

**LANE COMMUNITY COLLEGE  
EUGENE, OREGON**

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
Year Ended June 30, 2013**

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EUGENE, OREGON**

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Year Ended June 30, 2013**

**Mary F.T. Spilde, President  
Stan M. Barker, Director of College Finance**

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## **INTRODUCTORY SECTION**



December 9, 2013

Board of Education  
Lane Community College  
4000 E. 30th 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, 2013, 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, 2013, 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 354,200. In recent years, more than 37,000 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 \$34,561. Oregon's economic analysis for 2013 shows growth in Oregon's jobs, household income levels and tax revenues. Going forward, the outlook calls for growth to stabilize around current rates for the period through 2015. Economic output (Gross Domestic Product) and worker productivity are advancing at a positive, yet sluggish, pace. Private sector employment has expanded at approximately a 2 percent annualized rate, far below the 3.0-3.5 percent growth experienced in past expansions. Two primary reasons for this slower rate of growth have been large cutbacks among housing-related industries and government. As the housing rebound continues, and state and local governments stabilize, these two weights are being lifted. 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 December 14, 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

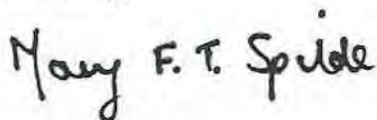
The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to Lane Community College for its comprehensive annual financial report for the fiscal year ended June 30, 2012. In order to be awarded a Certificate 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



Stan M. Barker  
Director of College Finance

LANE COMMUNITY COLLEGE

June 30, 2013

***Board of Education***

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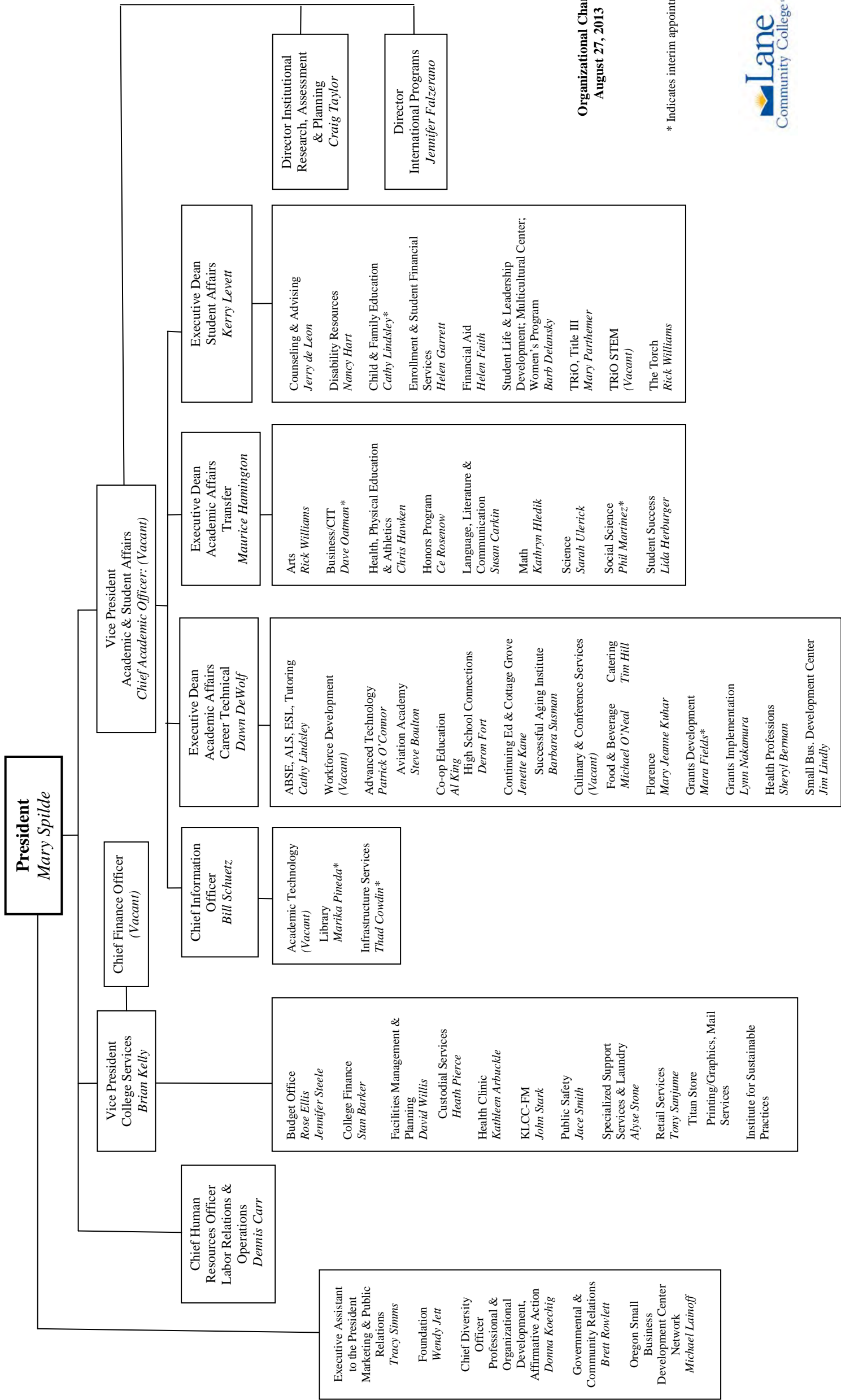
<u>Official</u>	<u>Address</u>	<u>Office</u>
Sharon Stiles	642 35 <sup>th</sup> Court Florence, Oregon 97439	Chair
Rosie Pryor	2671 Wilshire Drive Eugene, Oregon 97405	Vice Chair
Robert Ackerman	PO Box 41749 Eugene, Oregon 97404	Member
Pat Albright	2712 Jackson Street Eugene, Oregon 97405	Member
Matt Keating	2486 Blackburn Eugene, Oregon 97405	Member
Gary LeClair	3100 MLK Jr Parkway Springfield, Oregon 97477	Member
Tony McCown	650 Harlow Road, #254 Springfield, Oregon 97477	Member

***Administration***

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Mary F.T. Spilde President

Stan M. Barker Director of College Finance



**Organizational Chart  
August 27, 2013**

\* Indicates interim appointment





Government Finance Officers Association

**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, 2012**

Executive Director/CEO

## **FINANCIAL SECTION**

INDEPENDENT AUDITOR'S REPORT

December 9, 2013

Board of Education  
Lane Community College  
Eugene, Oregon

**Report on the Financial Statements**

We have audited the accompanying financial statements of Lane Community College and Lane Community College Foundation, its discretely presented component unit, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Lane Community College's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We 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 solely 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 from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of Lane Community College and Lane Community College Foundation as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 10 and the schedule of funding progress on page 35 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.

#### ***Other Supplementary Information and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lane Community College's basic financial statements. The other supplementary information listed in the table of contents, introductory section, statistical section, 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.

The other supplementary information and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2013 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* in considering Lane Community College's internal control over financial reporting and compliance.

*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, 2013. 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 Position*, 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 position – is an indicator of the College's present financial condition. Over time, increases or decreases in the College's net position 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 Position*, 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, 2013 the College's assets exceeded its liabilities by \$133,356,925 (Net Position). Of this amount, \$39,038,664 is classified as unrestricted net position. This unrestricted net position may be used to meet the College's ongoing obligations. The largest component (\$83,679,346) of net position is the College's net 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 45.8% decrease from 2012. 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 7.
- Extensive capital construction at the College has resulted in an increase in Capital Assets Net at the end of the year.
- The College's net position decreased from the prior year.

## Analysis of the Statement of Net Position As of June 30, 2013

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 position is a measure of the College's financial condition.

In summary form net position consisted of:

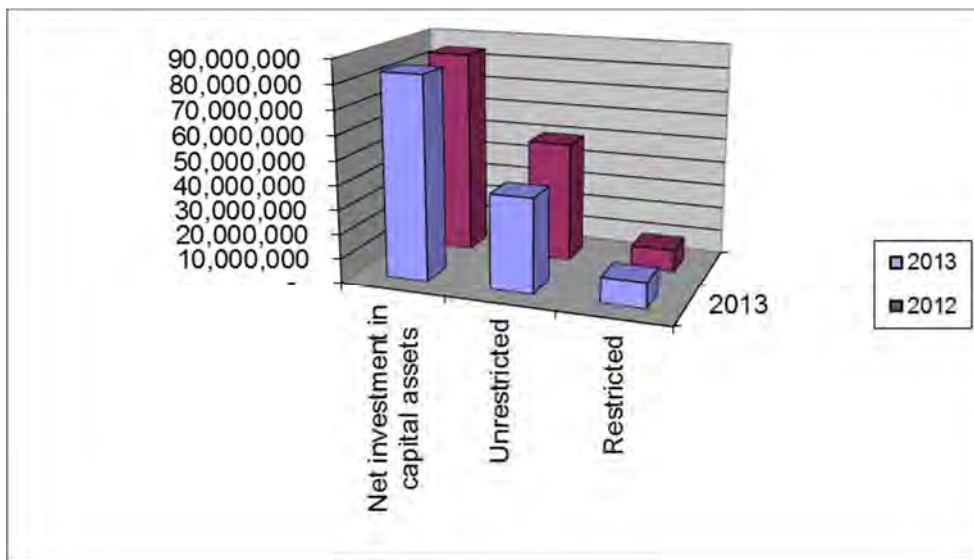
	2013	2012	% Change
<b>Assets</b>			
Current assets	\$ 87,250,197	\$ 70,295,232	24.12%
Pension asset	55,180,212	54,222,876	1.77%
Capital assets, net	147,621,344	136,489,942	8.16%
Other noncurrent assets	18,867,733	21,236,463	-11.15%
Total assets	<u>\$ 308,919,486</u>	<u>\$ 282,244,513</u>	9.45%
<b>Liabilities</b>			
Current liabilities	\$ 35,186,294	\$ 38,835,410	-9.40%
Noncurrent liabilities	140,376,267	99,990,703	40.39%
Total liabilities	<u>175,562,561</u>	<u>138,826,113</u>	26.46%
<b>Net Position</b>			
Net investment in capital assets	83,679,346	84,501,930	-0.97%
Restricted	10,638,915	9,207,952	15.54%
Unrestricted	39,038,664	49,708,518	-21.46%
Total net position	<u>133,356,925</u>	<u>143,418,400</u>	-7.02%
Total liabilities and net position	<u>\$ 308,919,486</u>	<u>\$ 282,244,513</u>	9.45%

At June 30, 2013 the College’s current assets of \$87.25 million was sufficient to cover current liabilities of \$35.19 million. This represents a current ratio of 2.48. Current assets consist primarily of cash and cash equivalents, investments, receivables from property taxes, student accounts and grants, plus bookstore inventory. The College’s Pension asset of \$55.18 million was 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 (\$9.51 million) of long-term obligations. Noncurrent liabilities consist of long-term debt relating to general obligation bonds, pension bonds, and other debt obligations.

Within net position, the “invested in capital assets” amount of \$83,679,346 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 position consisted of amounts legally restricted for student financial aid grants and loans, debt service, pension obligations and grants and contracts.

The following graph shows the allocation of net position for the College:



**Analysis of the Statement of Revenues, Expenses and Changes in Net Position  
For the Year Ended June 30, 2013**

The Statement of Revenues, Expenses and Changes in Net Position presents the College’s operating results, as well as its non-operating revenues and expenses, and reconciles the changes in net position (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:

	2013	2012	Percent Change
<b>Operating revenues:</b>			
Student tuition and fees	\$ 47,533,472	\$ 50,944,010	-6.69%
Grants and contracts	47,573,883	52,458,273	-9.31%
Sales of goods and services	11,777,535	13,781,545	-14.54%
Other operating revenue	11,304,573	7,991,844	41.45%
Total operating revenues	118,189,463	125,175,672	-5.58%
<b>Nonoperating revenues:</b>			
State community college support	18,147,123	33,478,815	-45.80%
Property taxes	22,916,036	23,037,606	-0.53%
Investment income	6,670,074	905,484	636.63%
Total revenues	165,922,696	182,597,577	-9.13%
<b>Operating expenses:</b>			
Instruction	61,109,207	59,592,551	2.55%
Community services	6,560,038	6,412,405	2.30%
Instructional support services	6,154,786	5,921,969	3.93%
Student services	25,638,484	26,379,672	-2.81%
College support services	15,514,136	14,287,846	8.58%
Plant operations and maintenance	9,736,298	10,730,306	-9.26%
Financial aid	40,664,353	45,242,381	-10.12%
Depreciation	4,233,641	3,705,278	14.26%
Total operating expenses	169,610,943	172,272,408	-1.54%
Nonoperating expenses	6,057,698	4,554,558	33.00%
Total expenses	175,668,641	176,826,966	-0.66%
Income (loss) before contributions	(9,745,945)	5,770,611	-268.89%
Capital contributions	448,000	17,083,163	-97.38%
Change in net position	(9,297,945)	22,853,774	-140.68%
Net position - beginning	143,418,400	120,564,626	18.96%
Prior period adjustment	(763,530)	-	
Net position - ending	\$ 133,356,925	\$ 143,418,400	-7.02%

