for Lane County  
Current Year and Nine Years Ago

Employer	2012			2003		
	Employees <sup>b</sup>	Rank	Percentage of County Employment	Employees <sup>b</sup>	Rank	Percentage of County Employment
PeaceHealth	4,212	1	2.62%	4,125	1	2.58%
University of Oregon	4,038	2	2.51%	3,760	2	2.35%
Eugene School District	2,794	3	1.74%	1,651	7	1.03%
Lane County	2,000	4	1.24%	1,786	6	1.12%
State of Oregon	1,781	5	1.11%	1,200	10	0.75%
US Government	1,667	6	1.04%	2,000	3	1.25%
City of Eugene	1,310	7	0.82%	1,465	9	0.92%
Springfield School District	1,300	8	0.81%	1,500	8	0.94%
Lane Community College	1,118	9	0.70%	2,000	4	1.25%
Wal-Mart	1,050	10	0.65%			
Monaco Coach Corporation				2,000	5	1.25%
	21,270		13.24%	21,487		13.44%

**Notes**

- a. Lane Community College District encompasses all of Lane County and smaller portions of Benton County, Douglas County and Linn County. These statistics are just for Lane County.
- b. Employee count and percent of county employment is as of January 1st of each year.

**Source**

Eugene Chamber of Commerce

## **Operating Information**

LANE COMMUNITY COLLEGE  
EUGENE, OREGON

Building Construction and Acquisitions  
Last Ten Fiscal Years

<u>Year</u>	<u>Building Name</u>	<u>Square Footage</u>	<u>Cumulative Square Footage</u>
2003 & Prior	Center	176,664	176,664
	Student Services	37,477	214,141
	Business	21,045	235,186
	Administration	17,907	253,093
	Health Technology	48,482	301,575
	Physical Education	98,532	400,107
	Performing Arts	48,156	448,263
	Campus Services	43,746	492,009
	Welding Technology	20,593	512,602
	Auto/Diesel Technology	37,529	550,131
	Air Technology	35,014	585,145
	Art/GED	47,636	632,781
	Machine Technology	59,658	692,439
	Electronic Annex	6,720	699,159
	Electronics	18,414	717,573
	Science	91,655	809,228
	Forum	24,520	833,748
	Industrial Technology	20,921	854,669
	Work Force Training	87,888	942,557
	Child Care Centers	16,774	959,331
	Waste Water Treatment Plant	660	959,991
	Test Cells	3,100	963,091
	Cooling Tower	1,752	964,843
	Greenhouse	240	965,083
	Wildish Building	12,950	978,033
	Downtown Center	56,508	1,034,541
	Flight Tech / Aviation	36,029	1,070,570
	Cottage Grove Center	18,613	1,089,183
	Florence Center/Siltcoos Station	18,397	1,107,580
	Thurston CLC	19,882	1,127,462
Storage	7,117	1,134,579	
Bus Station	1,944	1,136,523	
2007	KLCC Downtown	7,370	1,143,893
2009	Aviation Maintenance Training & Shop	5,274	1,149,167
2010	Health And Wellness Center	43,554	1,192,721
	Native American Longhouse	6,720	1,199,441
	Solar Station	5,390	1,204,831
	Physical Education Addition	10,540	1,215,371
2011	Air Technology Expansion	32,286	1,247,657
2012	Downtown Campus	180,000	1,427,657

