

**LANE COMMUNITY COLLEGE
EUGENE, OREGON**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended June 30, 2021**



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**Margaret A. Hamilton, President
Greg Holmes, Controller**

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INTRODUCTORY SECTION



December 27, 2021

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

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) for Lane Community College for the fiscal year ended June 30, 2021, 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, 2021, 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. More than 25,000 people take one or more classes at Lane each year (unduplicated headcount) in recent years. Congruent with its mission, Lane offers a broad range of educational programs leading to four associate degrees: associate of arts/Oregon transfer, an associate of science, an 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 Higher Education Coordinating Commission (HECC) as sufficient in content and length.

College Mission

Lane is the community's College:

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

Core Themes

Lane's core themes represent the essential elements of our comprehensive mission. Under our accrediting body, the Northwest Commission on Colleges and Universities, we have established objectives and indicators of achievement for each core theme to evaluate the accomplishment of core theme objectives and, ultimately, our mission.

Core Theme 1: Responsive Community Engagement

As an engaged member of our community, Lane's programs, services, and activities serve the community's needs.

Core Theme 2: Accessible and Equitable Learning Opportunities

Lane's policies, procedures, programs, and services facilitate open, fair, and just educational experiences.

Core Theme 3: Quality Educational Environment

Lane's quality educational environment embraces academic and instructional integrity, relevancy, rigor, innovation, and transparency.

Core Theme 4: Individual Student Achievement.

Lane's students advance on their academic paths and reach their educational goals.

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, Bushnell University, several high tech companies, and forest products companies such as Weyerhaeuser.

According to the Oregon Office of Economic Analysis (OOEA), while the economic recovery continues, the virus remains in control. The weak labor market and the spreading virus are combined with months of federal inaction regarding both the pandemic and the economy; it brings the recovery to its most challenging point. Fortunately, Oregon is better positioned than ever before to weather a revenue downturn. Automatic deposits into the Rainy Day Fund and Education Stability Fund have added up over the decade-long economic expansion.

Other financial and demographic information can be found in the Statistical Section of Lane Community College's ACFR 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.

Higher Education Coordinating Commission

Administrative oversight over all Oregon community colleges resides with the Higher Education Coordinating Commission (HECC). Established in 2011, the HECC is a 14-member volunteer commission responsible for advising the Oregon Legislature, the Governor, and the Chief Education Office on higher education policy. HECC establishes state standards for educational programs and facilitates 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 Community College Board of Education.

Accreditation

The Northwest Commission on Colleges and Universities has granted accreditation to Lane Community College. Maintaining accreditation through the Northwest Commission on Colleges and Universities requires the College to participate in a seven-year continuous-improvement cycle, including submitting reports and hosting evaluators during site visits. During 2020/21, we gathered data, evidence and narrative information for our Year 7 Evaluation of Institutional Effectiveness (EIE), which was submitted August 2021. The Policies, Regulations and Financial Review Report (PRFR) was submitted September 2020. The EIE focuses on Standard 1 while the PRFR focuses on Standard 2.

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 Uniform Guidance.

Long Range Financial Plan

The Board of Education approved a Long Range Financial Plan to guide future budget decisions on July 13, 2017. It includes board financial policies and guides financial and budget development.

Internal Controls

Management is responsible for establishing and maintaining internal controls designed to ensure that the assets of the College are protected from loss, theft, or misuse and to ensure that adequate accounting information is available for the preparation of the financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

Acknowledgments

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

Sincerely,

A handwritten signature in black ink, appearing to read 'G. Holmes', with a horizontal line extending to the right.

Greg Holmes
Controller

LANE COMMUNITY COLLEGE

June 30, 2021

Board of Education

<u>Official</u>	<u>Address</u>	<u>Office</u>
Lisa Fragala	84 W. 19 th Avenue Eugene, Oregon 97401	Chair
Rosie Pryor	2671 E. Wilshire Drive Eugene, Oregon 97405	Vice Chair
Mike Eyster	825 Willacade Court Springfield, Oregon 97477	Member
Chelsea Jennings	1424 W. 4 th Avenue Eugene, Oregon 97402	Member
Holli Johnson	1385 Taney Street Eugene, Oregon 97402	Member
Matt Keating	205 E. 39 th Avenue Eugene, Oregon 97405	Member
Angela VanKrause	1705 Linnea Avenue Eugene, Oregon 97401	Member

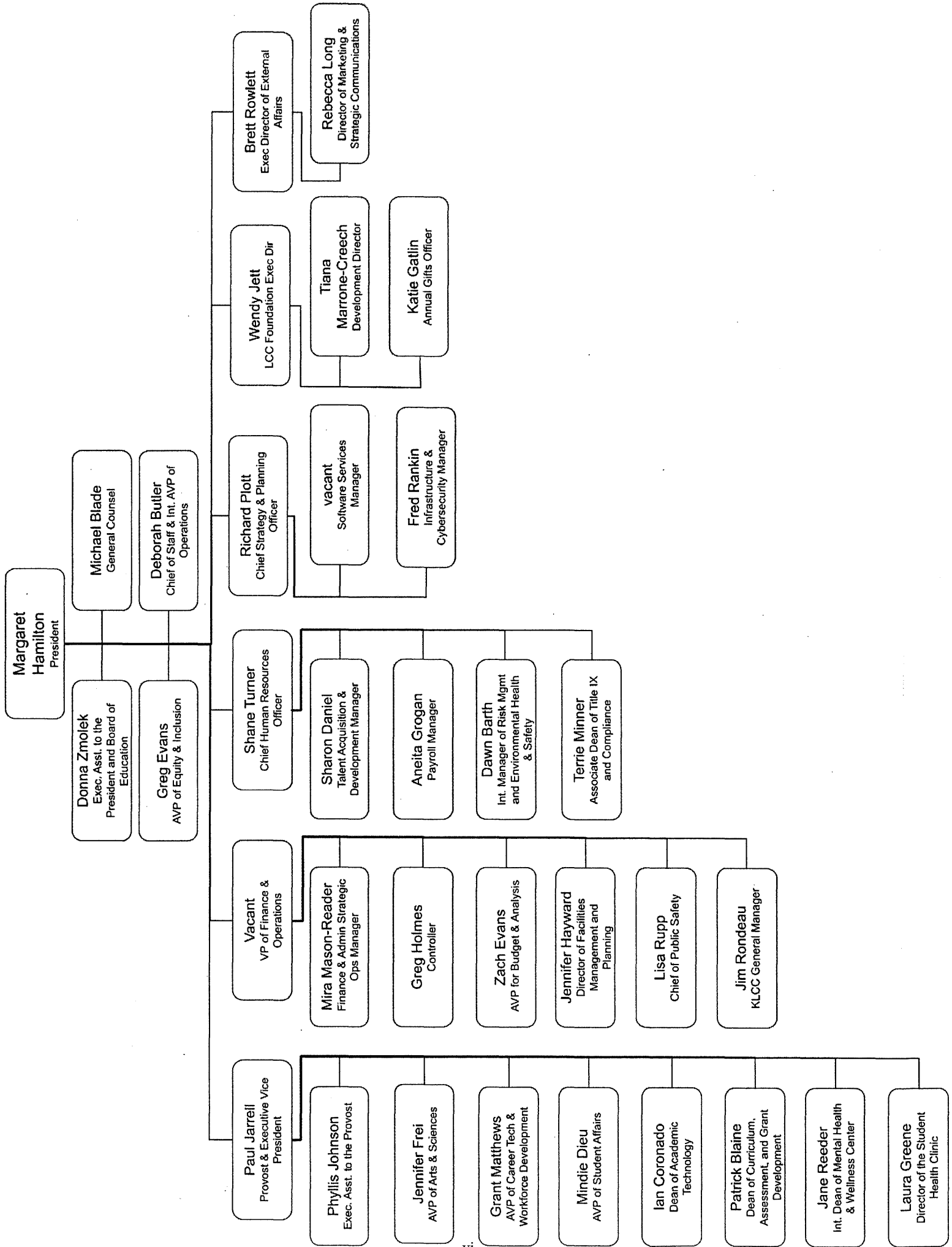
Administration

Margaret A. Hamilton

President

Greg Holmes

Controller



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

December 27, 2021

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, 2021, 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, 2021, 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 and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates 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 is 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.

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2021 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.

Other Reporting Required by Oregon State Regulations

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 27, 2021 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 and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of 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.