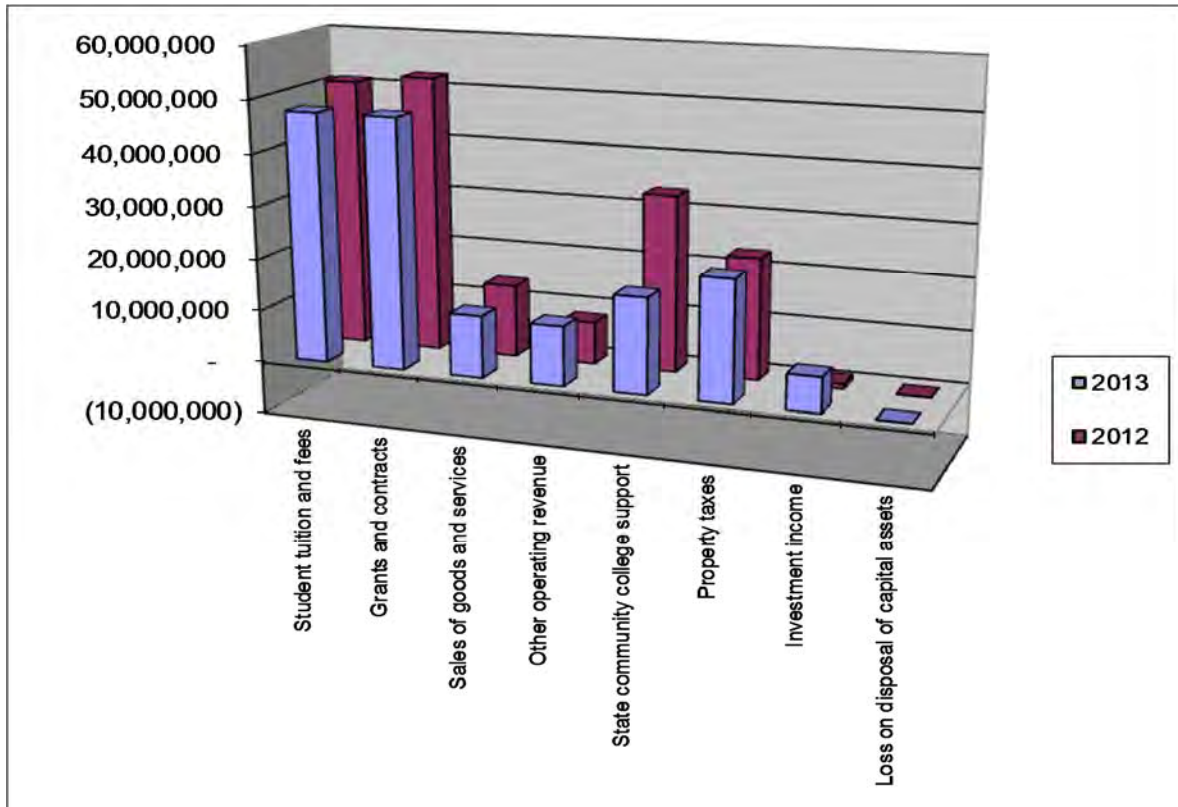
*Revenues:*

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.

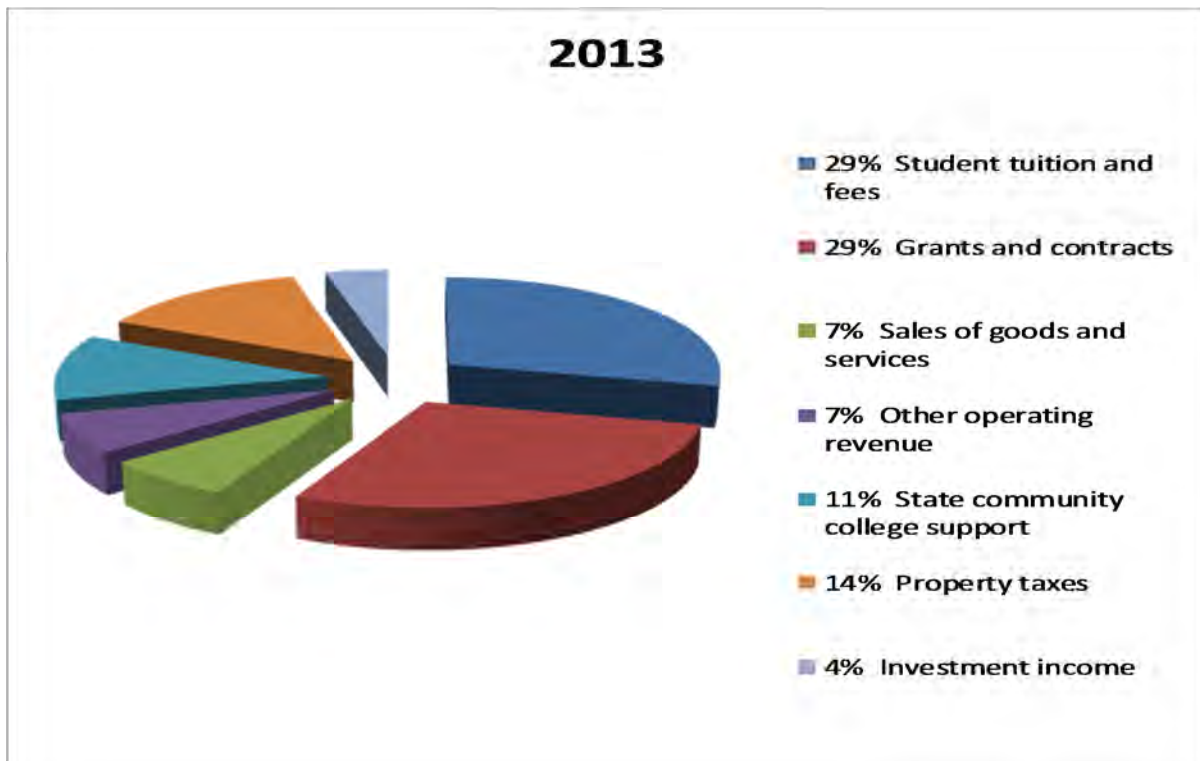
Appropriations from the State of Oregon constitute 38% of non-operating revenue. The College received \$18,147,123 in State aid in this fiscal year, which represented a 45.8% decrease from the prior year. The reason for this stems from the 2003 legislative session, in which the Oregon Legislature acted 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 increasing the revenue from State aid in 2012. The reverse happened in 2013 when the College's revenue for



the 4<sup>th</sup> quarterly payment of \$6,406,994 was paid in July, thus shifting it from 2013 and into the 2014 fiscal year. This produces the large disparity in State aid between 2012 and 2013. The following graph shows a comparison of revenue sources from 2012 to 2013:



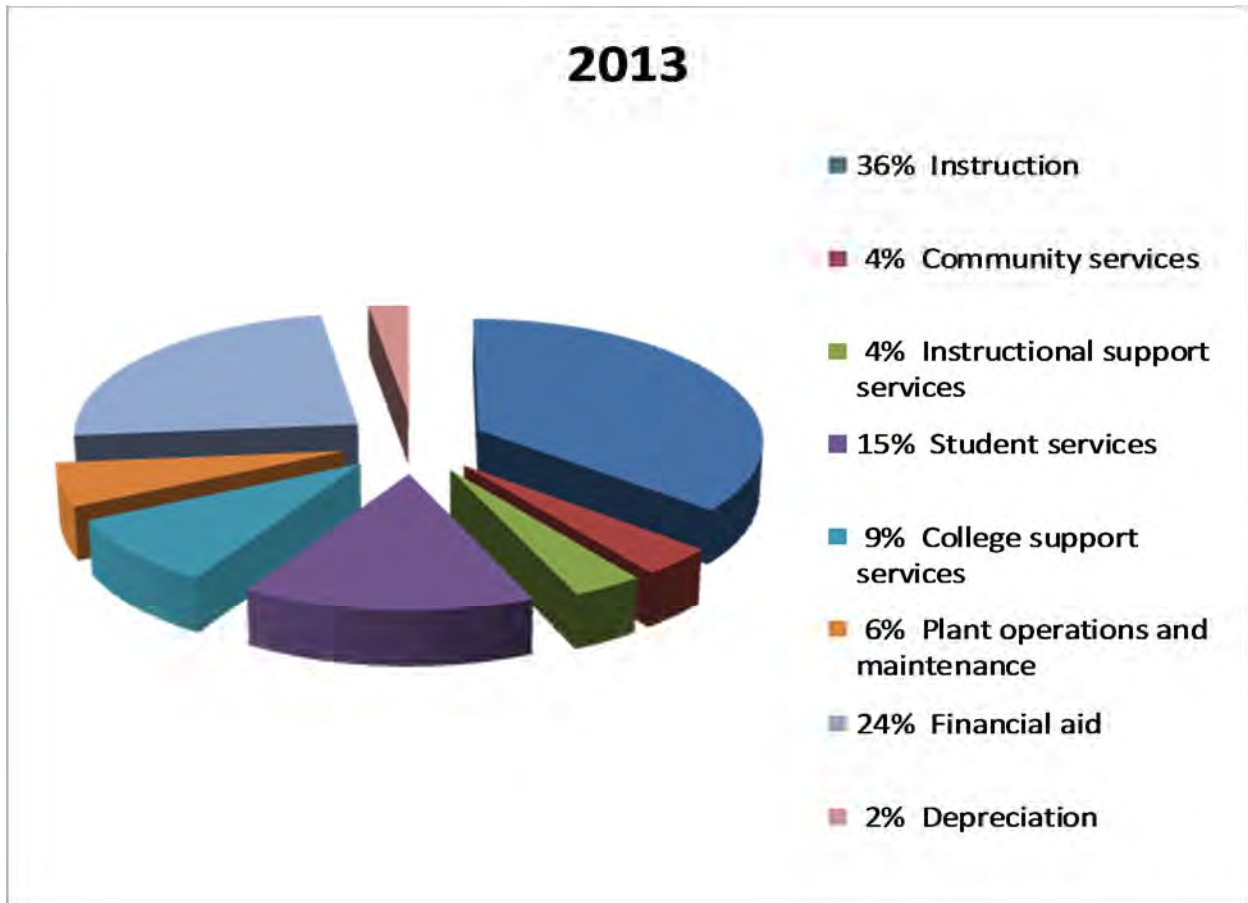
The following graph shows the percentage allocation of revenue sources for 2013:



*Expenses:*

The College expended \$169,610,943 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 2013:



**Analysis of the Statement of Cash Flows  
For the Year Ended June 30, 2013**

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:

	2013	2012	Percent Change
Cash provided by (used in)			
Operating activities	\$ (42,950,105)	\$(26,444,411)	-62.42%
Non-capital financing activities	30,619,521	45,586,703	-32.83%
Capital financing activities	27,320,631	(25,544,491)	206.95%
Investing activities	(2,099,732)	(8,027,268)	73.84%
Net increase (decrease) in cash	12,890,315	(14,429,467)	189.33%
Cash - beginning of year	34,601,575	49,031,042	-29.43%
Cash - end of year	<u>\$ 47,491,890</u>	<u>\$ 34,601,575</u>	37.25%

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 7. 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, 2013 amounts to \$147.6 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, 2013 the College had total long-term obligations outstanding of \$139,064,807. 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 Position  
June 30, 2013

<u>Assets</u>	<u>College</u>	<u>Foundation (Component Unit)</u>
Current assets:		
Cash and cash equivalents	\$ 47,491,890	\$ 8,905,187
Investments	24,048,682	-
Receivables, net:		
Property taxes	1,851,317	-
Accounts	11,466,128	645,202
Interest	254,241	-
Loans and notes, current portion	450,000	14,198
Prepayments	520,571	9,868
Inventories	1,167,368	-
Total current assets	<u>87,250,197</u>	<u>9,574,455</u>
Noncurrent assets:		
Receivables, net	17,117,237	816,602
Long term investments	-	12,232,988
Pension asset	55,180,212	-
Net pension obligation	1,750,496	-
Investment in property, annuity trust	-	787,200
Capital assets:		
Non-depreciable	67,831,138	-
Depreciable	131,150,036	11,782,213
Less accumulated depreciation	(51,359,830)	(143,127)
Total noncurrent assets	<u>221,669,289</u>	<u>25,475,876</u>
Total assets	<u>308,919,486</u>	<u>35,050,331</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	4,620,159	83,215
Accrued liabilities	5,832,328	-
Accrued interest payable	177,827	-
Due to others	55,671	-
Unearned revenue	14,988,289	121,980
Current maturities of long-term obligations	9,512,020	40,000
Total current liabilities	<u>35,186,294</u>	<u>245,195</u>
Noncurrent liabilities:		
Long-term obligations, net of current maturities:		
Bonds and obligations payable	132,582,695	-
Bonds payable premium	6,482,112	-
Notes payable	-	18,710,000
Net OPEB obligation	1,311,460	-
Obligations under split-interest agreements	-	218,231
Total noncurrent liabilities	<u>140,376,267</u>	<u>18,928,231</u>
Total liabilities	<u>175,562,561</u>	<u>19,173,426</u>
<u>Net Position</u>		
Net investment in capital assets	<u>83,679,346</u>	<u>-</u>
Restricted for debt service	1,690,201	-
Restricted for pension obligations	3,097,517	-
Restricted for student financial aid	5,542,309	-
Restricted for grants and contracts	308,888	-
Restricted for permanent endowment	-	9,430,915
Restricted for temporary endowment and scholarships	-	5,641,130
Total restricted net position	<u>10,638,915</u>	<u>15,072,045</u>
Unrestricted	<u>39,038,664</u>	<u>804,860</u>
Total net position	<u>\$ 133,356,925</u>	<u>\$ 15,876,905</u>

The accompanying notes are an integral part of this statement

LANE COMMUNITY COLLEGE

Statement of Revenues, Expenses and Changes in Net Position  
Year Ended June 30, 2013

	<u>College</u>	<u>Foundation (Component Unit)</u>
Operating revenues:		
Student tuition and fees	\$ 47,533,472	\$ -
Grants and contracts	47,573,883	-
Sales of goods and services	11,777,535	-
Other operating revenue	<u>11,304,573</u>	<u>3,906,476</u>
Total operating revenues	<u>118,189,463</u>	<u>3,906,476</u>
Operating expenses:		
Instruction	61,109,207	-
Community services	6,560,038	-
Instructional support services	6,154,786	-
Student services	25,638,484	-
College support services	15,514,136	-
Plant operations and maintenance	9,736,298	-
Financial aid	40,664,353	-
Foundation programs	-	3,675,077
Depreciation	<u>4,233,641</u>	<u>-</u>
Total operating expenses	<u>169,610,943</u>	<u>3,675,077</u>
Operating income-(loss)	<u>(51,421,480)</u>	<u>231,399</u>
Nonoperating revenues-(expenses):		
State community college support	18,147,123	-
Property taxes	22,916,036	-
Investment income	621,042	1,105,965
Investment income from pension asset	6,049,032	-
Interest expense	(5,781,172)	-
Bond issuance costs	(254,752)	-
Loss on disposal of capital assets	<u>(21,774)</u>	<u>-</u>
Total nonoperating revenues-(expenses)	<u>41,675,535</u>	<u>1,105,965</u>
Income-(loss) before contributions	(9,745,945)	1,337,364
Capital contributions	<u>448,000</u>	<u>-</u>
Change in net position	(9,297,945)	1,337,364
Net position - July 1, 2012	143,418,400	14,539,541
Prior period adjustment	<u>(763,530)</u>	<u>-</u>
Net position - June 30, 2013	<u>\$ 133,356,925</u>	<u>\$ 15,876,905</u>

The accompanying notes are an integral part of this statement.