**Source**

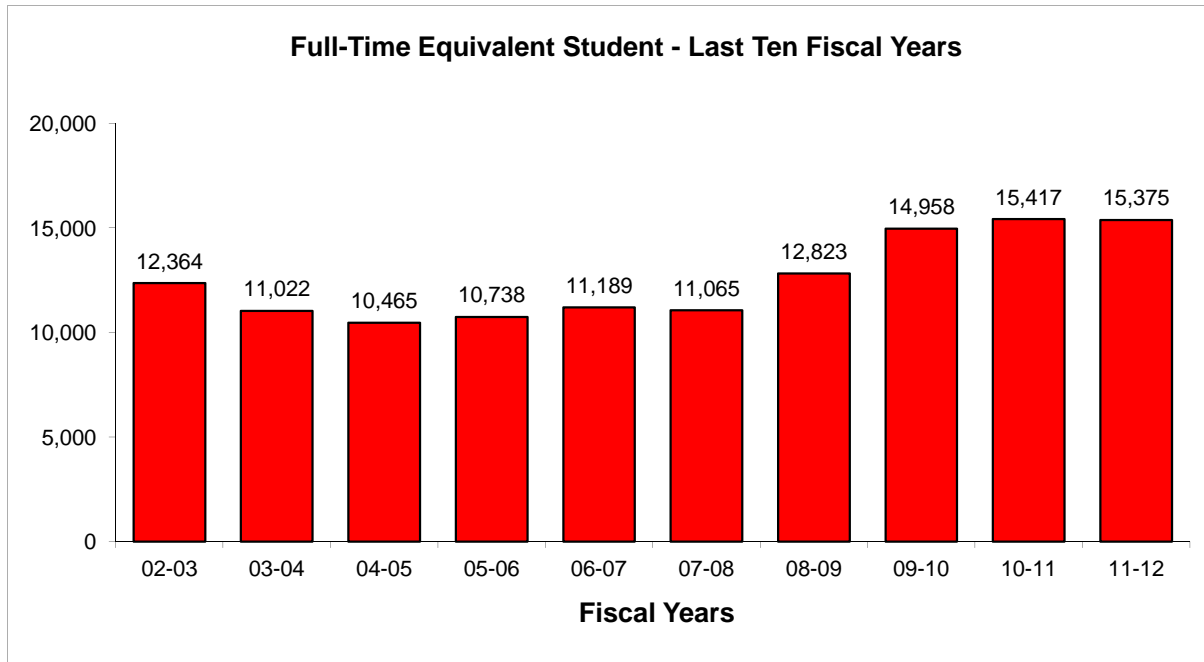
Lane Community College Facilities Management and Planning



LANE COMMUNITY COLLEGE  
EUGENE, OREGON

Enrollment Statistics  
Last Ten Fiscal Years

	<u>Total Operating Expenses</u>	<u>District Population (Estimated) <sup>b</sup></u>	<u>Full-time Equivalent Student</u>	<u>Unduplicated Headcount</u>	<u>Percent of Total District Population</u>	<u>Cost Per FTE <sup>a</sup></u>	<u>Number of Employees</u>	<u>Ratio of Student FTE Per Employee</u>
2011-12	\$172,272,408	353,155	15,375	38,671	10.95%	NA	725	4.72
2010-11	159,684,876	348,550	15,417	37,561	10.78%	3,656	738	4.79
2009-10	158,889,327	347,690	14,958	37,783	10.87%	3,507	733	4.90
2008-09	128,573,535	345,880	12,823	36,899	10.67%	3,436	714	5.57
2007-08	107,291,433	343,140	11,065	34,508	10.06%	3,792	710	6.42
2006-07	106,661,151	339,740	11,189	35,666	10.50%	7,636	737	6.59
2005-06	110,665,924	336,085	10,738	36,089	10.74%	8,367	786	7.32
2004-05	102,962,695	333,350	10,465	29,868	8.96%	8,263	779	7.44
2003-04	100,620,675	329,400	11,022	29,743	9.03%	7,365	744	6.75
2002-03	101,065,254	328,150	12,364	34,394	10.48%	6,587	828	6.70



**Notes**

NA Not available

**Source**

a. Oregon Community College Profile

b. Population Research Center, Portland State University. Estimates are for July 1 of the fiscal year.

LANE COMMUNITY COLLEGE  
EUGENE, OREGON

Certificates and Degrees Granted  
Last Ten Fiscal Years

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Lower Division Transfer										
AAOT/ASOT	474	418	407	319	291	302	294	356	400	320
Associate of General Studies	97	86	42	42	40	48	27	40	38	37
Associate of Science	<u>90</u>	<u>54</u>	<u>47</u>	<u>38</u>	<u>18</u>	<u>21</u>	<u>12</u>	<u>23</u>	<u>27</u>	<u>11</u>
Total Transfer Awards	<u>661</u>	<u>558</u>	<u>496</u>	<u>399</u>	<u>349</u>	<u>371</u>	<u>333</u>	<u>419</u>	<u>465</u>	<u>465</u>
Technical										
Associate of Applied Science	558	418	320	307	287	307	316	351	355	408
Certificate	434	390	243	158	102	170	141	183	163	192
Apprentice: Assoc. of Applied Science	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>3</u>
Total Technical Awards	<u>992</u>	<u>808</u>	<u>563</u>	<u>466</u>	<u>389</u>	<u>477</u>	<u>457</u>	<u>535</u>	<u>518</u>	<u>518</u>
Total Awards	<u>1653</u>	<u>1366</u>	<u>1059</u>	<u>865</u>	<u>738</u>	<u>848</u>	<u>790</u>	<u>954</u>	<u>983</u>	<u>983</u>
% of Degree-Seeking Students	<u>14.0%</u>	<u>13.0%</u>	<u>10.0%</u>	<u>9.1%</u>	<u>9.5%</u>	<u>10.7%</u>	<u>10.2%</u>	<u>12.6%</u>	<u>13.1%</u>	<u>7.1%</u>