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis section of the College's annual financial performance provides an overview of Lane Community College (the College) for the fiscal year ended June 30, 2021. The discussion is designed to help the reader understand the accompanying financial statements through an objective and easily readable analysis of the College's economic activities.

Financial information for the College is presented in this annual report in two very different ways.

<u>Information</u>	<u>Measurement Focus</u>	<u>Basis of Accounting</u>	<u>Location in Report</u>
Basic financial statements	Economic resources	Full accrual	Financial section
Schedules of budget and actual	Current financial resources	Modified accrual	Other supplementary information

Overview of the Basic Financial Statements

The discussion and analysis serve as an introduction to the College's basic entity-wide financial statements. The entity-wide presentation provides readers with a broad overview of the College's finances, like a private sector business. These financial statements focus on the College's overall financial condition, operations results, and cash flows. The entity-wide statements are comprised of the following:

- The **Statement of Net Position** presents the College's assets, deferred outflows, liabilities, and deferred inflows with the difference between the four reported as *net position*. Over time, increases or decreases in net position are indicators of the College's financial condition. 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** presents the revenues earned and the expenses incurred during the year. Revenues and expenses are generally reported using the accrual accounting method, 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 assets' cost over their estimated useful lives. Revenues and expenses are reported as either operating or nonoperating. Primary sources of operating revenues include tuition, grants, and contracts. State appropriations and property taxes are classified as nonoperating revenues.
- The **Statement of Cash Flows** presents information on cash flows from operating activities, non-capital financial activities, capital financing activities, and investing activities. It provides the net increase or decrease in cash between the beginning and end of the fiscal year. This statement helps evaluate financial viability and the College's ability to meet financial obligations as they become due.
- The **Notes to the Basic Financial Statements** provide additional information essential to a full understanding of the data provided in the entity-wide financial statements.

Overview of the Schedules of Budget and Actual

The **Fund Financial Statements** are included in a later section entitled other supplementary information. The governmental fund reporting focuses on how money flows in and out of funds and the balances left at year-end that are available for spending. They are reported using the accounting method called "modified accrual" accounting, which measures cash and all other financial assets that can be readily converted to currency. This information is essential for the preparation of and compliance with annual budgets. Fund financial statements also report the College's operations in more detail than the government-wide financial statements by providing information about the College's most significant fund, the general fund.

Financial Highlights

- Revenue decreased \$4.2 million over the prior year primarily due to the State's payment schedule of community college support. In even-numbered fiscal years, the College receives five payments, and in odd-numbered fiscal years, only three payments. The Coronavirus (Covid-19) has also impacted college operations decreasing enrollment but increasing federal grants to compensate for lost revenue.
- In August 2020, the College issued general obligation bonds of \$121.5 million with a premium of \$18.1 million to finance the costs of capital construction and improvement to College facilities.
- The College's net position decreased \$5.5 million compared to a \$4.3 million decrease in 2020. Expenses decreased by \$2.9 million or -2.01% from 2020.
- On June 30, 2021, the College's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$14.3 million (Net Position). Of this amount, (\$90) million is classified as unrestricted net position. The largest component, \$102.3 million of net position, is the College's net investment in capital assets, representing 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.

Analysis of the Statement of Net Position

The Statement of Net Position includes all assets, deferred outflows, liabilities, and deferred inflows of the College using accounting's accrual basis. Net position is the difference between assets plus deferred outflows and liabilities plus deferred inflows. It is an essential measure of the financial condition of the College.

	<u>2021</u>	<u>2020</u>	<u>% Change</u>
Assets			
Current assets	\$ 25,498,059	\$ 32,903,046	-22.5%
Capital assets, net of depreciation	145,468,822	151,610,103	-4.1%
Other noncurrent assets	137,300,480	850,460	16044.3%
Total assets	<u>\$ 308,267,361</u>	<u>\$ 185,363,609</u>	66.3%
Deferred Outflows	24,485,908	18,351,620	33.4%
Total assets and deferred outflows	<u>\$ 332,753,269</u>	<u>\$ 203,715,229</u>	63.3%
Liabilities			
Current Liabilities	\$ 26,132,781	\$ 29,809,384	-12.3%
Long-term debt, non-current portion	272,454,315	133,474,296	104.1%
Total liabilities	<u>\$ 298,587,096</u>	<u>\$ 163,283,680</u>	82.9%
Deferred Inflows	<u>\$ 19,878,694</u>	<u>\$ 20,646,544</u>	-3.7%
Net Position			
Net investment in capital assets	\$ 102,276,390	\$ 102,455,865	-0.2%
Restricted	1,952,447	1,349,827	44.6%
Unrestricted	<u>(89,941,358)</u>	<u>(84,020,687)</u>	7.0%
Total net position	<u>\$ 14,287,479</u>	<u>\$ 19,785,005</u>	-27.8%

On June 30, 2021, the College's current \$25.5 million assets are not sufficient to cover the College's current liabilities of \$26.1 million, representing a current ratio of 0.98. The College will collect property taxes in November 2022 to pay increased current bond maturities. Current assets consist primarily of cash and cash equivalents,

investments, receivables from student accounts, property taxes, and grants. The most considerable noncurrent assets are capital assets of \$145.5 million (land, buildings, machinery, and equipment) net of accumulated depreciation used to provide students services.

Current liabilities primarily consist of accounts payable, payroll and payroll taxes payable, current maturities of long-term obligations, unearned revenue, and compensated absences. Noncurrent liabilities consist of long-term debt relating to general obligation bonds, pension bonds, and other debt obligations. The deferred outflows and deferred inflows of resources are primarily associated with pensions.

Within Net Position, the "invested in capital assets" amount of \$102.3 million represents the total original cost of all of the College's land, buildings, machinery and equipment, and infrastructure, less accumulated depreciation on these assets and less debt related to their acquisition. The restricted net position consists of amounts legally restricted for debt service and grants and contracts.

Analysis of the Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position presents the operating results of the College as well as the nonoperating revenues and expenses.

	<u>2021</u>	<u>2020</u>	<u>Percent Change</u>
Revenues:			
Student tuition and fees	\$ 35,880,893	\$ 36,823,353	-2.56%
Grants and contracts	34,802,061	28,727,281	21.15%
State community college support	19,475,833	31,107,694	-37.39%
Property taxes	34,704,459	29,325,993	18.34%
Other revenue	<u>10,196,801</u>	<u>13,270,902</u>	-23.16%
Total revenues	<u>135,060,047</u>	<u>139,255,223</u>	-3.01%
Expenses:			
Instruction	47,914,636	51,875,013	-7.63%
Community services	8,078,966	7,013,784	15.19%
Instructional support services	7,153,207	7,346,024	-2.62%
Student services	16,526,120	20,139,778	-17.94%
College support services	19,474,736	17,688,028	10.10%
Plant operations and maintenance	9,890,539	7,324,818	35.03%
Financial aid	18,303,553	22,143,386	-17.34%
Depreciation	6,403,133	6,195,157	3.36%
Other	<u>6,905,683</u>	<u>3,803,502</u>	81.56%
Total expenses	<u>140,650,573</u>	<u>143,529,490</u>	-2.01%
Income-(loss)	(5,590,526)	(4,274,267)	
Capital contributions	<u>93,000</u>	<u>-</u>	
Change in net position	(5,497,526)	(4,274,267)	
Net position - beginning	<u>19,785,005</u>	<u>24,059,272</u>	-17.77%
Net position - ending	<u>\$ 14,287,479</u>	<u>\$ 19,785,005</u>	-27.79%

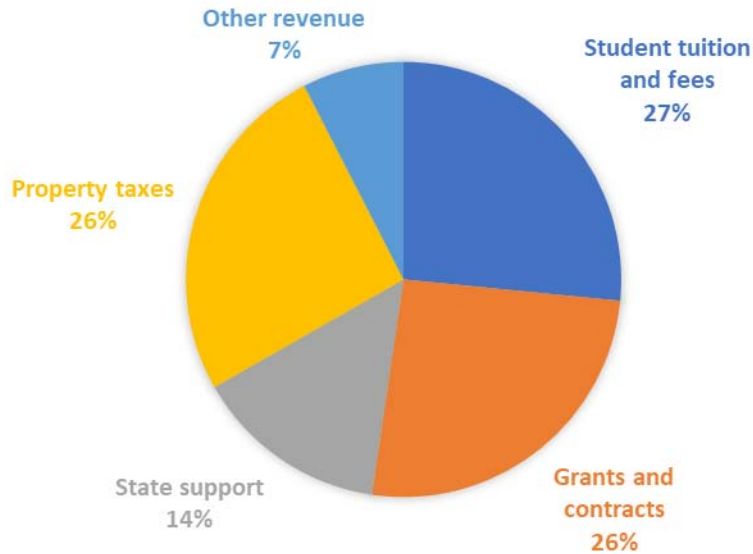
Revenues:

The largest sources of operating revenue for the College are student tuition and fees and grants and contracts. Tuition and fees totaled \$35.9 million, which is down 2.56% over last year's amount.