LANE COMMUNITY COLLEGE

Statement of Cash Flows  
Year Ended June 30, 2013

	College
Cash flows from operating activities:	
Tuition and fees	\$ 47,371,520
Grants and contracts	48,102,267
Sales of goods and services	11,612,950
Other cash receipts	11,131,692
Payments to employees for services	(92,715,485)
Payments to suppliers for goods and services	(28,471,616)
Payments for student scholarships and grants	(39,981,433)
Net cash used in operating activities	(42,950,105)
Cash flows from noncapital financing activities:	
Cash received from State community college support	18,147,123
Cash received from property taxes	16,296,647
Principal paid on pension bonds	(2,295,000)
Interest paid on pension bonds	(1,529,249)
Net cash provided by noncapital financing activities	30,619,521
Cash flows from capital and related financing activities:	
Proceeds from bonds payable	39,500,000
Proceeds from bond premium	6,260,218
Cash received from property taxes	6,525,668
Capital grants received	450,300
Proceeds from sale of capital assets	6,065
Acquisition of capital assets	(18,022,143)
Principal paid on bonds and debt obligations	(3,765,000)
Interest paid on bonds and debt obligations	(3,379,725)
Cash paid for bond issuance costs	(254,752)
Net cash provided by capital and related financing activities	27,320,631
Cash flows from investing activities:	
Purchase of investments	(22,829,813)
Proceeds from sales of investments	20,204,063
Interest on investments	526,018
Net cash used in investing activities	(2,099,732)
Net increase in cash and cash equivalents	12,890,315
Cash and cash equivalents - July 1, 2012	34,601,575
Cash and cash equivalents - June 30, 2013	\$ 47,491,890

The accompanying notes are an integral part of this statement.



LANE COMMUNITY COLLEGE

Statement of Cash Flows  
Year Ended June 30, 2013

	<u>College</u>
Reconciliation of operating income-(loss) to net cash used in operating activities:	
Operating income-(loss)	<u>\$ (51,421,480)</u>
Adjustments to reconcile operating income-(loss) to net cash used in operating activities:	
Depreciation	4,233,641
Amortization	4,590,578
Decrease-(increase) in:	
Accounts receivable	527,924
Loans and notes receivable	471,818
Inventories	(10,180)
Prepaid expenses	(45,066)
Net pension obligation	(206,865)
Increase-(decrease) in:	
Accounts payable	(66,537)
Accrued liabilities	(8,028)
Vacation payable	(37,308)
Due to others	(7,826)
Unearned revenue	(970,776)
Total adjustments	<u>8,471,375</u>
Net cash used in operating activities	<u>\$ (42,950,105)</u>
Noncash Investing, Capital and Financing Activities:	
Investment income from pension asset	\$ 6,049,032
Pension asset	(6,049,032)
Accreted interest on deferred interest bonds	1,526,578
Interest expense	(1,526,578)
Interest expense capitalized	718,918
Acquisition of capital assets	(718,918)
Capital contributions	(2,300)
Capital contributions receivable	2,300
Decrease in fair value of investments	167,051
Investment income from investments	(167,051)
Book value of capital assets disposed	27,839
Loss on disposal of capital assets	(27,839)
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, 2013

### 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*, issued in June and November 1999, as amended by Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, issued in June 2011. 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, 2013, the Foundation provided scholarships of \$560,091 for the benefit of the College. The College provided personnel and administrative contributions to the Foundation totaling \$251,992 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.

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) Change in Accounting Principles

A change in accounting principles requires the reporting of bond issuance costs as an expense as they are incurred. This change in accounting principles resulted in the College expensing \$763,530 in 2012-13 as a prior year adjustment to beginning net position.

(E) 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.

(F) 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)

(F) 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.

(G) 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.

(H) 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 of student financial aid loans made with federal funds and notes receivable from the College's New Market Tax Credits in connection with the Downtown Center construction.

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

(I) 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.

(J) 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)

(J) 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 2012-13 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

(K) 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.

(L) Leases

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

(M) 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, 2013

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Contd)

(M) 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.

(N) Net Position

Net position is the difference between the College's total assets and deferred outflows and total liabilities and deferred inflows. Net position is subdivided into three categories: net investment in capital assets, restricted, and unrestricted. When an expense is incurred for purposes for which both restricted and unrestricted assets are available, the College uses restricted resources first.

Net investment in capital assets represents capital assets, less accumulated depreciation and outstanding principal of capital asset related debt. Net position for which constraints were imposed by creditors, grantors, contributors or laws or regulations is categorized as restricted.

2 - CASH AND INVESTMENTS:

The College's cash and investments are comprised of the following at June 30, 2013:

Cash on hand and other	\$ 56,337
Deposits with financial institutions	12,164,276
Investments	<u>60,325,935</u>
Total cash and investments	72,546,548
Less cash and investments in pension trust fund	<u>(1,005,976)</u>
Cash and investments, as reported in statement of net position	<u>\$ 71,540,572</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, 2013, is \$13,396,992. Of these deposits, \$560,488 was covered by federal depository insurance.

LANE COMMUNITY COLLEGE

Notes to Financial Statements  
Year Ended June 30, 2013

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 follows State law with respect to custodial credit risk and has not adopted a separate policy. Deposits in excess of FDIC insured amounts were exposed to custodial credit risk as of June 30, 2013, because these deposits 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-	\$ 1,510,814	2.5%	\$ 1,510,814	\$ -
Barclays Bank	A	4,033,276	6.7%	4,033,276	-
Credit Suisse	A	3,075,369	5.1%	3,075,369	-
GE Capital Corp	AA+	1,003,212	1.6%	1,003,212	-
HSBC Finance Corp	A	3,192,344	5.3%	3,192,344	-
JP Morgan Chase	A	2,211,914	3.7%	2,211,914	-
UBS AG	A	1,672,850	2.8%	1,672,850	-
Wells Fargo & Co.	A	4,333,741	7.2%	4,333,741	-
Westpac Banking Corp	AA-	3,015,162	5.0%	3,015,162	-
Investment in Oregon Local Government					
Investment Pool		36,277,253	60.1%	36,277,253	-
Total investments		<u>\$ 60,325,935</u>	<u>100.0%</u>	<u>\$ 60,325,935</u>	<u>\$ -</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, 2013

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, 2013 were: 71% mature within 93 days, 9% 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.

Restricted Cash and Investments

At June 30, 2013, the College had \$29,540,114 in unspent general obligation bond proceeds. These unspent proceeds are restricted for capital improvements.

Foundation Cash and Investments

The Foundation's cash and cash equivalents consist of demand deposits with financial institutions. At June 30, 2013, \$10,037,251 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 Foundation's statement of activities. A summary of investments at June 30, 2013 is as follows:

Money market/cash management accounts	\$ 590,038
Certificates of deposit	1,905,055
Equity securities	6,893,279
U.S. Government and agency obligations	972,358
Corporate bonds	<u>1,872,258</u>
Total investments	<u>\$ 12,232,988</u>

LANE COMMUNITY COLLEGE

Notes to Financial Statements  
Year Ended June 30, 2013

3 - CAPITAL ASSETS:

The College's capital assets activity for the year ended June 30, 2013 was as follows:

	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013
Capital assets not being depreciated:				
Land	\$ 5,695,522	\$ -	\$ -	\$ 5,695,522
Construction in progress	50,932,977	14,822,811	3,620,172	62,135,616
Total capital assets not being depreciated	<u>56,628,499</u>	<u>14,822,811</u>	<u>3,620,172</u>	<u>67,831,138</u>
Capital assets being depreciated:				
Buildings and improvements	113,534,774	3,620,172	-	117,154,946
Furniture and equipment	8,808,882	520,071	197,971	9,130,982
Library books	4,814,108	50,000	-	4,864,108
Total capital assets being depreciated	<u>127,157,764</u>	<u>4,190,243</u>	<u>197,971</u>	<u>131,150,036</u>
Less accumulated depreciation for:				
Buildings and improvements	37,941,660	3,483,539	-	41,425,199
Furniture and equipment	5,155,194	539,686	170,132	5,524,748
Library books	4,199,467	210,416	-	4,409,883
Total accumulated depreciation	<u>47,296,321</u>	<u>4,233,641</u>	<u>170,132</u>	<u>51,359,830</u>
Total capital assets being depreciated, net	<u>79,861,443</u>	<u>(43,398)</u>	<u>27,839</u>	<u>79,790,206</u>
Total capital assets, net	<u>\$ 136,489,942</u>	<u>\$ 14,779,413</u>	<u>\$ 3,648,011</u>	<u>\$ 147,621,344</u>

4 - LONG-TERM OBLIGATIONS:

Changes in the College's long-term obligations for the year ended June 30, 2013 are as follows:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013	Due Within One Year	Interest Paid
Vacation payable	\$ 3,049,328	\$ 3,012,020	\$ 3,049,328	\$ 3,012,020	\$ 3,012,020	\$ -
Bonds payable	31,910,000	39,500,000	3,765,000	67,645,000	4,005,000	2,660,807
Bonds payable premium	723,012	6,260,218	501,118	6,482,112	-	-
Debt obligations payable	19,355,000	-	-	19,355,000	-	718,918
Pension bonds payable	52,851,117	1,526,578	2,295,000	52,082,695	2,495,000	1,529,249
Total	<u>\$ 107,888,457</u>	<u>\$ 50,298,816</u>	<u>\$ 9,610,446</u>	<u>\$ 148,576,827</u>	<u>\$ 9,512,020</u>	<u>\$ 4,908,974</u>

LANE COMMUNITY COLLEGE

Notes to Financial Statements  
Year Ended June 30, 2013

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 million and in August 2012, the College issued \$38 million in Series 2012 General Obligation Bonds. These general obligation bonds were issued 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% on the Series 2009 Bonds and 2.0% to 5.0% on the Series 2012 Bonds. Future bonded debt requirements are as follows:

	Series 2009 Bonds		Series 2012 Bonds		Total
	Principal	Interest	Principal	Interest	
2013-14	\$ 3,780,000	\$ 1,176,675	\$ 150,000	\$ 1,525,375	\$ 6,632,050
2014-15	1,935,000	1,053,075	2,220,000	1,522,375	6,730,450
2015-16	2,105,000	979,800	2,510,000	1,475,975	7,070,775
2016-17	2,295,000	889,600	2,750,000	1,420,775	7,355,375
2017-18	2,480,000	792,063	2,990,000	1,307,100	7,569,163
2018-19	1,205,000	687,862	4,575,000	1,176,900	7,644,762
2019-20	1,180,000	637,163	5,070,000	972,650	7,859,813
2020-21	2,250,000	587,462	4,585,000	774,850	8,197,312
2021-22	3,460,000	490,713	4,000,000	596,050	8,546,763
2022-23	3,725,000	348,300	4,295,000	437,300	8,805,600
2023-24	4,015,000	180,675	4,645,000	228,425	9,069,100
Totals	<u>\$28,430,000</u>	<u>\$ 7,823,388</u>	<u>\$37,790,000</u>	<u>\$ 11,437,775</u>	<u>\$85,481,163</u>

In October 2012, the College issued \$1,500,000 of Qualified Energy Conservation Bonds to finance capital costs for energy conservation measures. The bonds are due annually and interest is payable semi-annually, on June 15 and December 15, with interest at 4.62 percent per annum. The bonds qualify for interest subsidy payments from the U.S. Treasury for up to 70% of the interest payments on the bonds. Future bonded debt requirements are as follows:

LANE COMMUNITY COLLEGE

Notes to Financial Statements  
Year Ended June 30, 2013

4 - LONG-TERM OBLIGATIONS: (Contd)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013-14	\$ 75,000	\$ 65,835	\$ 140,835
2014-15	80,000	62,370	142,370
2015-16	80,000	58,674	138,674
2016-17	85,000	54,978	139,978
2017-18	90,000	51,051	141,051
2018-19	95,000	46,893	141,893
2019-20	100,000	42,504	142,504
2020-21	100,000	37,884	137,884
2021-22	105,000	33,264	138,264
2022-23	110,000	28,413	138,413
2023-24	115,000	23,331	138,331
2024-25	125,000	18,018	143,018
2025-26	130,000	12,243	142,243
2026-27	<u>135,000</u>	<u>6,237</u>	<u>141,237</u>
Total	<u>\$ 1,425,000</u>	<u>\$ 541,695</u>	<u>\$ 1,966,695</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, 2013

4 - LONG-TERM OBLIGATIONS: (Contd)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	<u>3,285,000</u>	<u>183,960</u>	<u>3,468,960</u>
 Total	 62,480,000	 <u>\$ 19,752,154</u>	 <u>\$ 82,232,154</u>
 Less deferred interest	 <u>(10,397,305)</u>		
 Carrying amount	 <u>\$ 52,082,695</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, 2013

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
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	\$19,355,000	\$19,263,929	\$ (8,668,766)	\$10,595,163	\$29,950,163

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 Foundation's statement of activities. The net revaluation of split-interest agreements at June 30, 2013 was \$25,334.