**Source**

Per Lane Community College Institutional Research and Planning

LANE COMMUNITY COLLEGE  
EUGENE, OREGON

Average Number of Contracted Employees  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Faculty</u>	<u>Classified</u>	<u>Exempt</u>	<u>Total</u>
2011-12	250	403	72	725
2010-11	252	419	67	738
2009-10	250	416	67	733
2008-09	241	416	57	714
2007-08	244	400	66	710
2006-07	251	416	70	737
2005-06	269	449	68	786
2004-05	260	454	65	779
2003-04	248	437	59	744
2002-03	277	483	68	828

**Source**

Per Lane Community College Institutional Research and Planning

**DISCLOSURES IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS AND  
OMB CIRCULAR A-133**

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

November 28, 2012

Board of Education  
Lane Community College  
Eugene, Oregon

We have audited the financial statements of Lane Community College as of and for the year ended June 30, 2012, and have issued our report thereon dated November 28, 2012. 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.

Internal Control Over Financial Reporting

Management of Lane Community College is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Lane Community College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Lane Community College's internal control over financial reporting.

*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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lane Community College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Education, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Kenneth Kuhns & Co.*

Kenneth Kuhns & Co.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH  
MAJOR PROGRAM AND ON THE INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133

November 28, 2012

Board of Education  
Lane Community College  
Eugene, Oregon

Compliance

We have audited Lane Community College'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 Lane Community College's major federal programs for the year ended June 30, 2012. Lane Community College's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Lane Community College's management. Our responsibility is to express an opinion on Lane Community College's compliance based on our audit.

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 Lane Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Lane Community College's compliance with those requirements.

In our opinion, Lane Community College complied, in all material respects, with the 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, 2012.

## Internal Control Over Compliance

Management of Lane Community College is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Lane Community College's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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 Lane Community College's internal control over compliance.

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

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Education, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Kenneth Kuhns & Co.*

Kenneth Kuhns & Co.



LANE COMMUNITY COLLEGE

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2012

Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue		Expenditures		Accrued (Deferred) Revenue		
			July 1, 2011	June 30, 2012	Receipts	Expenditures	July 1, 2011	June 30, 2012	
		\$	\$	\$	\$	\$	\$	\$	
84.007		544,557	88,263	537,612	540,461	91,112			
84.033		493,045	399,293		613,390	1,012,683			
84.063		34,769,052	140,007	36,268,563	36,216,894	88,338			
84.268		64,003,848	99	70,208,130	70,144,131	(63,900)			
84.042	P042A060722-10	273,196	23,338	65,087	41,749	-			
84.042	P042A110479	257,087	-	196,686	216,787	20,101			
84.042	P042A100972	219,650	23,513	104,842	81,329	-			
84.042	P042A100972-11	240,446	-	159,875	173,911	14,036			
84.031	P031A080262-10	431,727	23,047	89,115	66,068	-			
84.031	P031A80262-11	475,059	-	273,638	333,325	59,687			
84.116	P116Z090280	333,000	149,368	149,368	-	-			
84.335	P335A090144-10	113,656	19,012	28,482	9,470	-			
84.335	P335A090144-11	107,481	-	80,817	83,320	2,503			
84.333	P333A080082-09	395,183	13,483	176,114	162,631	-			
Passed Through Oregon Department of Community Colleges and Workforce Development:									
84.002	EE101114 BG	245,543	76,544	76,544	-	-			
84.002	EE111213 BG	223,970	-	151,024	223,968	72,944			
84.002	EE101114 EG	36,467	4,247	4,247	-	-			
84.002	EE111213 EG	39,357	-	36,668	39,355	2,687			
84.002	EE101114 CG	34,111	34,110	34,110	-	-			
84.002	EE111213 CG	34,111	-	32,252	34,104	1,852			
84.002	EE101114 TG	13,202	2,437	2,437	-	-			
84.002	EE111213 TG	13,202	-	10,131	13,202	3,071			
84.002	EE101114 AG	58,019	16,628	16,628	-	-			
84.002	EE111213 AG	60,290	-	42,633	60,288	17,655			
84.002	EE101114 PG	2,601	1,186	1,186	-	-			
84.002	EE111213 PG	8,097	-	1,270	8,095	6,825			
84.002	IGRA 0385	54,882	12,931	12,931	-	-			
84.002	IGRA 0482	55,000	-	-	41,236	41,236			
84.098	IGRA 0401	15,169	9,142	9,142	6,026	6,026			
84.098	IGRA 0498	13,503	-	2,772	13,502	10,730			
84.048	IGA 0422	15,000	15,000	15,000	-	-			