The largest sources for nonoperating revenue are State community college support and Property taxes. Property taxes totaling \$34.7 million is the largest source of nonoperating revenue this year. The College received \$19.5 million in State support.

Total revenues show a decrease of 3.01% over 2020 due to the College receiving three State payments compared to five in 2020. The Coronavirus (Covid-19) has also impacted college operations decreasing enrollment but increasing federal grants to compensate for lost revenue.

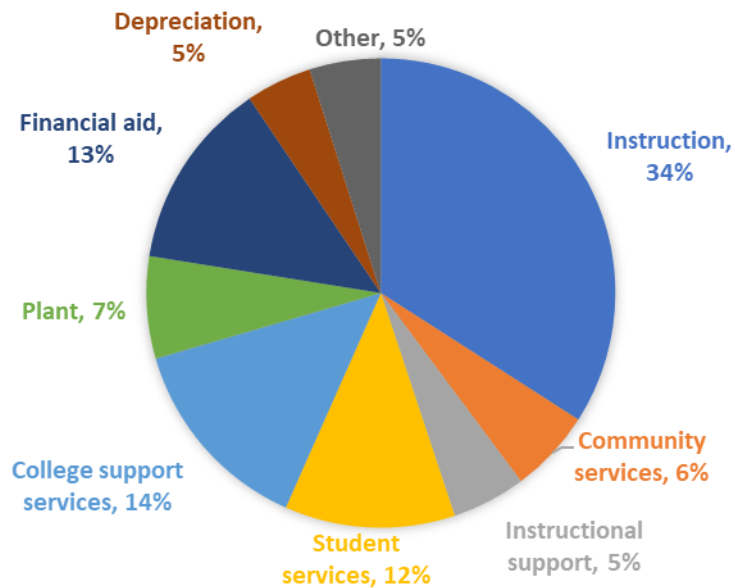
The following graph shows the allocation of total revenues for the College:



Expenses:

Expenses totaling \$140.6 million include salaries and benefits, pension, materials and supplies, utilities, grants and scholarships, and depreciation of capital assets. Total expenses show a decrease of 2.01% over 2020.

The following graph shows the allocation of total expenses for the College:



Analysis of the Statement of Cash Flows

This statement provides an assessment of the financial health of the College. Its primary purpose is to provide relevant information about the cash receipts and cash payments of the College during a stated period. The statement of cash flows also helps users assess the College's ability to meet obligations as they become due and the need for external financing.

In summary, the cash flows for the year were:

	<u>2021</u>	<u>2020</u>	<u>% Change</u>
Cash Provided by (Used In):			
Operating Activities	\$ (43,958,264)	\$ (39,525,759)	11.2%
Noncapital Financing Activities	32,008,494	51,502,923	-37.9%
Capital Financing Activities	137,323,213	(2,332,424)	-5987.6%
Investing Activities	<u>(94,284,947)</u>	<u>515,747</u>	-18381.2%
Net increase (decrease) in cash	31,088,496	10,160,487	206.0%
Cash - Beginning of year	<u>25,483,126</u>	<u>15,322,639</u>	66.3%
Cash - End of year	<u>\$ 56,571,622</u>	<u>\$ 25,483,126</u>	122.0%

The primary cash sources from operating activities include student tuition and fees, grants and contracts, and auxiliary enterprises. Primary uses were payments made to employees, employee benefit programs, and vendors.

State reimbursements and property taxes are the primary sources of non-capital financing. The accounting standards require that the College reflect these revenue sources as nonoperating, even though the College's budget depends on these revenues for ongoing operations.

Proceeds from issuance of general obligation bonds of \$121.5 million and premium of \$18.1 million make up the largest portion of the \$137.3 million in capital finance activities. With the extra funds the college purchased investments of \$94.6 million earning \$367 thousand of interest for (\$94.2) million in investing activities.

Cash payments for the acquisition of capital assets and principal and interest payments on long-term debt are the primary uses of capital financing cash activities.

Capital Assets and Long-Term Liabilities

Capital Assets:

On June 30, 2021, the College had \$145.5 million, net of accumulated depreciation, invested in a broad range of capital assets, including land, buildings, equipment, and library books.

	<u>2021</u>	<u>2020</u>	<u>% Change</u>
Land	\$ 5,377,072	\$ 5,463,184	-1.6%
Construction in progress	141,770	-	
Buildings	135,692,979	141,476,224	-4.1%
Equipment	3,915,196	4,265,631	-8.2%
Library books	<u>341,805</u>	<u>405,064</u>	-15.6%
	<u>\$ 145,468,822</u>	<u>\$ 151,610,103</u>	-4.1%

Additional information about the College's capital assets is located in note 3 to these financial statements.

Long-Term Liabilities:

On June 30, 2021, the College had total long-term obligations outstanding of \$272.5 million compared to \$133.5 million last year.

	<u>2021</u>	<u>2020</u>	<u>% Change</u>
Non Current Portion of Bond & Note Payable	\$202,591,470	\$ 78,092,211	159.43%
Pension Plan Liability	62,975,509	49,961,096	26.05%
Postemployment Health Care Benefits	6,887,336	5,420,989	27.05%
	<u>\$272,454,315</u>	<u>\$ 133,474,296</u>	104.12%

In August 2020, the College issued general obligation bonds of \$121.5 million with a premium of \$18.1 million to finance the costs of capital construction and improvement to College facilities. The College made all scheduled bond payments.

Additional information about the College's long-term liabilities is located in note 5. Pension plan liability is located in note 6, and post-employment health care benefits is found in note 7 to these financial statements.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors, and creditors with a general overview of Lane Community College's finances and to show the College's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

College Finance
 Lane Community College
 4000 East 30th Avenue
 Eugene, Oregon 97405-0640

Basic Financial Statements

LANE COMMUNITY COLLEGE

Statement of Net Position
June 30, 2021

	<u>College</u>	<u>Foundation (Component Unit)</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 14,560,928	\$ 3,264,154
Receivables, net:		
Property taxes	1,170,091	-
Accounts	9,371,549	103,040
Interest	-	31
Notes, current portion	-	22,665
Prepayments and other assets	323,295	48,342
Inventories	72,196	-
	<u>25,498,059</u>	<u>3,438,232</u>
Total current assets		
Noncurrent assets:		
Restricted cash and investments (including cash and cash equivalents of \$42,010,694)	136,662,608	-
Receivables, net	-	172,565
Long term investments	-	20,283,342
OPEB asset	637,872	-
Capital assets:		
Non-depreciable	5,518,842	-
Depreciable	234,442,099	-
Less accumulated depreciation	<u>(94,492,119)</u>	<u>-</u>
	<u>282,769,302</u>	<u>20,455,907</u>
Total noncurrent assets		
Deferred Outflows of Resources:		
Deferred on refunding of long-term debt	774,528	-
Deferred outflows of resources related to pensions	22,092,595	-
Deferred outflows of resources related to OPEB	<u>1,618,785</u>	<u>-</u>
	<u>332,753,269</u>	<u>23,894,139</u>
Total assets and deferred outflows		
Liabilities:		
Current liabilities:		
Accounts payable	4,333,929	9,079
Accrued liabilities	3,597,842	-
Accrued interest payable	234,394	-
Unearned revenue	1,941,440	12,500
Current maturities of long-term debt	<u>16,025,176</u>	<u>-</u>
	<u>26,132,781</u>	<u>21,579</u>
Total current liabilities		
Noncurrent liabilities:		
Long-term debt	288,479,491	750,443
Less: current maturities of long-term deb	<u>(16,025,176)</u>	<u>-</u>
	<u>272,454,315</u>	<u>750,443</u>
Total noncurrent liabilities		
	<u>298,587,096</u>	<u>772,022</u>
Total liabilities		
Deferred inflows of resources:		
Related to pensions	17,728,138	-
Related to OPEB	<u>2,150,556</u>	<u>-</u>
	<u>19,878,694</u>	<u>-</u>
Total deferred inflows of resources		
Net Position:		
Net investment in capital assets	<u>102,276,390</u>	<u>-</u>
Restricted for debt service	765,985	-
Restricted for student financial aid	818,132	-
Restricted for grants and contracts	368,330	-
Restricted for permanent endowment	-	12,547,877
Restricted for temporary endowment and scholarships	<u>-</u>	<u>9,824,017</u>
	<u>1,952,447</u>	<u>22,371,894</u>
Total restricted net position		
Unrestricted	<u>(89,941,358)</u>	<u>750,223</u>
	<u>\$ 14,287,479</u>	<u>\$ 23,122,117</u>
Total net position		