LANE COMMUNITY COLLEGE

Notes to Financial Statements  
Year Ended June 30, 2013

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, 2013, 2012 and 2011, totaled \$8,188,802, \$7,534,279 and \$6,058,368, 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 2012-13 fiscal year, changes in the pension asset were as follows:

Balance - July 1, 2012	\$ 54,222,876
Investment income	6,049,032
Contributions to cost sharing plan	<u>(5,091,696)</u>
Balance - June 30, 2013	<u>\$ 55,180,212</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, 2013

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, 2013, are as follows:

Annual required contribution	\$ 12,442
Interest on net pension obligation	(34,762)
Adjustment to annual required contribution	<u>180,569</u>
Annual pension cost	158,249
Contribution made	<u>(750,000)</u>
Increase-(decrease) in net pension obligation	(591,751)
Net pension obligation - July 1, 2012	<u>(1,158,745)</u>
Net pension obligation - June 30, 2013	<u><u>\$(1,750,496)</u></u>



LANE COMMUNITY COLLEGE

Notes to Financial Statements  
Year Ended June 30, 2013

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. The annual required contribution for 2013-14 has been determined as part of the July 1, 2013 actuarial valuation using the entry age normal cost method. Under this method, the actuarial present value of the projected benefits of each active employee included in the valuation is allocated on a level percentage of pay basis over the service of the active employee between assumed entry age (date of hire) and assumed exit age(s). The portion of this actuarial present value allocated to the valuation year is called the normal cost for that active employee. The sum of these individual normal costs is the plan's normal cost for the valuation year. The actuarial assumptions included (a) a discount rate of 3.0%, (b) an assumed inflation rate of 2.5% for all future years, and (c) 3.75% salary increases per annum for all employees. The unfunded actuarial liability is being amortized over an open 7 year period.

Three-Year Trend Information

The College's annual pension cost, the percentage of annual pension cost contributed to the plan, and the net pension obligation for the years ending June 30, 2013, June 30, 2012 and June 30, 2011, were as follows:

<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2013	\$ 158,249	474%	\$ (1,750,496)
6/30/2012	\$ 258,297	290%	\$ (1,158,745)
6/30/2011	\$ 173,910	60%	\$ (667,042)

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 99.3 percent funded. The actuarial accrued liability for benefits was \$1,012,963, and the actuarial value of assets was \$1,005,976, resulting in an unfunded actuarial accrued liability (UAAL) of \$6,987. The anticipated covered payroll (annual payroll of active employees covered by the plan) was \$12,907,543, and the ratio of the UAAL to the anticipated covered payroll was 0.05%.

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, 2013, in the following table:

LANE COMMUNITY COLLEGE

Notes to Financial Statements  
Year Ended June 30, 2013

5 - RETIREMENT PLANS: (Contd)

EARLY RETIREMENT PLAN: (CONTD)

**Statement of Plan Net Assets:**

Assets:	
Cash and investments	<u>\$ 1,005,976</u>
Net assets:	
Reserved for employee benefits	<u>\$ 1,005,976</u>

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

Additions:	
Employer contributions	\$ 750,000
Interest income	<u>2,711</u>
Total additions	752,711
Deductions:	
Benefits	<u>287,008</u>
Change in net assets	465,703
Net assets - beginning	<u>540,273</u>
Net assets - ending	<u>\$ 1,005,976</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 \$991,142 in contributions to the plan for payment of benefits in 2012-13.

LANE COMMUNITY COLLEGE

Notes to Financial Statements  
Year Ended June 30, 2013

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, 2013, are as follows:

Annual required contribution	\$ 1,432,819
Interest on net OPEB obligation	27,797
Adjustment to annual required contribution	<u>(84,588)</u>
Annual OPEB cost	1,376,028
Contribution made	<u>(991,142)</u>
Increase in net OPEB obligation	384,886
Net OPEB obligation - July 1, 2012	<u>926,574</u>
Net OPEB obligation - June 30, 2013	<u><u>\$ 1,311,460</u></u>

Three-Year Trend Information

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, 2013, June 30, 2012 and 2011, 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>
6/30/2013	\$ 1,376,028	72.0%	\$ 1,311,460
6/30/2012	\$ 1,289,920	82.2%	\$ 926,574
6/30/2011	\$ 1,085,381	84.1%	\$ 697,122

Funded Status and Funding Progress

As of July 1, 2013, the actuarial accrued liability for benefits was \$11,275,790 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$11,275,790. The covered payroll (annual payroll of active employees covered by the plan) was \$36,449,805 and the ratio of the UAAL to the covered payroll was 30.9%.

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.

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.

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.

The annual required contribution for the year was determined as part of the July 1, 2011 actuarial valuation. The annual required contribution for 2013-14 has been determined as part of the July 1, 2013 actuarial valuation using the entry age normal cost method. Under this method, the actuarial present value of the projected benefits of each active employee included in the valuation is allocated on a level percentage of pay basis over the service of the active employee between assumed entry age (date of hire) and assumed exit age(s). The portion of this actuarial present value allocated to the valuation year is called the normal cost for that active employee. The sum of these individual normal costs is the plan's normal cost for the valuation year. The actuarial assumptions included (a) a discount rate of 3.0%, (b) an assumed inflation rate of 2.5% for all future years, and (c) an annual rate of increase in medical care costs of 8.0%. The unfunded actuarial liability 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 QLICIs 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 – 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 \$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, 2013, the assets, liabilities and members capital of the subsidiary consisted of the following:

LANE COMMUNITY COLLEGE

Notes to Financial Statements  
Year Ended June 30, 2013

10 – LANE COMMUNITY COLLEGE FOUNDATION –  
DOWNTOWN CAMPUS QALICB, LLC: (Contd)

Cash	\$ 7,745,868
Accounts receivable	61,275
Building, net of accumulated depreciation	11,111,151
Intangible assets, net of accumulated depreciation	<u>527,935</u>
Total assets	<u><u>\$ 19,446,229</u></u>
Accounts payable	\$ 15,563
Notes payable	18,710,000
Investment from the Foundation	<u>720,666</u>
Total liabilities and member capital	<u><u>\$ 19,446,229</u></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.

11 – 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 2012-13 fiscal year, the College overexpended the Student Financial Aid Fund transfers out appropriation by \$50,000 and the Debt Service Fund debt service appropriation by \$217,575.

## **Required Supplementary Information**

LANE COMMUNITY COLLEGE

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Anticipated Covered Payroll</u>	<u>Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll</u>
<b>Early Retirement Plan:</b>						
7/1/2013	\$ 1,005,976	\$ 1,012,963	\$ 6,987	99.3%	\$ 12,907,543	0.05%
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%

The annual required contribution is calculated using the entry age normal cost method. The College receives an actuarial valuation every two years.

**Postemployment Health Care Benefits Plan:**

7/1/2013	\$ -	\$ 11,275,790	\$ 11,275,790	0%	\$ 36,449,805	30.9%
7/1/2011	\$ -	\$ 9,148,512	\$ 9,148,512	0%	\$ 35,303,548	25.9%
7/1/2009	\$ -	\$ 7,526,096	\$ 7,526,096	0%	NA	NA

The annual required contribution is calculated using the entry age normal cost method. The College receives an actuarial valuation every two years.

NA - payroll information was not available.



## **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, 2013

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 24,064,469	\$ 18,152,938	\$ (5,911,531)
Property taxes	16,000,000	16,292,305	292,305
Tuition and fees:			
Tuition	40,075,746	35,483,570	(4,592,176)
Instruction fees	4,647,500	4,358,281	(289,219)
Other sources:			
Sales of goods and services	509,350	388,000	(121,350)
Interest income	200,000	164,466	(35,534)
Other	3,617,330	2,900,143	(717,187)
<b>Total revenues</b>	<b>89,114,395</b>	<b>77,739,703</b>	<b>(11,374,692)</b>
<b>Expenditures:</b>			
Instruction:			
Personal services	50,634,558	49,350,807	1,283,751
Materials and services	4,448,229	3,051,379	1,396,850
Capital outlay	144,291	35,437	108,854
<b>Total instruction</b>	<b>55,227,078</b>	<b>52,437,623</b>	<b>2,789,455</b>
Instructional support services:			
Personal services	4,334,487	4,402,871	(68,384)
Materials and services	1,096,549	711,117	385,432
Capital outlay	299,250	113,250	186,000
<b>Total instructional support services</b>	<b>5,730,286</b>	<b>5,227,238</b>	<b>503,048</b>
Student services:			
Personal services	8,261,971	7,924,031	337,940
Materials and services	641,039	474,203	166,836
<b>Total student services</b>	<b>8,903,010</b>	<b>8,398,234</b>	<b>504,776</b>
College support services:			
Personal services	9,626,152	9,491,041	135,111
Materials and services	5,638,385	4,611,195	1,027,190
Capital outlay	320,645	178,042	142,603
<b>Total college support services</b>	<b>15,585,182</b>	<b>14,280,278</b>	<b>1,304,904</b>

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
GENERAL FUND  
Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures: (Contd)			
Plant operations and maintenance:			
Personal services	\$ 3,563,915	\$ 3,638,992	\$ (75,077)
Materials and services	3,256,571	2,723,995	532,576
Capital outlay	122,314	-	122,314
	<u>6,942,800</u>	<u>6,362,987</u>	<u>579,813</u>
Contingency	639,854	-	639,854
	<u>93,028,210</u>	<u>86,706,360</u>	<u>6,321,850</u>
Total expenditures	<u>93,028,210</u>	<u>86,706,360</u>	<u>6,321,850</u>
Revenues over-(under) expenditures	<u>(3,913,815)</u>	<u>(8,966,657)</u>	<u>(5,052,842)</u>
Other financing sources-(uses):			
Transfers in	1,001,590	1,013,701	12,111
Transfers out	(4,331,787)	(3,489,838)	841,949
	<u>(3,330,197)</u>	<u>(2,476,137)</u>	<u>854,060</u>
Total other financing sources-(uses)	<u>(3,330,197)</u>	<u>(2,476,137)</u>	<u>854,060</u>
Changes in fund balance	(7,244,012)	(11,442,794)	(4,198,782)
Fund balance, as restated - July 1, 2012	<u>10,144,012</u>	<u>16,447,343</u>	<u>6,303,331</u>
Fund balance - June 30, 2013	<u>\$ 2,900,000</u>	<u>\$ 5,004,549</u>	<u>\$ 2,104,549</u>

## LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
ADMINISTRATIVELY RESTRICTED FUND  
Year Ended June 30, 2013

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 1,025,000	\$ 226,724	\$ (798,276)
Tuition and fees:			
Tuition	670,000	467,987	(202,013)
Instruction fees	3,240,925	3,996,581	755,656
Other sources:			
Sales of goods and services	1,183,151	1,909,874	726,723
Interest income	14,000	4,430	(9,570)
Other	5,740,417	4,142,084	(1,598,333)
Total revenues	<u>11,873,493</u>	<u>10,747,680</u>	<u>(1,125,813)</u>
<b>Expenditures:</b>			
Instruction:			
Personal services	3,172,824	3,500,408	(327,584)
Materials and services	4,439,462	1,028,430	3,411,032
Capital outlay	20,000	19,772	228
Total instruction	<u>7,632,286</u>	<u>4,548,610</u>	<u>3,083,676</u>
Community services:			
Personal services	1,260,873	1,176,974	83,899
Materials and services	889,621	415,880	473,741
Total community services	<u>2,150,494</u>	<u>1,592,854</u>	<u>557,640</u>
Instructional support services:			
Personal services	543,130	732,761	(189,631)
Materials and services	393,259	181,502	211,757
Capital outlay	51,500	51,500	-
Total instructional support services	<u>987,889</u>	<u>965,763</u>	<u>22,126</u>
Student services:			
Personal services	2,322,076	2,215,685	106,391
Materials and services	2,748,253	1,434,678	1,313,575
Total student services	<u>5,070,329</u>	<u>3,650,363</u>	<u>1,419,966</u>

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
ADMINISTRATIVELY RESTRICTED FUND  
Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures: (Contd)			
College support services:			
Personal services	\$ 413,964	\$ 243,887	\$ 170,077
Materials and services	<u>1,587,186</u>	<u>1,258,893</u>	<u>328,293</u>
Total college support services	<u>2,001,150</u>	<u>1,502,780</u>	<u>498,370</u>
Total expenditures	<u>17,842,148</u>	<u>12,260,370</u>	<u>5,581,778</u>
Revenues over-(under) expenditures	<u>(5,968,655)</u>	<u>(1,512,690)</u>	<u>4,455,965</u>
Other financing sources-(uses):			
Transfers in	1,443,833	1,441,833	(2,000)
Transfers out	<u>(475,285)</u>	<u>(469,285)</u>	<u>6,000</u>
Total other financing sources-(uses)	<u>968,548</u>	<u>972,548</u>	<u>4,000</u>
Changes in fund balance	(5,000,107)	(540,142)	4,459,965
Fund balance - July 1, 2012	<u>5,000,107</u>	<u>10,370,780</u>	<u>5,370,673</u>
Fund balance - June 30, 2013	<u><u>\$ -</u></u>	<u><u>\$ 9,830,638</u></u>	<u><u>\$ 9,830,638</u></u>

## LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
SPECIAL REVENUE FUND  
Year Ended June 30, 2013

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 15,387,860	\$ 9,120,983	\$ (6,266,877)
Tuition and fees	210,100	101,769	(108,331)
Other sources:			
Grants and contracts	161,274	155,043	(6,231)
Other	3,419,072	822,356	(2,596,716)
<b>Total revenues</b>	<b>19,178,306</b>	<b>10,200,151</b>	<b>(8,978,155)</b>
<b>Expenditures:</b>			
Instruction:			
Personal services	3,930,816	2,463,165	1,467,651
Materials and services	2,722,119	1,147,306	1,574,813
Capital outlay	221,000	191,968	29,032
<b>Total instruction</b>	<b>6,873,935</b>	<b>3,802,439</b>	<b>3,071,496</b>
Community services:			
Personal services	3,935,181	1,279,934	2,655,247
Materials and services	6,350,329	3,212,267	3,138,062
Capital outlay	91,460	623,556	(532,096)
<b>Total community services</b>	<b>10,376,970</b>	<b>5,115,757</b>	<b>5,261,213</b>
Instructional support services:			
Personal services	4,000	-	4,000
Materials and services	9,156	4,507	4,649
<b>Total instructional support services</b>	<b>13,156</b>	<b>4,507</b>	<b>8,649</b>
Student services:			
Personal services	1,210,000	657,406	552,594
Materials and services	746,000	363,172	382,828
<b>Total student services</b>	<b>1,956,000</b>	<b>1,020,578</b>	<b>935,422</b>

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
SPECIAL REVENUE FUND  
Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures: (Contd)			
College support services:			
Personal services	\$ 185,000	\$ 88,136	\$ 96,864
Materials and services	<u>169,245</u>	<u>104,968</u>	<u>64,277</u>
Total college support services	<u>354,245</u>	<u>193,104</u>	<u>161,141</u>
Total expenditures	<u>19,574,306</u>	<u>10,136,385</u>	<u>9,437,921</u>
Revenues over-(under) expenditures	(396,000)	63,766	459,766
Other financing sources-(uses):			
Transfers out	<u>(4,000)</u>	<u>-</u>	<u>4,000</u>
Changes in fund balance	(400,000)	63,766	463,766
Fund balance - July 1, 2012	<u>400,000</u>	<u>245,122</u>	<u>(154,878)</u>
Fund balance - June 30, 2013	<u><u>\$ -</u></u>	<u><u>\$ 308,888</u></u>	<u><u>\$ 308,888</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, 2013

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 104,408,508	\$ 94,580,968	\$ (9,827,540)
Other sources:			
Interest income	75,000	94,661	19,661
Other	2,527,912	2,802,196	274,284
Total revenues	107,011,420	97,477,825	(9,533,595)
Expenditures:			
Financial aid	108,293,355	97,302,841	10,990,514
Revenues over-(under) expenditures	(1,281,935)	174,984	1,456,919
Other financing sources-(uses):			
Transfers in	281,935	88,560	(193,375)
Transfers out	-	(50,000)	(50,000)
Total other financing sources-(uses)	281,935	38,560	(243,375)
Changes in fund balance	(1,000,000)	213,544	1,213,544
Fund balance - July 1, 2012	1,000,000	1,668,528	668,528
Fund balance - June 30, 2013	\$ -	\$ 1,882,072	\$ 1,882,072



## LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
DEBT SERVICE FUND  
Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Property taxes	\$ 6,208,221	\$ 6,525,668	\$ 317,447
Other sources:			
Interest income	250	683	433
Other	<u>3,824,000</u>	<u>3,824,000</u>	<u>-</u>
Total revenues	10,032,471	10,350,351	317,880
Expenditures:			
Debt service	<u>10,751,399</u>	<u>10,968,974</u>	<u>(217,575)</u>
Revenues over-(under) expenditures	(718,928)	(618,623)	100,305
Other financing sources-(uses):			
Transfers in	<u>539,196</u>	<u>539,196</u>	<u>-</u>
Changes in fund balance	(179,732)	(79,427)	100,305
Fund balance - July 1, 2012	<u>179,732</u>	<u>1,475,794</u>	<u>1,296,062</u>
Fund balance - June 30, 2013	<u>\$ -</u>	<u>\$ 1,396,367</u>	<u>\$ 1,396,367</u>

## LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
CAPITAL PROJECTS FUND  
Year Ended June 30, 2013

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Other sources:			
Interest income	\$ 75,000	\$ 122,026	\$ 47,026
Other	5,554,099	765,294	(4,788,805)
Total revenues	<u>5,629,099</u>	<u>887,320</u>	<u>(4,741,779)</u>
Expenditures:			
Plant additions:			
Personal services	704,086	760,862	(56,776)
Materials and services	46,358,975	16,808,197	29,550,778
Capital outlay	435,000	194,020	240,980
Total plant additions	<u>47,498,061</u>	<u>17,763,079</u>	<u>29,734,982</u>
Revenues over-(under) expenditures	<u>(41,868,962)</u>	<u>(16,875,759)</u>	<u>24,993,203</u>
Other financing sources-(uses):			
Debt proceeds	38,000,000	45,760,218	7,760,218
Transfers in	3,921,526	1,871,526	(2,050,000)
Transfers out	(852,292)	(30,242)	822,050
Total other financing sources-(uses)	<u>41,069,234</u>	<u>47,601,502</u>	<u>6,532,268</u>
Changes in fund balance	(799,728)	30,725,743	31,525,471
Fund balance, as restated - July 1, 2012	<u>799,728</u>	<u>2,777,467</u>	<u>1,977,739</u>
Fund balance - June 30, 2013	<u>\$ -</u>	<u>\$33,503,210</u>	<u>\$33,503,210</u>

## LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
ENTERPRISE FUND  
Year Ended June 30, 2013

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Tuition and fees	\$ 3,676,500	\$ 2,236,479	\$(1,440,021)
Sale of goods and services	13,150,500	10,736,414	(2,414,086)
Interest income	-	199,191	199,191
Other	-	1,730,373	1,730,373
Total revenues	<u>16,827,000</u>	<u>14,902,457</u>	<u>(1,924,543)</u>
Expenditures:			
Student services:			
Personal services	3,389,949	3,769,682	(379,733)
Materials and services	14,307,384	10,014,175	4,293,209
Capital outlay	164,555	69,869	94,686
Total student services	<u>17,861,888</u>	<u>13,853,726</u>	<u>4,008,162</u>
College support services:			
Personal services	382,422	291,987	90,435
Materials and services	146,974	41,453	105,521
Total college support services	<u>529,396</u>	<u>333,440</u>	<u>195,956</u>
Total expenditures	<u>18,391,284</u>	<u>14,187,166</u>	<u>4,204,118</u>
Revenues over-(under) expenditures	<u>(1,564,284)</u>	<u>715,291</u>	<u>2,279,575</u>
Other financing sources-(uses):			
Transfers in	164,396	164,539	143
Transfers out	(3,865,112)	(1,450,055)	2,415,057
Total other financing sources-(uses)	<u>(3,700,716)</u>	<u>(1,285,516)</u>	<u>2,415,200</u>
Changes in fund balance	(5,265,000)	(570,225)	4,694,775
Fund balance - July 1, 2012	<u>5,265,000</u>	<u>7,964,555</u>	<u>2,699,555</u>
Fund balance - June 30, 2013	<u>\$ -</u>	<u>\$ 7,394,330</u>	<u>\$ 7,394,330</u>

## LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
INTERNAL SERVICE FUND  
Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Sale of goods and services	\$ 1,444,000	\$ 1,035,977	\$ (408,023)
Fees	45,600	52,805	7,205
Other sources	<u>92,500</u>	<u>23,777</u>	<u>(68,723)</u>
Total revenues	<u>1,582,100</u>	<u>1,112,559</u>	<u>(469,541)</u>
Expenditures:			
College support services:			
Personal services	869,685	718,828	150,857
Materials and services	1,132,700	714,392	418,308
Capital outlay	<u>135,000</u>	<u>129,163</u>	<u>5,837</u>
Total expenditures	<u>2,137,385</u>	<u>1,562,383</u>	<u>575,002</u>
Revenues over-(under) expenditures	<u>(555,285)</u>	<u>(449,824)</u>	<u>105,461</u>
Other financing sources-(uses):			
Transfers in	428,865	371,065	(57,800)
Transfers out	<u>(63,300)</u>	<u>(1,000)</u>	<u>62,300</u>
Total other financing sources-(uses)	<u>365,565</u>	<u>370,065</u>	<u>4,500</u>
Changes in fund balance	(189,720)	(79,759)	109,961
Fund balance - July 1, 2012	<u>189,720</u>	<u>538,670</u>	<u>348,950</u>
Fund balance - June 30, 2013	<u>\$ -</u>	<u>\$ 458,911</u>	<u>\$ 458,911</u>

LANE COMMUNITY COLLEGE

Schedule of Property Tax Transactions  
 ALL COUNTIES  
 Year Ended June 30, 2013

<u>Tax Year</u>	<u>Uncollected Taxes 7/1/2012</u>	<u>2012-13 Levy</u>	<u>Discounts/ Adjustments</u>	<u>Collections</u>	<u>Uncollected Taxes 6/30/2013</u>
2012-13	\$ -	\$ 23,244,695	\$ (650,330)	\$ 21,856,354	\$ 738,011
2011-12	765,479	-	(38,428)	292,476	434,575
2010-11	425,111	-	(12,131)	136,757	276,223
2009-10	286,893	-	(8,436)	102,791	175,666
2008-09	75,918	-	(5,843)	38,508	31,567
2007-08	22,666	-	(1,757)	3,711	17,198
2006-07	14,294	-	(1,684)	1,309	11,301
Prior	167,235	-	1,681	2,140	166,776
Totals	<u>\$ 1,757,596</u>	<u>\$ 23,244,695</u>	<u>\$ (716,928)</u>	22,434,046	<u>\$ 1,851,317</u>
		Interest and other taxes		<u>383,927</u>	
		Total turnovers by counties		<u>\$ 22,817,973</u>	
		Allocation by fund:			
		General Fund		\$ 16,292,305	
		Debt Service Fund		<u>6,525,668</u>	
		Total allocations		<u>\$ 22,817,973</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 Position by Component and  
Changes in Net Position  
Last Ten Fiscal Years

	June 30,			
	2013	2012	2011	2010
<b>NET POSITION BY COMPONENT</b>				
Net investment in capital assets	\$ 83,679,346	\$ 84,501,930	\$ 74,245,090	\$ 71,599,531
Net position, restricted	10,638,915	9,207,952	12,746,012	7,291,576
Net position, unrestricted	39,038,664	49,708,518	33,573,524	34,830,818
<b>TOTAL NET POSITION</b>	<b>\$ 133,356,925</b>	<b>\$ 143,418,400</b>	<b>\$ 120,564,626</b>	<b>\$ 113,721,925</b>
	Years ended June 30,			
	2013	2012	2011	2010
<b>CHANGES IN NET POSITION</b>				
Operating revenues				
Student tuition and fees	\$ 47,533,472	\$ 50,944,010	\$ 48,676,549	\$ 45,582,278
Grants and contracts	47,573,883	52,458,273	48,694,168	56,603,841
Sale of goods and services	11,777,535	13,781,545	13,420,535	12,019,997
Other operating revenue	11,304,573	7,991,844	7,475,413	6,918,513
<b>Total operating revenues</b>	<b>118,189,463</b>	<b>125,175,672</b>	<b>118,266,665</b>	<b>121,124,629</b>
Operating expenses				
Instruction	61,109,207	59,592,551	58,238,835	54,650,662
Community services	6,560,038	6,412,405	5,550,825	5,086,857
Instructional support services	6,154,786	5,921,969	5,473,840	4,704,212
Student services	25,638,484	26,379,672	23,786,244	22,526,789
College support services	15,514,136	14,287,846	11,873,926	11,953,269
Plant operations and maintenance	9,736,298	10,730,306	10,647,742	18,775,624
Financial aid	40,664,353	45,242,381	40,850,517	38,449,942
Depreciation	4,233,641	3,705,278	3,262,947	2,741,972
<b>Total operating expenses</b>	<b>169,610,943</b>	<b>172,272,408</b>	<b>159,684,876</b>	<b>158,889,327</b>
Nonoperating revenues (expenses)				
State community college support	18,147,123	33,478,815	18,841,504	35,907,437
Property taxes	22,916,036	23,037,606	21,842,450	15,783,198
Investment income (loss)	6,670,074	905,484	11,781,138	9,093,894
Interest expense	(5,781,172)	(4,494,525)	(4,583,511)	(4,718,909)
Other nonoperating revenues (expenses)	(276,526)	(60,033)	(20,669)	(28,901)
<b>Total nonoperating revenues (expenses)</b>	<b>41,675,535</b>	<b>52,867,347</b>	<b>47,860,912</b>	<b>56,036,719</b>
Capital contributions	448,000	17,083,163	400,000	9,297,790
Cumulative effect of change in accounting policy	(763,530)	-	-	-
<b>TOTAL CHANGE IN NET POSITION</b>	<b>\$ (10,061,475)</b>	<b>\$ 22,853,774</b>	<b>\$ 6,842,701</b>	<b>\$ 27,569,811</b>