**U.S. DEPARTMENT OF EDUCATION:**

Direct programs:

Student Financial Aid Cluster:

Supplemental Educational Opportunity Grants

College Work Study

Pell Grant

Federal Direct Student Loan

SSS - TRIO 8-11

SSS - TRIO 8-12

TRIO STEM 8-11

TRIO STEM 8-12

T3-Engaging Students 9-11

T3-Engaging Students 9-12

Nursing Earmarks 9-11

CCAMPIS/CAL 9-11

CCAMPIS/CAL 9-12

DOE:Project Shift 9-11

LANE COMMUNITY COLLEGE

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2012

Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue July 1, 2011	Receipts	Expenditures	Accrued (Deferred) Revenue June 30, 2012
Passed Through Oregon Department of Education:						
84.048	19153	\$ 794,017	\$ 165,610	\$ 297,124	\$ 131,514	\$ -
84.243	19153	98,137	20,469	36,723	16,254	-
84.048	22131	697,408	-	425,686	645,941	220,255
84.243	22131	86,197	-	52,613	79,835	27,222
Passed Through Lane Education Service District:						
84.243	19185	51,375	43,961	51,372	7,411	-
84.243	22159	45,967	-	29,253	37,156	7,903
Passed Through Oregon University System:						
84.378	SG-2010-16	38,003	15,862	17,312	1,450	-
Passed Through Oregon Health Sciences University:						
84.116	ASON00266-LCC	11,635	12,207	11,635	(572)	-
Total U.S. Department of Education			1,309,757	109,709,022	110,042,231	1,642,966
<b><u>NATIONAL SCIENCE FOUNDATION:</u></b>						
Direct programs:						
47.076	DUE-802580	449,912	15,015	41,916	51,053	24,152
47.076	DUE-0903330	692,042	118,413	206,930	144,787	56,270
47.076	DUE-0903333	810,312	79,226	257,793	231,528	52,961
Total U.S. Department of Education			212,654	506,639	427,368	133,383
<b><u>SMALL BUSINESS ADMINISTRATION:</u></b>						
Direct programs:						
59.037	1-603001-Z-0039B-28	1,486,202	622,173	1,436,202	814,029	-
59.037	SBAHQ-12-B-0069/260	1,266,891	-	-	551,546	551,546
59.037	SBAHQ-11-B-0011	100,000	-	40,995	51,863	10,868
59.037	1-601003-Z-0145	558,580	60,989	323,450	338,501	76,040
59.037	SBAHQ-10-V-0004/0002	100,000	-	100,000	100,000	-
59.037	SBAHQ-10-Y-0004/2603001Z0600	100,000	-	-	35,857	35,857
Total Small Business Administration			683,162	1,900,647	1,891,796	674,311
<b><u>U.S. DEPARTMENT OF ENERGY:</u></b>						
Direct program:						
81.086	DE-EE0003519	550,000	-	-	456,065	456,065

LANE COMMUNITY COLLEGE

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2012

Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue July 1, 2011	Receipts	Expenditures	Accrued (Deferred) Revenue June 30, 2012
<b><u>U. S. DEPARTMENT OF AGRICULTURE:</u></b>						
Direct program:						
10.769	43-020-0930546223	\$ 38,500	\$ 38,500	\$ 38,500	\$ -	\$ -
<b><u>CORPORATION FOR NATIONAL &amp; COMMUNITY SERVICE:</u></b>						
Direct programs:						
94.016	10SCPOR002	291,082	89,039	89,039	-	-
94.016	10SCPOR002	291,082	-	182,107	271,287	89,180
Total Corporation for National & Community Service						
<b><u>U. S. DEPARTMENT OF LABOR:</u></b>						
Passed Through Clackamas Community College:						
17.282	TC-22511-11-60-A-41	1,696,191	-	29,113	155,938	126,825
Passed Through Portland Community College:						
17.269	13-423031-003	790,074	16,701	290,780	318,055	43,976
17.278	20201	320,636	60,170	60,170	-	-
17.258	20201	221,575	41,813	41,813	-	-
17.278	21201	247,369	-	197,191	237,682	40,491
17.258	21201	171,901	-	137,031	165,169	28,138
17.260	28211	225,000	6,882	6,882	-	6,882
17.275	29212	362,663	25,987	170,482	158,724	14,229
17.275	IGA0330	111,558	19,889	19,889	-	-
Total U.S. Department of Labor						
			171,442	946,469	1,035,568	260,541
<b><u>U. S. DEPARTMENT OF COMMERCE - NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION:</u></b>						
Direct program:						
11.558	41-50-M09042	1,120,000	-	118,324	181,656	63,332