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, 2021

	College	Foundation (Component Unit)
Operating revenues:		
Student tuition and fees	\$ 35,880,893	\$ -
Grants and contracts	34,802,061	-
Sales of goods and services	1,603,520	-
Other operating revenue	8,226,314	3,244,755
	<u>80,512,788</u>	<u>3,244,755</u>
 Total operating revenues	 <u>80,512,788</u>	 <u>3,244,755</u>
Operating expenses:		
Instruction	47,914,636	-
Community services	8,078,966	-
Instructional support services	7,153,207	-
Student services	16,526,120	-
College support services	19,474,736	-
Plant operations and maintenance	9,890,539	-
Financial aid	18,303,553	-
Foundation programs	-	3,063,357
Depreciation	6,403,133	-
	<u>133,744,890</u>	<u>3,063,357</u>
 Total operating expenses	 <u>133,744,890</u>	 <u>3,063,357</u>
 Operating income-(loss)	 <u>(53,232,102)</u>	 <u>181,398</u>
Nonoperating revenues-(expenses):		
State community college support	19,475,833	-
Property taxes	34,704,459	-
Investment income	366,967	3,862,492
Loss on sale of capital assets	(198,130)	-
Bond issuance costs	(802,964)	-
Interest expense	(5,904,589)	-
	<u>47,641,576</u>	<u>3,862,492</u>
 Total nonoperating revenues-(expenses)	 <u>47,641,576</u>	 <u>3,862,492</u>
 Income-(loss) before capital contributions	 <u>(5,590,526)</u>	 <u>4,043,890</u>
Capital contributions	<u>93,000</u>	<u>-</u>
 Change in net position	 <u>(5,497,526)</u>	 <u>4,043,890</u>
Net position - July 1, 2020	<u>19,785,005</u>	<u>19,078,227</u>
Net position - June 30, 2021	<u>\$ 14,287,479</u>	<u>\$ 23,122,117</u>

The accompanying notes are an integral part of this statement.

LANE COMMUNITY COLLEGE

Statement of Cash Flows
Year Ended June 30, 2021

	College
Cash flows from operating activities:	
Tuition and fees	\$ 35,826,957
Grants and contracts	29,869,683
Sales of goods and services	1,603,520
Other cash receipts	8,226,314
Payments to employees for services	(82,887,926)
Payments to suppliers for goods and services	(18,374,196)
Payments for student scholarships and grants	(18,222,616)
Net cash used in operating activities	(43,958,264)
Cash flows from noncapital financing activities:	
Cash received from State community college support	19,475,833
Cash received from property taxes	22,335,068
Proceeds from Paycheck Protection Program loan	231,313
Principal paid on tax and revenue anticipation note	(4,315,000)
Interest paid on tax and revenue anticipation note	(49,622)
Principal paid on pension bonds	(4,140,000)
Interest paid on pension bonds	(1,529,098)
Net cash provided by noncapital financing activities	32,008,494
Cash flows from capital and related financing activities:	
Cash received from property taxes	12,340,618
Cash received from capital grants	93,000
Proceeds from sale of capital assets	73,900
Acquisition of capital assets	(533,882)
Proceeds from issuance of general obligation bonds	121,500,000
Premium on general obligation bonds issued	18,085,612
Bond issuance costs	(802,964)
Principal paid on bonds, debt obligations and notes payable	(8,637,341)
Interest paid on bonds, debt obligations and notes payable	(4,795,730)
Net cash provided by capital and related financing activities	137,323,213
Cash flows from investing activities:	
Purchase of investments	(94,651,914)
Interest on investments	366,967
Net cash used in investing activities	(94,284,947)
Net increase in cash and cash equivalents	31,088,496
Cash and cash equivalents - July 1, 2020	25,483,126
Cash and cash equivalents - June 30, 2021	\$ 56,571,622

The accompanying notes are an integral part of this statement.

LANE COMMUNITY COLLEGE

Statement of Cash Flows
Year Ended June 30, 2021

	<u>College</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	<u>\$ (53,232,102)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	6,403,133
Change in net pension liability	13,739,329
Change in net OPEB liability	1,466,347
Change in OPEB asset	212,588
Decrease-(increase) in:	
Accounts receivable	(3,392,409)
Inventories	(3,587)
Prepaid expenses and other assets	(92,442)
Deferred outflows of resources related to pensions	(4,739,401)
Deferred outflows of resources related to OPEB	(1,591,747)
Increase-(decrease) in:	
Operating accounts payable	392,558
Accrued liabilities	(232,577)
Vacation payable	198,717
Deferred inflows of resources related to pensions	(316,830)
Deferred inflows of resources related to OPEB	(451,020)
Pension transition liability	(724,916)
Unearned revenue	<u>(1,593,905)</u>
Total adjustments	<u>9,273,838</u>
Net cash used in operating activities	<u><u>\$ (43,958,264)</u></u>
Noncash Investing, Capital and Financing Activities:	
Accreted interest on deferred interest bonds	\$ 739,836
Amortization of debt premium	(1,508,376)
Amortization of tax and revenue anticipation note premium	(27,518)
Amortization of deferred on refunding of long-term debt	196,860
Interest expense	599,198
Book value of capital assets disposed	272,030
Loss on disposal of capital assets	<u>(272,030)</u>
Total noncash investing, capital and financing activities	<u><u>\$ -</u></u>

The accompanying notes are an integral part of this statement.

LANE COMMUNITY COLLEGE

Notes to Financial Statements Year Ended June 30, 2021

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, 2021, the Foundation provided scholarships of \$836,017 for the benefit of the College. The College provided personnel and administrative contributions to the Foundation totaling \$302,188 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) Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

(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, U.S. government and agencies securities, and corporate debt. 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, U.S. government and agencies securities, and corporate debt, 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. 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.

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

(I) Inventories

Inventories, consisting of printing and graphics supplies, are valued at cost (first-in, first-out method) and are charged to expense as 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 capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. 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.

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) Long-Term Debt

Debt premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Deferred outflows of resources on refunding of long-term debt are being amortized over the shorter of the life of the old debt or new debt using the straight-line method.

(N) Pension Plans

Public Employees Retirement System

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Contd)

(N) Pension Plans (Contd)

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).

(O) Other Postemployment Benefits Obligation

Public Employees Retirement System

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Early Retirement Program

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.

(P) 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 and premiums of capital asset related debt, plus cash held for construction and deferred outflows of resources on refunding. Net position for which constraints were imposed by creditors, grantors, contributors or laws or regulations is categorized as restricted.

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2021

2 - CASH AND INVESTMENTS:

The College's cash and investments are comprised of the following at June 30, 2021:

Cash on hand and other	\$ 30,656
Deposits with financial institutions	19,252,040
Investments	<u>131,940,840</u>
Cash and investments, as reported in statement of net position	<u>\$ 151,223,536</u>

Deposits

Deposits with financial institutions are bank demand deposits. The total bank balance, as shown on the banks' records at June 30, 2021, is \$19,590,843. Of these deposits, \$1,000,000 was covered by federal depository insurance.

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, 2021, 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, corporate debt, and the Oregon Local Government Investment Pool, among others. The College has no investment policy that would further limit its investment choices.

The College's investments in U.S. Government and agency securities and corporate debt are reported at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The College's investments in U.S. Government and agency securities and corporate debt are valued using quoted market prices (Level 1 inputs).