**Source**

Lane Community College Comprehensive Annual Financial Report



June 30,					
2009	2008	2007	2006	2005	2004
\$ 62,199,844	\$ 55,955,863	\$ 51,565,256	\$ 46,360,872	\$ 39,977,408	\$ 36,011,588
6,588,984	23,296,176	29,822,485	24,520,311	19,363,962	5,598,883
<u>17,363,286</u>	<u>21,747,354</u>	<u>1,459,072</u>	<u>10,376,790</u>	<u>8,501,502</u>	<u>18,572,563</u>
<u>\$ 86,152,114</u>	<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>
Years ended June 30,					
2009	2008	2007	2006	2005	2004
\$ 34,986,270	\$ 29,297,111	\$ 26,334,730	\$ 24,738,713	\$ 23,995,084	\$ 24,271,741
34,322,646	22,107,702	21,534,477	20,135,836	19,579,057	20,403,013
10,076,217	9,032,167	8,924,091	8,164,357	7,715,107	7,909,354
<u>5,997,134</u>	<u>6,141,068</u>	<u>6,786,545</u>	<u>9,123,625</u>	<u>8,129,542</u>	<u>8,004,852</u>
<u>85,382,267</u>	<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>
49,007,701	45,476,077	44,966,427	46,786,387	42,897,001	40,388,797
5,846,678	5,226,699	5,640,256	6,271,872	4,628,001	4,341,655
4,197,496	3,840,765	3,759,209	4,158,551	4,240,181	4,021,474
19,246,710	18,069,265	17,572,117	18,539,224	16,970,501	16,501,475
13,697,310	9,841,113	10,889,598	10,209,791	10,573,040	9,967,619
10,520,521	6,062,482	6,227,768	7,392,183	7,000,488	8,200,617
23,422,827	16,169,250	15,028,302	14,619,491	14,037,767	14,525,851
<u>2,634,292</u>	<u>2,605,782</u>	<u>2,577,474</u>	<u>2,688,425</u>	<u>2,615,716</u>	<u>2,673,187</u>
<u>128,573,535</u>	<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>
23,078,963	35,988,864	18,452,511	33,145,221	19,840,398	33,953,152
20,936,965	18,861,085	18,675,731	18,417,047	17,645,859	16,672,694
(15,448,802)	(139,417)	11,576,191	10,729,777	17,867,687	4,512,905
(3,358,846)	(3,558,839)	(3,786,858)	(3,990,268)	(4,150,201)	(4,541,056)
<u>(32,696)</u>	<u>(124,643)</u>	<u>(70,735)</u>	<u>2,542</u>		<u>(221,534)</u>
<u>25,175,584</u>	<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>3,168,405</u>	<u>-</u>	<u>-</u>	<u>925,543</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>7,838,915</u>	<u>(176,692)</u>	<u>2,688,632</u>	<u>-</u>	<u>-</u>
<u>\$ (14,847,279)</u>	<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>

## **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	Percent of Levy Collected In First Year	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy
2012-13	\$ 23,244,695	\$ 21,856,354	94.03 %	\$ -	\$ 21,856,354	94.03 %
2011-12	23,342,260	21,927,389	93.94	292,476	22,219,865	95.19
2010-11	22,325,922	21,062,898	94.34	333,819	21,396,717	95.84
2009-10	22,169,481	20,766,615	93.67	513,932	21,280,547	95.99
2008-09	21,353,330	20,066,039	93.97	592,187	20,658,226	96.74
2007-08	19,644,259	18,425,199	93.79	487,752	18,912,951	96.28
2006-07	19,017,200	18,023,724	94.78	371,577	18,395,301	96.73
2005-06	18,777,789	17,771,627	94.64	358,359	18,129,986	96.55
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

**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	
2012-13	\$22,456,637	98.4%	\$ 262,892	1.2%	\$ 89,911	0.4%	\$ 8,533	0.0%	\$22,817,973	100.0%
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%

**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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Property Class</b>				
Residential	\$ 9,522,959,872	\$ 9,989,431,512	\$ 10,502,688,478	\$ 11,090,299,584
Commercial	2,185,533,393	2,302,417,337	2,449,674,221	2,566,299,522
Industrial	1,919,557,441	1,957,339,447	2,032,880,568	2,149,473,463
Tract	2,161,911,275	2,308,999,165	2,425,269,060	2,546,657,884
Farm and Range	414,253,706	440,370,096	468,602,706	489,415,814
Forest	568,973,019	542,464,517	563,131,668	595,563,995
Multiple Housing	758,745,092	778,798,291	820,527,442	850,025,101
Recreation	378,899,180	405,885,969	424,572,910	443,672,771
Small Tract Forestland	-	81,123,446	85,315,051	90,899,787
Miscellaneous	5,217,328	3,054,968	2,717,555	3,178,931
Personal	623,347,004	629,866,384	699,049,095	682,280,293
Manufactured Structures	317,905,282	326,733,010	343,158,137	353,034,694
Utilities	555,389,096	604,715,749	522,590,588	513,314,800
Machinery & Equipment <sup>d</sup>	-	-	-	-
	<u>19,412,691,688</u>	<u>20,371,199,891</u>	<u>21,340,177,479</u>	<u>22,374,116,639</u>
<b>Other</b>				
Plus Nonprofit Housing	7,536,419	7,762,512	7,995,387	8,235,249
Less Urban Renewal Excess	<u>(228,971,647)</u>	<u>(219,576,480)</u>	<u>(209,003,975)</u>	<u>(216,778,574)</u>
Total Taxable Assessed Value <sup>a b</sup>	<u>\$ 19,191,256,460</u>	<u>\$ 20,159,385,923</u>	<u>\$ 21,139,168,891</u>	<u>\$ 22,165,573,314</u>
<b>Total Direct Tax Rate <sup>c</sup></b>	1.4264	1.4069	1.4070	1.4086
<b>Estimated Actual Value of Property</b>	<u>\$ 24,256,098,187</u>	<u>\$ 26,749,361,683</u>	<u>\$ 30,422,495,849</u>	<u>\$ 36,563,388,894</u>
<b>Actual Value of Property per Capita</b>	73,637	80,244	90,326	107,622
<b>Total Assessed Value to Estimated Actual Value of Taxable Property</b>	79.12%	75.36%	69.64%	60.62%

**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.
- d. Assessment and Taxation reported machinery and equipment separately in 2013.  
In prior years it was combined under both Commercial and Industrial values.

**Source**

Lane County Department of Assessment and Taxation

Fiscal Year					
<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$11,669,538,072	\$ 12,238,252,806	\$ 12,738,935,537	\$ 13,182,948,833	\$ 13,632,435,080	\$ 13,889,294,763
2,648,462,926	2,741,402,996	2,952,788,580	3,122,253,063	3,196,797,665	3,302,146,618
2,293,935,760	2,144,226,025	2,193,056,565	1,891,268,723	1,869,301,503	1,381,001,909
2,700,717,402	2,872,632,830	3,320,335,139	3,564,939,764	3,677,573,128	3,846,693,626
515,361,179	548,688,937	554,752,761	546,310,962	540,685,754	535,969,681
622,589,415	642,533,655	659,628,419	672,286,396	686,965,719	691,027,753
1,025,875,403	1,131,366,250	1,139,612,646	1,184,602,539	1,231,657,010	1,290,099,928
466,972,883	486,392,156	194,649,646	75,114,951	77,096,961	4,774,254
93,510,612	96,112,182	99,675,432	100,182,200	100,853,981	97,155,691
2,181,525	1,994,500	1,841,079	1,665,266	1,586,352	1,523,479
737,126,581	764,432,164	742,435,555	699,549,325	672,963,916	659,984,419
348,267,868	349,767,857	327,511,572	274,857,036	273,342,593	261,900,630
549,141,809	545,274,620	694,125,923	698,150,851	718,537,083	711,107,188
-	-	-	-	-	542,028,713
23,673,681,435	24,563,076,978	25,619,348,854	26,014,129,909	26,679,796,745	27,214,708,652
8,289,461	8,538,145	8,794,289	9,058,117	9,329,861	9,609,757
(245,618,775)	(273,863,735)	(288,676,272)	(290,901,476)	(302,973,107)	(325,513,533)
\$23,436,352,121	\$ 24,297,751,388	\$ 25,339,466,871	\$ 25,732,286,550	\$ 26,386,153,499	\$ 26,898,804,876
1.4020	1.4007	1.3971	1.3921	1.3942	1.3908
\$41,729,282,436	\$ 43,631,332,946	\$ 41,711,522,718	\$ 38,108,802,366	\$ 37,261,878,627	\$ 35,736,940,602
121,610	126,146	119,968	109,335	105,511	100,895
56.16%	55.69%	60.75%	67.52%	70.81%	75.27%

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>			
	2004	2005	2006	2007
<u>County Direct Rate</u>				
Lane County <sup>c</sup>	1.2710	1.2763	1.2773	1.2781
General Obligation Debt Service	<u>0.1554</u>	<u>0.1306</u>	<u>0.1297</u>	<u>0.1305</u>
	1.4264	1.4069	1.4070	1.4086
<u>Lane Community College</u>				
Lane Education Service District	0.8790	0.8850	0.8814	0.8496
Linn-Benton-Lincoln ESD	0.2232	0.2232	0.2232	0.2232
	0.3049	0.3049	0.3049	0.3049
<u>Schools</u>				
Alsea	5.2941	5.2232	5.0811	5.0811
Bethel	7.0612	7.0725	6.8802	6.8494
Blachly	5.1023	5.1023	5.1023	5.1023
Creswell	8.6097	8.2889	7.1900	7.1185
Crow-Applegate	6.4255	6.4255	6.4255	6.4255
Eugene	7.2850	7.2819	7.6460	8.5330
Fern Ridge	7.5838	7.3979	7.2300	7.0595
Harrisburg	6.9097	6.8023	6.2940	6.2797
Junction City	6.1773	4.5604	4.5604	4.5604
Lincoln County	5.8102	5.7579	5.7893	5.6715
Lowell	5.6716	5.6514	5.0409	5.0409
Mapleton	4.8917	4.8917	4.8917	4.8917
Marcola	4.6687	4.6687	4.6687	4.6687
McKenzie	6.5633	6.7114	6.7077	6.6651
Monroe	5.5369	4.7740	4.6341	4.6341
Oakridge	6.2736	6.3333	6.0645	6.3211
Pleasant Hill	6.8636	7.2862	7.4557	7.4033
Siuslaw	5.3695	5.3728	5.2274	5.1293
South Lane	6.6472	6.5484	6.4694	6.4217
Springfield	5.5664	5.6143	5.4978	5.5181
<u>Cities</u>				
Coburg	3.7506	3.7506	3.7506	5.3830
Cottage Grove	6.1687	6.4687	7.2087	7.2087
Creswell	2.6705	2.6705	2.6705	2.6705
Eugene	9.0446	9.0866	9.0222	8.1407
Florence	3.4718	3.4453	3.4019	3.3723
Glenwood				
Junction City	6.0445	6.0445	6.0445	6.0445
Lowell	2.3204	2.2569	2.2434	2.2858
Oakridge	7.7722	7.8283	7.9370	7.8872
Springfield	6.1743	6.1473	6.1078	6.1191
Veneta	6.2568	6.1732	6.1149	5.1020
Westfir	9.3036	9.3036	9.3036	9.3036
<u>Water Districts</u>				
Blue River	0.9488	0.9488	0.9488	0.9488
Glenwood	3.1855	4.1425	4.1425	4.1425
Heceta	0.3453	0.3200	0.2896	0.2656
Junction City	0.3378	0.3200	0.2893	0.3111
Marcola	0.4037	0.4037	0.4037	0.4037
McKenzie-Palisades	0.6817	0.6695	0.6635	0.6482
Rainbow Water & Fire	3.2471	3.2122	3.1816	3.1485
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>

2008	2009	2010	2011	2012	2013
1.2793	1.2793	1.2793	1.2793	1.2793	1.2793
<u>0.1227</u>	<u>0.1214</u>	<u>0.1178</u>	<u>0.1128</u>	<u>0.1149</u>	<u>0.1115</u>
1.4020	1.4007	1.3971	1.3921	1.3942	1.3908
0.8306	0.8705	0.8534	0.8589	0.8782	0.8640
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
6.8041	7.1555	6.8780	6.1279	6.1057	4.5067
5.1023	5.1023	5.1023	5.1023	5.1023	5.1023
8.5743	8.7008	8.3737	8.2917	8.3599	8.2230
6.4255	6.4255	6.4255	6.4255	6.4255	6.4255
7.5889	7.6242	7.6414	7.4448	7.4256	7.2785
6.6965	6.7856	6.8415	6.9201	6.9724	6.9151
6.2815	6.3056	6.1016	6.1666	6.0778	6.1439
4.5604	4.5604	4.5604	4.5604	4.5604	4.5604
5.6203	5.6348	5.6986	5.6593	5.6566	5.6689
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
6.7239	6.6563	6.6893	6.6121	6.6207	6.7359
4.6341	4.6341	4.6341	4.6341	4.6341	4.6341
6.4086	6.7461	6.5203	5.4935	5.6758	6.2014
7.0455	6.8934	7.2296	6.7206	6.3620	6.2787
5.0460	5.0849	5.7716	5.6134	5.4012	5.4172
6.3615	6.3478	6.4016	6.4495	6.3893	6.3539
5.5456	5.3920	5.5868	5.6012	5.6341	5.6314
5.4907	5.4845	3.1918	3.2294	5.3222	5.2780
7.2087	7.2087	7.2087	7.2087	7.2087	7.2087
2.6705	2.6705	2.6705	2.6705	2.6705	2.6705
8.1547	10.3051	8.5617	8.3254	8.0381	8.0264
3.3503	3.2297	3.1827	3.1339	3.1396	3.1172
			0.0734	0.8997	0.7176
6.0445	6.0445	6.0445	6.0445	6.0445	6.0445
2.1613	2.1613	2.1613	2.1613	2.1613	2.1613
7.8231	7.7599	7.7166	7.7100	7.7251	7.7082
6.5391	7.1869	7.4824	7.3901	7.3336	6.9679
5.0852	5.0355	7.4556	7.6890	5.4157	5.4083
9.3036	9.3036	9.3036	9.3036	7.7733	9.3036
0.9488	0.9488	0.9488	0.9488	0.9488	0.9488
3.8949	3.8473	3.8509	3.6901	3.5355	3.4778
0.2708	0.2573	0.2525	0.2438	0.2432	0.2387
0.3115	0.2965	0.2859	0.2886	0.2806	0.2523
0.4037	0.4037	0.4037	0.4037	0.4037	0.4037
0.3620	0.3620	0.3620	0.3620	0.3620	0.3620
3.7303	3.6749	3.6241	3.5816	3.7598	3.7205
1.9694	1.9694	1.9694	1.9694	1.9694	1.9694
0.2796	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>			
	2004	2005	2006	2007
<b><u>Rural Fire Protection Districts</u></b>				
Bailey-Spencer	2.3930	2.3930	2.3930	2.3930
Coburg	1.7791	1.7750	1.7259	1.6498
Dexter	1.6151	1.6151	1.6151	1.6151
Eugene	2.5417	1.7199	2.5417	2.5417
Goshen	1.7196	1.7196	1.7196	1.7196
Hazeldell	2.7115	2.7115	2.7115	2.7115
Junction City	0.9844	0.9844	1.6694	1.6118
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	2.8587	2.9589	2.9159	2.8211
Lowell	3.6349	3.4430	3.3938	3.3046
Mapleton	1.3869	1.3869	1.3869	1.3869
McKenzie	2.3106	2.3106	2.3106	2.3106
Mohawk Valley	2.5642	2.5126	2.5451	2.4784
Monroe	2.1732	1.7298	1.6854	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	1.0335	1.0335	1.0335	1.0335
Swisshome-Deadwood	2.1452	2.1452	2.1452	2.1452
Upper McKenzie	1.1951	1.1951	1.1951	0.7077
Willakenzie	3.0669	3.0669	3.0669	3.0669
Zumwalt	2.3419	2.3419	2.3419	2.3419
<b><u>Miscellaneous Districts</u></b>				
Fern Ridge Library	0.3824	0.3824	0.6324	0.6324
Lane Library	-	-	0.5900	0.5900
Port of Siuslaw	0.1474	0.1474	0.1474	0.1474
River Road Park & Recreation	3.4794	3.5123	3.5010	3.4814
Siuslaw Library	0.6175	0.6118	0.6060	0.5993
Western Lane Ambulance	0.3198	0.3198	0.4198	0.4198
Willamalane Park & Recreation	2.3491	2.3344	2.3255	2.1836