LANE COMMUNITY COLLEGE

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2012

Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue July 1, 2011	Receipts	Expenditures	Accrued (Deferred) Revenue June 30, 2012
<b>U. S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES:</b>						
Direct programs:						
93.924	T22HA22935	\$ 162,197	\$ -	\$ 162,197	\$ 162,197	\$ -
93.887	C76HF19806-01-00	495,000	8,623	73,768	167,720	102,575
93.575	11-276/135349	890,452	-	326,808	441,627	114,819
93.721	GSMM10123ASTLCC	63,513	31,271	40,409	9,138	-
93.721	9OCC007701	122,197	1,304	62,918	61,614	-
93.575	09-11RR06	561,752	157,934	157,934	-	-
93.575	DH509-11RR06	312,533	41,472	41,472	-	-
93.767	28381	2,667	-	2,667	-	(2,667)
93.778	28381	1,333	-	1,333	-	(1,333)
93.928		92,801	9,111	9,111	-	-
93.558	20303	128,225	21,551	21,551	-	-
93.575	IGRA 0385	22,400	4,456	4,456	-	-
93.575	ARRA09-10RR06-01	55,556	30,556	30,556	-	-
Total U.S. Department of Health & Human Services			306,278	935,180	842,296	213,394
Total all programs			\$ 2,810,832	\$ 114,307,603	\$ 114,966,611	\$ 3,469,840

**Note To Schedule of Expenditures of Federal Awards:**

Basis of Accounting - The schedule of expenditures of federal awards presents receipts on the cash basis of accounting and presents expenditures on the accrual basis of accounting. Differences between receipts and expenditures are reflected as accrued (deferred) revenues.

LANE COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2012

A - SUMMARY OF AUDIT RESULTS:

1. The independent auditor's report expresses an unqualified opinion on the financial statements of Lane Community College.
2. There were no significant deficiencies in internal control over financial reporting reported during the audit of the financial statements of Lane Community College.
3. No instances of noncompliance material to the financial statements of Lane Community College were disclosed during the audit.
4. There were no significant deficiencies in internal control over compliance reported during the audit of the major federal award programs of Lane Community College.
5. The independent auditor's report on compliance for the major federal award programs of Lane Community College expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs of Lane Community College are reported in this schedule.
7. The programs tested as major programs included the following programs:

<u>Program Name</u>	<u>CFDA Number</u>
Student Financial Aid Cluster:	
Federal Supplemental Educational Opportunity Grants	84.007
Federal Direct Student Loans	84.268
Perkins Loans	84.038
Federal Work-Study Program	84.033
Federal Pell Grant Program	84.063
Small Business Development Centers	59.037

8. The threshold for distinguishing Type A programs from Type B programs was \$1,344,000.
9. Lane Community College was determined to be a low-risk auditee.

B - FINDINGS, FINANCIAL STATEMENTS AUDIT:

None.

C - FINDINGS AND QUESTIONED COSTS, MAJOR FEDERAL AWARD PROGRAMS AUDIT:

None.

## **INDEPENDENT AUDITOR'S COMMENTS**

INDEPENDENT AUDITOR'S COMMENTS  
REQUIRED BY OREGON STATE REGULATIONS

November 28, 2012

Board of Education  
Lane Community College  
Eugene, Oregon

We have audited the financial statements of Lane Community College as of and for the year ended June 30, 2012, and have issued our report thereon dated November 28, 2012. 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.

Internal Control

Our report on Lane Community College's internal control over financial reporting is presented elsewhere in this Comprehensive Annual Financial Report.

Compliance

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

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

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

In connection with our testing nothing came to our attention that caused us to believe Lane Community College 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:

- As discussed in Note 13 to the financial statements, the College overexpended three appropriations during the year. ORS 294.435(4) provides that no greater amount be expended than appropriated except as specifically provided by law.

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

*Kenneth Kuhns & Co.*

Kenneth Kuhns & Co.