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2021

2 - CASH AND INVESTMENTS: (Contd)

At June 30, 2021, the College's investments consisted of:

	S&P Rating	Fair Value	Percent	Maturities	
				0-1 Year	1-2 Years
Corporate Debt:					
Toyota Motor Credit Corp	A-1+	\$ 4,999,861	3.8%	\$ 4,999,861	\$ -
Exxon Corp	A-1+	4,999,647	3.8%	4,999,647	-
Natixis Bank	A-1	9,996,437	7.6%	9,996,437	-
Royal Bank of Canada	A-1+	9,996,380	7.6%	9,996,380	-
MUFG Bank Ltd	A-1	9,994,163	7.6%	9,994,163	-
U.S. Government/Agency Securities:					
U.S. Treasury Bills	AA+	37,992,014	28.8%	37,992,014	-
U.S. Treasury Note	AA+	9,681,089	7.3%	-	9,681,089
Federal Farm Credit Banks	AA+	6,992,323	5.3%	-	6,992,323
Investment in Oregon Local Government					
Investment Pool		37,288,926	28.3%	37,288,926	-
Total investments		<u>\$ 131,940,840</u>	<u>100.1%</u>	<u>\$115,267,428</u>	<u>\$ 16,673,412</u>

The Oregon Local Government Investment Pool is an open-ended, no-load diversified portfolio pool. Participants' account balances in the pool are determined by the amount of participants' deposits, adjusted for withdrawals and distributed interest. Interest is calculated and accrued daily on each participant's account based on the ending account balance and a variable interest rate determined periodically by the Oregon Short-Term Fund.

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, 2021 were: 58% mature within 93 days, 17% mature from 94 days to one year, and 25% 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 investments in U.S. Government and agency securities and corporate debt are held by the College's counterparty, not in the College's name.

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2021

2 - CASH AND INVESTMENTS: (Contd)

Restricted Cash and Investments

At June 30, 2021, the College had \$136,662,608 in unspent general obligation bond proceeds and capital grants. 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, 2021, all of these cash balances were 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 value, and unrealized gains and losses are reflected in the Foundation's statement of activities.

A summary of investments at June 30, 2021 is as follows:

Money market/cash management accounts	\$ 368,217
Equity securities	13,768,051
U.S. Government and agency obligations	2,567,875
Corporate bonds	2,052,841
Other fixed income	<u>1,526,358</u>
Total investments	<u>\$ 20,283,342</u>

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2021

3 - CAPITAL ASSETS:

The College's capital assets activity for the year ended June 30, 2021 was as follows:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Capital assets not being depreciated:				
Land	\$ 5,463,184	\$ -	\$ 86,112	\$ 5,377,072
Construction in progress	-	141,770	-	141,770
Total capital assets not being depreciated	<u>5,463,184</u>	<u>141,770</u>	<u>86,112</u>	<u>5,518,842</u>
Capital assets being depreciated:				
Buildings and improvements	217,672,904	-	670,027	217,002,877
Furniture and equipment	11,813,954	370,615	208,000	11,976,569
Library books	5,441,156	21,497	-	5,462,653
Total capital assets being depreciated	<u>234,928,014</u>	<u>392,112</u>	<u>878,027</u>	<u>234,442,099</u>
Less accumulated depreciation for:				
Buildings and improvements	76,196,680	5,773,027	659,809	81,309,898
Furniture and equipment	7,548,323	545,350	32,300	8,061,373
Library books	5,036,092	84,756	-	5,120,848
Total accumulated depreciation	<u>88,781,095</u>	<u>6,403,133</u>	<u>692,109</u>	<u>94,492,119</u>
Total capital assets being depreciated, net	<u>146,146,919</u>	<u>(6,011,021)</u>	<u>185,918</u>	<u>139,949,980</u>
Total capital assets, net	<u>\$ 151,610,103</u>	<u>\$ (5,869,251)</u>	<u>\$ 272,030</u>	<u>\$ 145,468,822</u>

4 - SHORT-TERM OBLIGATIONS:

During the year ended June 30, 2020, the College obtained short term financing through a tax and revenue anticipation note for \$4,315,000, plus original issue premium of \$32,104. The College paid issuance costs of \$69,651. The note, plus interest at 2% per annum totaling \$49,622, was paid in December 2020.

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2021

5 - LONG-TERM DEBT:

Changes in the College's long-term debt for the year ended June 30, 2021 are as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year	Interest Paid
Vacation payable	\$ 2,372,239	\$ 2,570,956	\$ 2,372,239	\$ 2,570,956	\$ 2,570,956	\$ -
Bonds payable	31,365,000	121,500,000	7,940,000	144,925,000	8,085,000	4,213,442
Bonds payable premium	3,005,221	18,085,612	1,390,704	19,700,129	-	-
Debt obligations payable	14,735,000	-	685,000	14,050,000	705,000	579,500
Debt obligations premium	1,814,201	-	117,672	1,696,529	-	-
Pension bonds payable	38,813,055	739,836	4,140,000	35,412,891	4,420,000	1,529,098
Notes payable	42,169	-	12,341	29,828	12,907	2,788
Loan payable	-	231,313	-	231,313	231,313	-
Pension transition liability	4,904,481	-	724,916	4,179,565	-	-
Net pension liability	45,056,615	13,739,329	-	58,795,944	-	-
Net OPEB liability	5,420,989	1,466,347	-	6,887,336	-	-
Total	\$ 147,528,970	\$ 158,333,393	\$ 17,382,872	\$ 288,479,491	\$ 16,025,176	\$ 6,324,828

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 College facilities and to pay the costs of issuance of the Bonds. The bonds are being retired from property taxes levied by the College. The final payment on the Series 2009 bonds was made on June 15, 2019. The Series 2012 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%.

In June 2016, the College issued Series 2016 General Obligation Refunding Bonds in the amount of \$14,135,000. These bonds were used to extinguish \$14,630,000 of outstanding Series 2009 General Obligation Bonds through an in-substance defeasance. The in-substance defeasance was accomplished by placing a portion of the proceeds of the Series 2016 General Obligation Refunding Bonds in an irrevocable trust from which principal and interest payments were made on the defeased debt. The excess of the reacquisition price of the defeased debt over its carrying value was deferred and is being amortized over the term of the Series 2016 bonds. All defeased Series 2009 bonds were redeemed on June 15, 2019.

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2021

5 - LONG-TERM DEBT: (Contd)

Future general obligation bonded debt requirements are as follows:

	Series 2012 Bonds		Series 2016 Refunding Bonds	
	Principal	Interest	Principal	Interest
2021-22	\$ 4,000,000	\$ 596,050	\$ 3,360,000	\$ 434,400
2022-23	4,295,000	437,300	3,615,000	300,000
2023-24	4,645,000	228,425	3,885,000	155,400
Totals	<u>\$ 12,940,000</u>	<u>\$ 1,261,775</u>	<u>\$ 10,860,000</u>	<u>\$ 889,800</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 gross bonded debt requirements are as follows:

	Principal	Interest	Total
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	135,000	6,237	141,237
Total	<u>\$ 720,000</u>	<u>\$ 121,506</u>	<u>\$ 841,506</u>

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2021

5 - LONG-TERM DEBT: (Contd)

In August 2020, the College issued Series 2020A General Obligation Bonds (Tax-Exempt) in the original amount of \$65,240,000 plus premium of \$18,085,612 and Series 2020B General Obligation Bonds (Federally Taxable) in the original amount of \$56,260,000. These general obligation bonds were issued to finance the costs of capital construction and improvements to College facilities and to pay the costs of issuance of the Bonds. The bonds are being retired from property taxes levied by the College. The Series 2012 bonds are due annually and interest is payable semi-annually, on June 15 and December 15, with interest rates ranging from 0.5% to 5.0%. Series 2020A bonds maturing on or after June 15, 2031 may be redeemed, in whole or in part, at a price of par plus accrued interest to the date of redemption. Series 2020B bonds are not subject to optional redemption prior to maturity.

Future general obligation bonded debt requirements are as follows:

	Series 2020A Bonds		Series 2020B Bonds	
	Principal	Interest	Principal	Interest
2021-22	\$ -	\$ 2,769,900	\$ 620,000	\$ 659,147
2022-23	-	2,769,900	750,000	655,904
2023-24	-	2,769,900	890,000	651,119
2024-25	-	2,769,900	10,195,000	644,168
2025-26	-	2,769,900	10,655,000	557,409
2026-27	-	2,769,900	11,160,000	439,991
2027-28	-	2,769,900	11,695,000	300,267
2028-29	3,060,000	2,769,900	9,200,000	137,356
2029-30	12,970,000	2,616,900	-	-
2030-31	3,435,000	1,968,400	-	-
2031-32	3,720,000	1,831,000	-	-
2032-33	4,020,000	1,682,200	-	-
2033-34	4,335,000	1,521,400	-	-
2034-35	4,670,000	1,348,000	-	-
2035-36	5,025,000	1,161,200	-	-
2036-37	5,395,000	960,200	-	-
2037-38	5,785,000	744,400	-	-
2038-39	6,195,000	513,000	-	-
2039-40	6,630,000	265,200	-	-
Totals	<u>\$ 65,240,000</u>	<u>\$ 36,771,100</u>	<u>\$ 55,165,000</u>	<u>\$ 4,045,361</u>

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2021

5 - LONG-TERM DEBT: (Contd)

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 6.18% to 6.25%. Future pension bonds requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	36,220,000	<u>\$ 7,518,154</u>	<u>\$ 43,738,154</u>
Less deferred interest	<u>(807,109)</u>		
Carrying amount	<u>\$ 35,412,891</u>		

Debt Obligations Payable

In October 2016, the College issued \$17,580,000 of Full Faith and Credit Obligations, Series 2016 to extinguish the remaining \$19,355,000 of Full Faith and Credit Obligations, Series 2010. The Series 2010 Obligations were 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 Series 2010 Obligations were called on October 25, 2016.