**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. *Lane County rate is shown net of timber offset*

**Source**

*Lane County Department of Assessment and Taxation*

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

2008	2009	2010	2011	2012	2013
2.3930	2.3930	2.3930	2.3930	2.3930	2.3930
1.6353	2.9685	1.6090	1.3678	1.5826	1.5750
2.4151	2.4151	2.4151	2.4151	2.4151	1.9151
2.5417	2.0000	2.0000	1.8500	1.8500	2.1000
1.7196	1.7196	1.7196	1.7196	1.7196	2.2196
2.7115	2.7115	2.7115	2.7115	2.7115	2.7115
1.6575	1.4661	1.4717	1.4357	1.4386	2.0858
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
2.7770	2.7458	2.9186	2.8854	2.8618	2.7573
3.2265	3.1681	3.1059	2.9855	2.6970	2.6970
2.0869	2.0869	2.0869	2.0869	2.0869	2.0869
2.3106	2.3106	2.3106	2.0606	2.0606	2.0606
2.4095	2.4133	1.9126	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	1.6439	1.6439	1.6439	1.6439
1.5417	1.5417	1.5417	1.5417	0.8717	0.8891
1.0335	1.0335	1.0335	1.0335	1.0335	1.3350
2.1452	2.1452	2.1452	2.1452	2.1452	2.1452
1.1951	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	0.7046	0.6324	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
3.4789	3.4631	3.5259	3.5259	3.8791	3.8730
0.5928	0.5885	0.5163	0.5163	0.5163	0.5026
0.4198	0.5698	0.5698	0.5698	0.5698	0.7613
2.1457	2.1487	2.0074	2.0074	2.0074	2.0074

LANE COMMUNITY COLLEGE  
EUGENE, OREGON

Principal Taxpayers - Lane County  
Current Year and Nine Years Ago

Taxpayer	Nature of Business	Total Assessed Value	Percentage Of Total Assessed Value	Taxes
<b>2012-13:</b>				
IP Eat Three LLC	Wood Products	\$ 225,962,099	0.84 %	\$ 3,770,391
Comcast Corporation	Telecommunications	147,874,300	0.55	2,602,779
Valley River Center LLC	Retail/Commercial	106,139,760	0.39	1,731,106
Symantec Corporation	Electronics	86,747,813	0.32	1,497,535
Shepard Investment Group LLC	Investment	84,305,700	0.31	1,439,540
Northwest Natural Gas Co.	Utility	90,592,000	0.34	1,208,503
Century Link	Medical Group	79,190,700	0.29	1,177,826
Verizon Communications	Telecommunications	72,462,800	0.27	1,114,787
Gateway Mall Partners	Retail/Commercial	63,219,398	0.24	1,083,424
Weyerhaeuser Co.	Wood Products	125,090,294	0.47	1,057,617
Subtotal - ten of the largest taxpayers		1,081,584,864	4.02	
All other taxpayers in Lane County		25,817,220,012	95.98	
Total Lane County Taxpayers		<u>\$ 26,898,804,876</u>	<u>100.00 %</u>	
<b>2003-04:</b>				
Hynix Semiconductor MFG	Electronics	\$ 456,687,935	2.39 %	\$ 6,300,508
Weyerhaeuser Co.	Wood Products	123,606,549	0.64	5,148,266
Qwest Corporation	Utility	73,872,190	0.38	3,011,835
Sony Music Entertainment Inc.	Electronics	67,737,000	0.35	1,514,481
Valley River Center LLC	Shopping Mall	52,277,465	0.27	1,451,421
Northwest Natural Gas Co.	Utility	37,540,272	0.20	1,006,561
Gateway Mall Partners	Shopping Mall	31,482,586	0.16	734,667
Monaco Coach Corp	Custom RV	28,443,949	0.15	568,245
Peacehealth	Medical Group	27,832,940	0.15	530,679
SHLP Financing LLC	Finance	25,394,016	0.13	523,463
Subtotal - ten of the largest taxpayers		924,874,902	4.82	
All other taxpayers in Lane County		18,266,381,558	95.18	
Total Lane County Taxpayers		<u>\$ 19,191,256,460</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>
2012-13	\$ 90.00	14,014.90	37,254
2011-12	84.00	15,375.00	38,671
2010-11	83.00	15,417.10	37,561
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

**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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Total Real Market Value of Taxable Property <sup>a</sup>	<u>\$ 35,736,940,602</u>	<u>\$ 37,261,878,627</u>	<u>\$ 38,108,802,366</u>	<u>\$ 41,711,522,728</u>
Debt Limitation (1.5% of Real Market Value)	\$ 536,054,109	\$ 558,928,179	\$ 571,632,035	\$ 625,672,841
Debt Subject to Limitation	66,220,000	31,910,000	36,655,000	41,015,000
Legal Debt Margin	<u>\$ 469,834,109</u>	<u>\$ 527,018,179</u>	<u>\$ 534,977,035</u>	<u>\$ 584,657,841</u>
Legal Debt Margin as a Percentage of the Debt Limitation	87.65%	94.29%	93.59%	93.44%

**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>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>\$ 43,631,332,946</u>	<u>\$ 41,729,282,436</u>	<u>\$ 36,563,388,894</u>	<u>\$ 30,422,495,849</u>	<u>\$ 26,749,361,683</u>	<u>\$ 24,256,098,187</u>
\$ 654,469,994	\$ 625,939,237	\$ 548,450,833	\$ 456,337,438	\$ 401,240,425	\$ 363,841,473
45,000,000	5,545,000	10,600,000	15,210,000	19,400,000	23,200,000
<u>\$ 609,469,994</u>	<u>\$ 620,394,237</u>	<u>\$ 537,850,833</u>	<u>\$ 441,127,438</u>	<u>\$ 381,840,425</u>	<u>\$ 340,641,473</u>
93.12%	99.11%	98.07%	96.67%	95.16%	93.62%

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
2012-13	354,200	\$ 26,898,804,876	\$ 119,727,695	\$ 1,396,367	\$ 118,331,328	0.44%	\$ 334
2011-12	353,155	26,386,153,499	84,761,117	1,475,794	83,285,323	0.32%	236
2010-11	348,550	25,732,286,550	90,069,987	1,061,775	89,008,212	0.35%	255
2009-10	347,690	25,339,466,871	94,811,402	1,194,054	93,617,348	0.37%	269
2008-09	345,880	24,297,751,388	99,012,195	905,726	98,106,469	0.40%	284
2007-08	343,140	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

**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, 2013

Overlapping District	Real Market Valuation	Percent Overlap	Overlapping	
			Gross Property-tax Backed Debt	Net Property-tax Backed Debt
BENTON COUNTY	\$ 17,758,081	1.92%	\$ 340,334	\$ 25,298
BENTON CITY SD 1J (MONROE)	1,533,666	47.93%	735,146	735,146
BROWNSVILLE RFPD 2	1,905,000	0.26%	4,949	4,949
CITY OF COTTAGE GROVE	18,389,054	100.00%	18,389,054	-
CITY OF EUGENE	81,368,937	99.87%	81,260,961	24,886,931
CITY OF FLORENCE	11,941,846	100.00%	11,941,846	8,660,000
CITY OF HARRISBURG	1,011,908	100.00%	1,011,908	-
CITY OF MONROE	1,470,000	100.00%	1,470,000	1,470,000
CITY OF OAKRIDGE	575,000	100.00%	575,000	575,000
CITY OF SPRINGFIELD	23,665,000	100.00%	23,665,000	23,665,000
CITY OF VENETA	1,071,997	100.00%	1,071,997	1,071,997
COBURG RFPD	403,333	100.00%	403,333	403,333
HARRISBURG RFPD 6	160,000	98.47%	157,557	157,557
HECETA WATER DISTRICT	315,000	100.00%	315,000	315,000
JUNCTION CITY RFPD	585,000	100.00%	585,000	585,000
LANE COUNTY	103,467,558	99.81%	103,267,451	44,294,169
LANE CITY SD 1 (PLEASANT HILL)	2,515,000	100.00%	2,515,000	2,515,000
LANE CTY SD 19 (SPRINGFIELD)	106,034,409	100.00%	106,034,409	106,034,409
LANE CTY SD 28J (FERN RIDGE)	13,108,375	99.58%	13,053,516	13,053,516
LANE CTY SD 40 (CRESWELL)	25,031,666	100.00%	25,031,666	25,031,666
LANE CTY SD 45J3 (SOUTH LANE)	37,425,459	100.00%	37,425,459	37,425,459
LANE CTY SD 4J (EUGENE)	171,307,258	100.00%	171,307,258	171,307,258
LANE CTY SD 52 (BETHEL)	22,880,000	100.00%	22,880,000	22,880,000
LANE CTY SD 68 (MCKENZIE)	2,500,000	100.00%	2,500,000	2,500,000
LANE DTY SD 76 (OAKRIDGE)	1,585,000	100.00%	1,585,000	1,585,000
LANE CTY SD 97J (SIUSLAW)	18,110,000	100.00%	18,110,000	18,110,000
LANE ESD	7,480,000	99.99%	7,479,125	7,479,125
LINN CTY SD 7J (HARRISBURG)	2,425,000	100.00%	2,425,000	2,425,000
LORANE FRPD	85,000	100.00%	85,000	85,000
MAPLETON FIRE DISTRICT	95,000	100.00%	95,000	95,000
RIVER ROAD PARK & REC DISTRICT	340,000	100.00%	340,000	340,000
SIUSLAW PUBLIC LIBRARY DIST	250,000	100.00%	250,000	250,000
WILLAMALANE PARK & RECREATION DISTRICT	23,540,000	100.00%	23,540,000	20,000,000
Totals:	Overlapping Issuer Count: 36		<u>\$ 679,850,969</u>	<u>\$ 537,965,813</u>
<b>Net Property-tax Backed Debt of Subject Issuer is:</b>	\$ 66,220,000		<b>Ratio of Net Property-tax Backed Debt to Real Market Value is:</b>	0.18%
<b>Net Property-tax Backed Debt of Overlapping Issuers is:</b>	<u>537,965,813</u>		<b>Ratio of Total Net Property-tax Backed Debt to Real Market Value is:</b>	1.65%
<b>Total Net Property-tax Backed Debt of Subject issuer and Overlapping Issuers is:</b>	<u>\$ 604,185,813</u>			
<b>Real Market Value of Subject Issuer is:</b>	<u>\$ 36,656,165,653</u>	<b>As of: 01/01/2012</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			
2013	\$ 66,220,000		\$ 20,780,000	\$ 52,082,695	\$ 139,082,695	1.1%	\$ 393
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

**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>
2013	354,200	\$ 12,241,506	\$ 34,561	8.6%
2012	353,155	12,205,390	34,561	9.5%
2011	348,550	12,214,306	34,561	11.1%
2010	347,690	11,709,176	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%

**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 2012 and 2013 personal income was not available and has been estimated by multiplying population by per capita income.
- c. The 2012 and 2013 per capita income was not available and has been estimated to be the same as 2011.