The College advance refunded the Series 2010 Obligations to take advantage of lower interest rates and to reduce its total debt service payments over the life of the Series 2016 Obligations by \$3,171,550. The refunding resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$2,554,977. The Series 2016 Obligations bear interest rates from 1.6% to 5% and the final maturity is on December 1, 2035. Debt service payments are scheduled semiannually.

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2021

5 - LONG-TERM DEBT: (Contd)

Future Series 2016 Obligations debt service requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021-22	\$ 705,000	\$ 551,700	\$ 1,256,700
2022-23	735,000	522,900	1,257,900
2023-24	765,000	492,900	1,257,900
2024-25	790,000	464,200	1,254,200
2025-26	820,000	434,400	1,254,400
2026-27	855,000	400,900	1,255,900
2027-28	885,000	366,100	1,251,100
2028-29	915,000	330,100	1,245,100
2029-30	950,000	292,800	1,242,800
2030-31	990,000	254,000	1,244,000
2031-32	1,035,000	208,325	1,243,325
2032-33	1,080,000	155,450	1,235,450
2033-34	1,135,000	100,075	1,235,075
2034-35	1,180,000	54,000	1,234,000
2035-36	1,210,000	18,150	1,228,150
Totals	<u>\$14,050,000</u>	<u>\$ 4,646,000</u>	<u>\$18,696,000</u>

Notes Payable

In September 2013, the College executed promissory notes for the purchase of two aircraft totaling \$230,000. After one of the aircraft was damaged beyond repair, the College fully repaid the related note with proceeds from an insurance settlement. The remaining note is payable in monthly installments with interest at 3.685% per annum. Future debt service requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021-22	\$ 12,907	\$ 892	\$ 13,799
2022-23	13,398	401	13,799
2023-24	3,523	21	3,544
Total	<u>\$ 29,828</u>	<u>\$ 1,314</u>	<u>\$ 31,142</u>

Loan Payable

The College received loan proceeds of \$231,313 under the Paycheck Protection Program established as part of the CARES Act. The loan is payable over five years and carries an interest rate of 1% per annum. The loan and accrued interest may be forgiven if the College uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, while maintaining its payroll levels. The College expects to satisfy these conditions and receive forgiveness of the loan during 2021-22.

5 - LONG-TERM DEBT: (Contd)

Foundation Obligations under Split-Interest Agreements

Obligations under split-interest agreements and charitable remainder trusts are recorded when incurred at the present value, discounted at rates of 1.2 percent, for the year ending June 30, 2021, of the distributions to be made to the donor-designated beneficiaries. Distributions under charitable remainder annuity trusts are fixed amounts, while distributions under charitable remainder unitrusts are a specified percentage of the trust assets' fair value determined annually. 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 (IRS) and actuarially determined expected lives. Obligations under the split-interest agreements are revalued annually at June 30 to reflect actual experience. 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 consolidated statement of activities. The net revaluation of split-interest agreements as of June 30, 2021 was (\$77,677).

6 - PENSION PLANS:

PUBLIC EMPLOYEES RETIREMENT SYSTEM:

Plan Description

The College contributes to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the College's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: 1) The Pension Program, the defined benefit portion of the plan which applies to qualifying College employees hired on or after August 29, 2003. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. 2) The Individual Account Program (IAP), the defined contribution portion of the plan. Beginning January 1, 2004, all PERS member contributions go into the IAP. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account.

6 - PENSION PLANS: (Contd)

PUBLIC EMPLOYEES RETIREMENT SYSTEM: (Contd)

Both PERS plans provide retirement and disability benefits, postemployment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238, which establishes the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained at:

<https://www.oregon.gov/pers/Pages/financials/Actuarial-Financial-Information.aspx>.

Benefits provided

A. Tier One/Tier Two Retirement Benefit ORS Chapter 238

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS-covered job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

6 - PENSION PLANS: (Contd)

PUBLIC EMPLOYEES RETIREMENT SYSTEM: (Contd)

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

Benefit Changes after Retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

B. OPSRP Pension Program (OPSRP DB)

Pension Benefits

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

General Service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

6 - PENSION PLANS: (Contd)

PUBLIC EMPLOYEES RETIREMENT SYSTEM: (Contd)

Benefit Changes after Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

C. OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

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

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

Death Benefits

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

Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. Employer contributions for the year ended June 30, 2021 were \$3,592,744, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2021 were 12.66 percent for Tier One/Tier Two General Service Members and 6.63 percent for OPSRP Pension Program General Service Members, net of 15.29 percent of side account rate relief. An additional 6 percent contribution is required for the OPSRP Individual Account Program.

Notes to Financial Statements
Year Ended June 30, 2021

6 - PENSION PLANS: (Contd)

PUBLIC EMPLOYEES RETIREMENT SYSTEM: (Contd)

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and
Deferred Inflows of Resources related to Pensions

At June 30, 2021, the College reported a liability of \$58,354,551 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. The College's proportion of the net pension liability was based on a projection of the College's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities actuarially determined. PERS has established side accounts for employers that made lump sum payments to the plan in excess of their actuarially required contributions. Since different contribution rates are assessed to employers based on the value of the side accounts, the side account values were reflected separately in the proportionate share calculation. On June 30, 2020, the College's proportion was 0.39291536%.

For the year ended June 30, 2021, the College recognized pension expense of approximately \$12.4 million. At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,773,932	\$ -
Changes in assumptions	4,601,805	161,237
Net difference between projected and actual earnings on investments	10,082,809	-
Changes in proportionate share	-	8,748,961
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	8,701,970
College's contributions subsequent to the measurement date	3,592,744	-
Deferred outflows/inflows at June 30, 2021	<u>\$ 22,051,290</u>	<u>\$ 17,612,168</u>

Contributions subsequent to the measurement date of \$3,592,744 reported as deferred outflows of resources will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other deferred outflows of resources totaling \$18,458,546 less deferred inflows of resources of \$17,612,168 related to pensions will be recognized in pension expense as follows:

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2021

6 - PENSION PLANS: (Contd)

PUBLIC EMPLOYEES RETIREMENT SYSTEM: (Contd)

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ (2,564,576)
2023	466,697
2024	1,874,827
2025	1,531,606
2026	<u>(462,176)</u>
Total	<u>\$ 846,378</u>

Actuarial assumptions

The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

LANE COMMUNITY COLLEGE

Notes to Financial Statements Year Ended June 30, 2021

6 - PENSION PLANS: (Contd)

PUBLIC EMPLOYEES RETIREMENT SYSTEM: (Contd)

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2018 rolled forward to June 30, 2020
Experience Study Report	2018, published July 24, 2019
Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset Valuation Method	Fair value of assets
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Investment Rate of Return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2018 Experience Study which reviewed experience for the four-year period ending on December 31, 2018.

Notes to Financial Statements
Year Ended June 30, 2021

6 - PENSION PLANS: (Contd)

PUBLIC EMPLOYEES RETIREMENT SYSTEM: (Contd)

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equities	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	0.38%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.13%	3.79%
Total	100.00%	
Assumed Inflation - Mean		2.50%

6 - PENSION PLANS: (Contd)

PUBLIC EMPLOYEES RETIREMENT SYSTEM: (Contd)

Discount rate

The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 7.20%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

	<u>1% Decrease (6.20%)</u>	<u>Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
College's proportionate share of the net pension liability	\$ 99,935,057	\$ 58,354,551	\$ 23,487,480

Changes of plan provisions

Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of \$195,000 (as indexed for inflation in future years) will be excluded when determining member benefits. Additionally, effective July 1, 2020, a portion of the 6% of salary member contribution to the Individual Account Program will be redirected to Employee Pension Stability Accounts, which will help fund the defined benefits provided under Tier One/Tier Two and OPSRP. For Tier One/Tier Two members, the prospectively redirected amount will be 2.50% of salary, and for OPSRP members the amount will be 0.75% of salary. The redirection will only apply to members earning \$2,500 per month or more (indexed for inflation).

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

Transition Liability

The College reports a separate liability to the plan with a balance of \$4,179,565 at June 30, 2021. The liability represents the College's allocated share of the pre-SLGRP pooled liability. The College is being assessed an employer contribution rate of 1.71 percent of covered payroll for payment of this transition liability.

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2021

6 - PENSION 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.

Retirement eligibility – management employees with 10 years of College service immediately preceding retirement and age 58 or age 55 with 30 years of Oregon PERS service. Faculty employees at age 55 and 10 years of College service immediately preceding retirement.

Stipend benefit – management employees receive 1.25% of the retiree’s last regular monthly salary, multiplied by the number of full months of continuous permanent employment up to 192 months, divided by 12 payable until age 65. Faculty employees receive \$175 per month payable to age 62.

Contributions and Funding

The plan is currently unfunded as defined by current GASB standards. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 73. The benefits from this program are fully paid by the College and, consequently, no contributions by employees are required. Benefits are paid when due. There are no administrative costs attributable to the plan and the plan’s activities are reported in the financial statements. For the year ended June 30, 2021, changes in the pension liability are as follows:

Pension liability - July 1, 2020	\$ 515,430
Benefit payments	(88,330)
Service cost	6,944
Interest on total pension liability	10,179
Change in assumptions	29,346
Experience (gain)/loss	<u>(32,176)</u>
Pension liability - June 30, 2021	<u>\$ 441,393</u>

Actuarial Valuation

The actuarial information is from a valuation dated June 30, 2021. The actuarial funding method used to determine the plan cost is 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 2.16%, (b) an assumed inflation rate of 2.5% for all future years, and (c) 3.5% salary increases per annum for all future years. Rates of mortality are the same rates that were used for general service employees in the December 31, 2019 actuarial valuation of the Oregon PERS pension plan.

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2021

6 - PENSION PLANS: (Contd)

EARLY RETIREMENT PLAN: (CONTD)

Sensitivity of the Total Pension Liability to Changes in the Discount Rate

The following presents the total pension liability calculated using the discount rate of 2.16%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current rate:

	<u>1% Decrease</u> <u>(1.16%)</u>	<u>Discount Rate</u> <u>(2.16%)</u>	<u>1% Increase</u> <u>(3.16%)</u>
Total pension liability - 6/30/2021	\$ 453,994	\$ 441,393	\$ 428,832

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

For the year ended June 30, 2021, the College recognized pension expense of (\$1,940). At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Differences between expected and actual experience	\$ 14,954	\$ 107,910
Changes in assumptions	26,351	8,060
Deferred outflows/inflows at June 30, 2021	<u>\$ 41,305</u>	<u>\$ 115,970</u>

Amounts reported as deferred inflows of resources net of amounts reported as deferred outflows of resources will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ (19,063)
2023	(19,063)
2024	(19,063)
2025	(18,647)
All subsequent years	1,171
Total	<u>\$ (74,665)</u>

Numbered of covered employees

526 active employees and 37 retirees were included in the latest valuation.

Changes of assumptions

In the latest actuarial valuation used to determine the total pension liability as of June 30, 2021, the discount rate was reduced from 3.50% to 2.16%.

7 – POSTEMPLOYMENT HEALTH CARE BENEFITS:

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description

The College contributes to an OPEB plan administered by the Oregon Public Employees Retirement System (PERS). The Retiree Health Insurance Account (RHIA) is a cost-sharing multiple-employer defined benefit plan established under Oregon Revised Statute 238.420, which grants the authority to manage the plan to the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained at:

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

Benefits Provided

Eligible PERS members can receive a payment of up to \$60 from RHIA toward the monthly cost of health insurance. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991. The plan was closed to new entrants hired on or after August 29, 2003.

Contributions

PERS funding policy provides for monthly employer contributions at an actuarially determined rate. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. Employer contributions for the year ended June 30, 2021 were \$12,804. The rates in effect for the fiscal year ended June 30, 2021 were 0.06 percent for Tier One/Tier Two General Service Members and 0.00 percent for OPSRP Pension Program General Service Members. Employees are not required to contribute to the RHIA Program.

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2021

7 – POSTEMPLOYMENT HEALTH CARE BENEFITS: (Contd)

PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONTD)

OPEB Assets, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

At June 30, 2021, the College reported an asset of \$637,872 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2020 and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. The College’s proportion of the net OPEB asset was based on a projection of the College’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating entities actuarially determined. On June 30, 2020, the College’s proportion was 0.31305054%.

For the year ended June 30, 2021, the College recognized OPEB expense of approximately (\$31) thousand. At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 65,209
Changes in assumptions	-	33,906
Net difference between projected and actual earnings on investments	70,936	-
Changes in proportionate share	131,458	-
College's contributions subsequent to the measurement date	<u>12,804</u>	<u>-</u>
Deferred outflows/inflows at June 30, 2021	<u>\$ 215,198</u>	<u>\$ 99,115</u>

Contributions subsequent to the measurement date of \$12,804 reported as deferred outflows of resources will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other deferred outflows of resources totaling \$202,394 less deferred inflows of resources of \$99,115 related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 6,353
2023	48,327
2024	26,222
2025	22,377
2026	-
Total	<u>\$ 103,279</u>

Notes to Financial Statements
Year Ended June 30, 2021

7 – POSTEMPLOYMENT HEALTH CARE BENEFITS: (Contd)

PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONTD)

Actuarial assumptions

The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the entry age normal actuarial cost method. This method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years.

The total OPEB asset in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2018 rolled forward to June 30, 2020
Experience Study Report	2018, published July 24, 2019
Actuarial Cost Method	Entry age normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed 10-year period.
Asset Valuation Method	Fair value of assets
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Investment Rate of Return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent overall payroll growth
Retiree Healthcare Participation	Healthy retirees: 32%; disabled retirees: 20%
Healthcare Cost Trend Rate	Not applicable
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs, as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs, as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs, as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2018 Experience Study which reviewed experience for the four-year period ending on December 31, 2018.

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2021

7 – POSTEMPLOYMENT HEALTH CARE BENEFITS: (Contd)

PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONTD)

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equities	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	0.38%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.13%	3.79%
Total	100.00%	
Assumed Inflation - Mean		2.50%

7 – POSTEMPLOYMENT HEALTH CARE BENEFITS: (Contd)

PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONTD)

Discount rate

The discount rate used to measure the total OPEB asset was 7.20 percent for the OPEB plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the OPEB plan was applied to all periods of projected benefit payments to determine the total OPEB asset.

Sensitivity of the College's proportionate share of the net OPEB asset to changes in the discount rate and healthcare cost trend rate

The following presents the College's proportionate share of the net OPEB asset calculated using the discount rate of 7.20%, as well as what the College's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

	<u>1% Decrease (6.20%)</u>	<u>Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
College's proportionate share of the net OPEB liability (asset)	\$ (514,975)	\$ (637,872)	\$ (742,955)

Since the monthly benefit is capped at \$60, the healthcare cost trend rate has no effect on the College’s proportionate share of the net OPEB asset.

OPEB plan fiduciary net position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued PERS financial report.

7 – POSTEMPLOYMENT HEALTH CARE BENEFITS: (Contd)

EARLY RETIREMENT PLAN:

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. Additionally, the College makes the same healthcare benefit plans offered to current employees available to retirees and their dependents (regardless of eligibility for the explicit benefits described above) until such time as the retirees are eligible for Medicare. Although the College does not pay any portion of the plan premiums for retirees not eligible for the explicit benefit, there is an implicit benefit because a) the greater claims associated with retirees are reflected in the plan rates and b) those who opt to be covered by the College plans pay lesser premiums than they would had they bought coverage elsewhere. The College Board of Education authorizes the plan and may change the benefits, in conjunction with collective bargaining. The College does not issue a stand-alone report for this plan.