**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.

LANE COMMUNITY COLLEGE  
EUGENE, OREGON

Principal Employers for Lane County  
Current Year and Nine Years Ago

Employer	2013			2004		
	Employees <sup>b</sup>	Rank	Percentage of County Employment	Employees <sup>b</sup>	Rank	Percentage of County Employment
University of Oregon	4,847	1	3.05%	3,676	2	2.32%
PeaceHealth	4,212	2	2.65%	4,125	1	2.60%
Lane County	2,000	3	1.26%	1,786	6	1.13%
Eugene School District	1,900	4	1.20%	1,651	7	1.04%
US Government	1,625	5	1.02%	2,000	4	1.26%
Springfield School District	1,500	6	0.95%	1,500	8	0.95%
City of Eugene	1,427	7	0.90%	1,465	9	0.92%
Lane Community College	1,151	8	0.73%	2,000	5	1.26%
State of Oregon	1,100	9	0.69%	1,200	10	0.76%
Wal-Mart	1,050	10	0.66%			
Monaco Coach Corporation				2,200	3	1.39%
	20,812		13.11%	21,603		13.63%

**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>
Prior to 2004	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

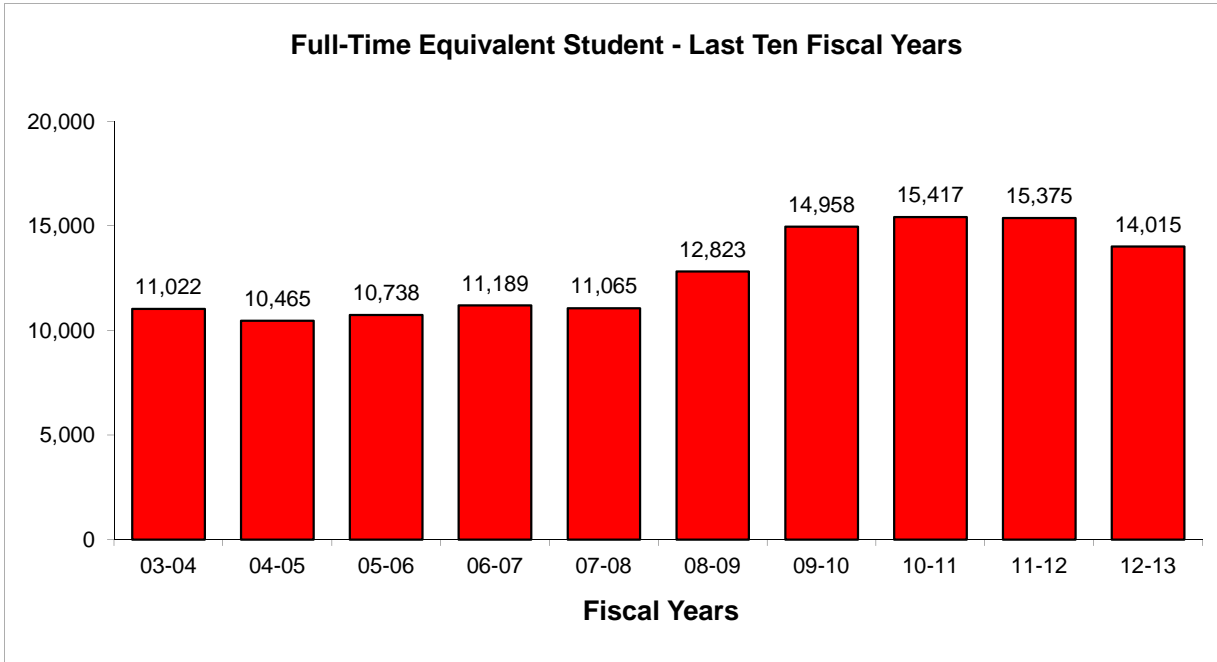
**Source**

Lane Community College Facilities Management and Planning

LANE COMMUNITY COLLEGE  
EUGENE, OREGON

Enrollment Statistics  
Last Ten Fiscal Years

	Total Operating Expenses	District Population (Estimated) <sup>b</sup>	Full-time Equivalent Student	Unduplicated Headcount	Percent of Total District Population	Cost Per FTE <sup>a</sup>	Number of Employees	Student FTE Per Employee
2012-13	\$ 169,610,943	354,200	14,015	37,254	10.52%	NA	730	19.2
2011-12	172,272,408	353,155	15,375	38,671	10.95%	NA	725	21.2
2010-11	159,684,876	348,550	15,417	37,561	10.78%	3,656	738	20.9
2009-10	158,889,327	347,690	14,958	37,783	10.87%	3,507	733	20.4
2008-09	128,573,535	345,880	12,823	36,899	10.67%	3,436	714	18.0
2007-08	107,291,433	343,140	11,065	34,508	10.06%	3,792	710	15.6
2006-07	106,661,151	339,740	11,189	35,666	10.50%	7,636	737	15.2
2005-06	110,665,924	336,085	10,738	36,089	10.74%	8,367	786	13.7
2004-05	102,962,695	333,350	10,465	29,868	8.96%	8,263	779	13.4
2003-04	100,620,675	329,400	11,022	29,743	9.03%	7,365	744	14.8



**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>2013</u>	<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>
Lower Division Transfer										
AAOT/ASOT	573	474	418	407	319	291	302	294	356	400
Associate of General Studies	150	97	86	42	42	40	48	27	40	38
Associate of Science	61	90	54	47	38	18	21	12	23	27
Total Transfer Awards	<u>784</u>	<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>
Technical										
Associate of Applied Science	548	558	418	320	307	287	307	316	351	355
Certificate	526	434	390	243	158	102	170	141	183	163
Apprentice: Assoc. of Applied Science	0	0	0	0	1	0	0	0	1	0
Total Technical Awards	<u>1074</u>	<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>
Total Awards	<u>1858</u>	<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>
% of Degree-Seeking Students	<u>20.0%</u>	<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>

**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>
2012-13	252	406	72	730
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

**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*

December 9, 2013

Board of Education  
Lane Community College  
Eugene, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Lane Community College as of and for the year ended June 30, 2013, and have issued our report thereon dated December 9, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Lane Community College's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lane Community College's internal control. Accordingly, we do not express an opinion on the effectiveness of Lane Community College's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Kenneth Kuhns & Co.*  
Kenneth Kuhns & Co.

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

December 9, 2013

Board of Education  
Lane Community College  
Eugene, Oregon

**Report on Compliance for Each Major Federal Program**

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, 2013. 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.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Lane Community College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Lane Community College's compliance.

## ***Opinion on Each Major Federal Program***

In our opinion, Lane Community College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

## **Report on Internal Control Over Compliance**

Management of Lane Community College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lane Community College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

*Kenneth Kuhns & Co.*

Kenneth Kuhns & Co.

LANE COMMUNITY COLLEGE

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue		Receipts	Expenditures	Accrued (Deferred) Revenue June 30, 2013
			July 1, 2012	June 30, 2012			
		\$	\$	\$	\$	\$	\$
84.007		566,119	91,112	585,363	566,119	71,868	
84.033		587,732	278,021	606,816	587,732	258,937	
84.063		31,239,860	88,338	31,316,453	31,239,860	11,745	
84.268		56,582,987	(63,900)	56,385,228	56,582,987	133,859	
84.042	P042A110479-11	257,087	20,101	53,828	33,727	-	
84.042	P042A110479-12	263,660	-	199,648	223,305	23,657	
84.042	P042A100972-11	240,446	14,036	51,058	37,022	-	
84.042	P042A100972-12	242,352	-	163,085	182,754	19,669	
84.031	P031A80262-11	475,059	59,687	165,377	105,690	-	
84.031	P031A80262-12	436,020	-	296,973	313,082	16,109	
84.335	P335A090144-11	107,481	2,503	23,100	20,597	-	
84.335	P335A090144-12	120,572	-	81,761	104,401	22,640	
Passed Through Oregon Department of Community Colleges and Workforce Development:							
84.002	EE111213 BG	223,970	72,944	72,944	-	-	
84.002	EE121313 BG	225,989	-	127,229	225,987	98,758	
84.002	EE111213 EG	39,357	2,687	2,687	-	-	
84.002	EE121313 EG	41,406	-	35,786	41,404	5,618	
84.002	EE111213 CG	34,111	1,852	1,852	-	-	
84.002	EE121313 CG	34,111	-	3,410	34,111	30,701	
84.002	EE111213 TG	13,202	3,071	3,071	-	-	
84.002	EE121313 TG	13,202	-	9,895	13,194	3,299	
84.002	EE111213 AG	60,290	17,655	17,655	-	-	
84.002	EE121313 AG	63,429	-	46,474	63,424	16,950	
84.002	EE111213 PG	8,097	6,825	6,825	-	-	
84.002	EE121313 PG	14,233	-	3,165	14,233	11,068	
84.002	IGRA 0482	55,000	41,236	41,236	-	-	
84.002	IGRA 0580	21,700	-	20,073	21,700	1,627	
84.098	IGRA 0401	11,377	6,026	6,026	-	-	
84.098	IGRA 0498	19,290	10,730	10,730	-	-	

**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 8-12
- SSS - TRIO 8-13
- TRIO STEM 8-12
- TRIO STEM 8-13
- T3-Engaging Students 9-12
- T3-Engaging Students 9-13
- CCAMPIS/CAL 9-12
- CCAMPIS/CAL 9-13



LANE COMMUNITY COLLEGE

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue		Expenditures	Accrued (Deferred) Revenue June 30, 2013
				July 1, 2012	Receipts		
<b>Passed Through Oregon Department of Education:</b>							
Perkins 9-12 (89%)	84.048	22131	\$ 698,008	\$ 220,255	\$ 271,016	\$ 50,761	\$ -
Perkins 9-12 (11%)	84.243	22131	86,271	27,222	33,496	6,274	-
Perkins 9-13 (89%)	84.048	24839	689,137	-	450,134	633,785	183,651
Perkins 9-13 (11%)	84.243	24839	85,174	-	55,634	78,333	22,699
<b>Passed Through Lane Education Service District:</b>							
Reserve 7-12	84.048	22159	45,967	7,903	14,267	6,364	-
Reserve 7-13	84.048	24866	47,463	-	29,941	37,341	7,400
Total U.S. Department of Education			908,304	908,304	91,192,236	91,224,187	940,255
<b><u>NATIONAL SCIENCE FOUNDATION:</u></b>							
Direct programs:							
NSF Second Life 8-12	47.076	DUE-802580	449,912	24,152	36,712	12,560	-
NSF/GEOSTAC 6-13	47.076	DUE-0903330	692,042	56,270	67,029	26,569	15,810
NSF: Lanes 7-13	47.076	DUE-0903333	810,312	52,961	252,184	266,944	67,721
Total National Science Foundation			133,383	133,383	355,925	306,073	83,531
<b><u>SMALL BUSINESS ADMINISTRATION:</u></b>							
Direct programs:							
SBA/OSBDCN 12-12	59.037	SBAHQ-12-B-0069/260	1,283,312	551,546	1,283,312	731,766	-
SBA/OSBDCN 12-13	59.037	3-603001-Z-0039	1,283,312	-	-	488,614	488,614
SBA 2011 Portability	59.037	SBAHQ-11-B-0011	100,000	10,868	59,005	48,137	-
SBA Small Jobs Bill 12/12	59.037	1-601003-Z-0145	654,380	76,040	247,582	171,542	-
SBA 2012 Veterans Year Three	59.037	SBAHQ-10-V-0004/2603001Z0600	100,000	26,892	44,216	64,142	46,818
SBA 2013 Veterans Year Four	59.037	SBAHQ-10-V-0004/3603001Z0604A	100,000	-	6,920	29,925	23,005
Total Small Business Administration			665,346	665,346	1,641,035	1,534,126	558,437
<b><u>U.S. DEPARTMENT OF ENERGY:</u></b>							
Direct program:							
Dept of Energy: NETL 10-12	81.086	DE-EE0003519	550,000	456,065	550,000	93,935	-

LANE COMMUNITY COLLEGE

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue July 1, 2012	Receipts	Expenditures	Accrued (Deferred) Revenue June 30, 2013
<b><u>CORPORATION FOR NATIONAL &amp; COMMUNITY SERVICE:</u></b>						
Direct programs:						
94.016	10SCPOR002	\$ 291,082	\$ 89,180	\$ 89,180	\$ -	\$ -
94.016	10SCPOR002	268,692	-	159,396	246,478	87,082
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	126,825	546,279	548,478	129,024
17.282	12-CASE-CPL-1	15,000	-	-	9,003	9,003
Passed Through Portland Community College:						
17.269	13-423031-003	803,493	43,976	405,803	383,990	22,163
Passed Through Lane Workforce Partnership:						
17.278	21201	247,369	40,491	40,491	-	-
17.258	21201	171,901	28,138	28,138	-	-
17.278	22201	152,674	-	124,612	150,977	26,365
17.258	22201	106,096	-	86,594	104,916	18,322
17.275	29212	362,663	14,229	14,229	-	-
Total U. S. Department of Labor						
			253,659	1,246,146	1,197,364	204,877
<b><u>U. S. DEPARTMENT OF COMMERCE - NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION:</u></b>						
Direct program:						
11.558	41-50-M09042	1,120,000	122,008	374,089	325,457	73,376
ARRA-SBDD-PUC of Oregon 2011-14						

LANE COMMUNITY COLLEGE

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue		Expenditures	Accrued (Deferred) Revenue	
			July 1, 2012	June 30, 2013		Receipts	June 30, 2013
<b>U. S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES:</b>							
Direct programs:							
HRSA 2-13	T22HA24908A0	\$ 148,765	\$ -	\$ 148,765	\$ 148,765	\$ -	\$ -
Nursing HRSA Ear-9-13	C76HF19806-01-00	495,000	78,501	285,806	212,082	4,777	4,777
Passed Through LaneCare:							
LaneCare ECPP 9-12	28381	2,667	(2,667)	-	2,667	-	-
LaneCare ECPP 9-12	28381	1,333	(1,333)	-	1,333	-	-
Total U.S. Department of Health & Human Services			74,501	434,571	364,847	4,777	4,777
Total all programs			\$ 2,702,446	\$ 96,042,578	\$ 95,292,467	\$ 1,952,335	\$ 1,952,335

**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, 2013

A - SUMMARY OF AUDIT RESULTS:

1. The independent auditor's report expresses an unmodified 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 unmodified 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 Work-Study Program	84.033
Federal Perkins Loans	84.038
Federal Pell Grant Program	84.063
Federal Direct Loans	84.268

8. The threshold for distinguishing Type A programs from Type B programs was \$1,161,000.
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

December 9, 2013

Board of Education  
Lane Community College  
Eugene, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Lane Community College as of and for the year ended June 30, 2013, and have issued our report thereon dated December 9, 2013.

**Internal Control Over Financial Reporting**

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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 grant agreements, 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 11 to the financial statements, the College overexpended two appropriations during the year. ORS 294.435(4) provides that no greater amount be expended than appropriated except as specifically provided by law.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. Accordingly, this communication is not suitable for any other purpose.

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.