Employees Covered by Benefit Terms

The following employees were covered by the benefit terms:

	<u>Classified</u>	<u>Faculty</u>	<u>Management</u>	<u>Total</u>
Active employees	288	180	58	526
Retirees	<u>4</u>	<u>29</u>	<u>4</u>	<u>37</u>
Total	<u>292</u>	<u>209</u>	<u>62</u>	<u>563</u>

Contributions and Funding

The plan is currently unfunded as defined by current GASB standards. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 75. The benefits from this program are fully paid by the College and, consequently, no contributions by employees are required. Benefits are paid when due. There are no administrative costs attributable to the plan and the plan's activities are reported in the financial statements. For the year ended June 30, 2021, changes in the postemployment healthcare benefits liability are as follows:

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2021

7 – POSTEMPLOYMENT HEALTH CARE BENEFITS: (Contd)

EARLY RETIREMENT PLAN:

Total OPEB liability - July 1, 2020	\$ 5,420,989
Service cost	264,030
Interest on total OPEB liability	111,968
Change in assumptions	1,448,116
Experience (gain)/loss	116,804
Benefit payments - explicit medical	(326,605)
Benefit payments - implicit medical	<u>(147,966)</u>
Total OPEB liability - June 30, 2021	<u>\$ 6,887,336</u>

For the year ended June 30, 2021, the College recognized OPEB expense of \$154,256. At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 104,762	\$ 1,548,672
Changes in assumptions	<u>1,298,825</u>	<u>502,769</u>
Deferred outflows/inflows at June 30, 2021	<u>\$ 1,403,587</u>	<u>\$ 2,051,441</u>

Amounts reported as deferred inflows of resources net of amounts reported as deferred outflows of resources will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ (221,742)
2023	(221,742)
2024	(221,742)
2025	(197,258)
All subsequent years	<u>214,630</u>
Total	<u>\$ (647,854)</u>

7 – POSTEMPLOYMENT HEALTH CARE BENEFITS: (Contd)

EARLY RETIREMENT PLAN:

Actuarial Valuation

The actuarial information is from a valuation dated June 30, 2021. The actuarial funding method used to determine the plan cost is 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 2.16%, (b) an assumed inflation rate of 2.5% for all future years, (c) 3.5% salary increases per annum for all future years; and (d) healthcare cost trend rates of 3.4% for medical, 3.0% for dental, and 3.0% for vision. Rates of mortality are the same rates that were used for general service employees in the December 31, 2019 actuarial valuation of the Oregon PERS pension plan.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability calculated using the discount rate of 2.16%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current rate:

	<u>1% Decrease</u> <u>(1.16%)</u>	<u>Discount Rate</u> <u>(2.16%)</u>	<u>1% Increase</u> <u>(3.16%)</u>
Total OPEB liability - 6/30/2021	\$ 7,302,802	\$ 6,887,336	\$ 6,489,754

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability calculated using the current healthcare cost trend rates as well as what the total OPEB liability would be if it were calculated using a rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Health</u> <u>Care Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability - 6/30/2021	\$ 6,357,802	\$ 6,887,336	\$ 7,470,159

Changes of assumptions

In the latest actuarial valuation used to determine the total OPEB liability as of June 30, 2021, the discount rate was reduced from 3.50% to 2.16%.

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2021

8 - 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.

9 - 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 is a member of the Oregon School Boards Association PACE Program and pays an annual premium to PACE for its general and automobile liability and automobile physical damage coverage. Under the membership agreement with PACE, the insurance pool is to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain limits.

The College carries commercial insurance for other risks of loss including property damage, boiler and machinery, workers' compensation, 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.

10 - TAX ABATEMENTS:

The College's property tax revenues were reduced by \$481,476 under agreements entered into within Lane County related to the following abatement programs authorized by Oregon Revised Statute:

Enterprise Zone - ORS 285C.175	\$ 287,958
Housing for Low Income Rental - ORS 307.517	69,791
Housing; Multiple Unit in Core Areas - ORS 307.612	123,487
Nonprofit Corp housing assistance funded exemption - ORS 307.241 to 307.245	-
	240
	<u>\$ 481,476</u>

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 2020-21, the College overexpended the Plant Additions appropriation in the Special Revenue Fund by \$72,362.

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2021

12 - COMMITMENTS:

The College has approximately \$2.7 million in on-going construction commitments as of June 30, 2021 related to construction and renovation projects funded by the proceeds from general obligation bonds.

Required Supplementary Information

LANE COMMUNITY COLLEGE

Schedule of the Proportionate Share of the Net Pension Liability
Public Employees Retirement System Pension Plan

Fiscal Year Ended June 30,	(a) College's proportion of the net pension liability (asset)	(b) College's proportionate share of the net pension liability (asset)	(c) College's covered payroll	(b/c) College's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.39291536%	\$ 58,354,551	\$ 47,665,126	122.43%	75.79%
2020	0.41307178%	44,541,185	46,521,631	95.74%	80.23%
2019	0.42191546%	34,117,199	45,466,880	75.04%	82.07%
2018	0.45304202%	35,237,453	47,352,447	74.42%	83.12%
2017	0.50610821%	55,158,787	51,114,963	107.91%	80.53%
2016	0.53811010%	10,180,853	52,065,390	19.55%	91.88%
2015	0.57906368%	(37,976,127)	52,201,492	-72.75%	103.60%
2014	0.57906368%	5,874,183	50,786,798	11.57%	91.97%

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date which is a date one year earlier than the fiscal year-end date above.

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

LANE COMMUNITY COLLEGE

Schedule of Contributions
Public Employees Retirement System Pension Plan

Fiscal Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) College's covered payroll	(b/c) Contributions as a percent of covered payroll
2021	\$ 3,592,744	\$ 3,592,744	\$ -	\$ 46,500,992	7.73%
2020	3,702,277	3,702,277	-	47,665,126	7.77%
2019	3,015,728	3,015,728	-	46,521,631	6.48%
2018	3,090,975	3,090,975	-	45,466,880	6.80%
2017	2,544,608	2,544,608	-	47,352,447	5.37%
2016	2,747,432	2,747,432	-	51,114,963	5.38%
2015	3,375,672	3,375,672	-	52,065,390	6.48%
2014	3,333,692	3,333,692	-	52,201,492	6.39%

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date which is a date one year earlier than the fiscal year-end date above. However, the contributions above represent contributions made during the respective fiscal year indicated above.

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

LANE COMMUNITY COLLEGE

Schedule of Total Pension Liability
Early Retirement Plan

Fiscal Year Ended June 30,	Total Pension Liability (TPL)	Covered Payroll	TPL as a Percentage of Covered Payroll
2021	\$ 441,393	\$ 14,454,825	3.1%
2020	515,430	14,374,825	3.6%
2019	612,087	13,888,720	4.4%
2018	394,364	13,947,570	2.8%
2017	515,689	13,475,913	3.8%
2016	831,037	12,705,056	6.5%
2015	1,024,606	12,245,837	8.4%

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

Changes of assumptions:

In the actuarial valuation used to determine the total pension liability as of June 30, 2019, the discount rate was reduced from 3.58% to 3.50%.

In the actuarial valuation used to determine the total pension liability as of June 30, 2021,

LANE COMMUNITY COLLEGE

Schedule of the Proportionate Share of the Net OPEB Liability
Public Employees Retirement System OPEB Plan

Fiscal Year Ended June 30,	(a) College's proportion of the net OPEB liability (asset)	(b) College's proportionate share of the net OPEB liability (asset)	(c) College's covered payroll	(b/c) College's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2021	0.31305054%	\$ (637,872)	\$ 47,665,126	-1.34%	150.09%
2020	0.44011447%	(850,460)	46,521,631	-1.83%	144.38%
2019	0.44523433%	(497,002)	45,466,880	-1.09%	123.99%
2018	0.46651118%	(194,694)	47,352,447	-0.41%	108.89%
2017	0.49640021%	134,804	51,114,963	0.26%	93.84%

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date which is a date one year earlier than the fiscal year-end date above.

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

LANE COMMUNITY COLLEGE

Schedule of Contributions
Public Employees Retirement System OPEB Plan

Fiscal Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) College's covered payroll	(b/c) Contributions as a percent of covered payroll
2021	\$ 12,804	\$ 12,804	\$ -	\$ 46,500,992	0.03%
2020	22,356	22,356	-	47,665,126	0.05%
2019	218,130	218,130	-	46,521,631	0.47%
2018	215,584	215,584	-	45,466,880	0.47%
2017	230,091	230,091	-	47,352,447	0.49%

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date which is a date one year earlier than the fiscal year-end date above. However, the contributions above represent contributions made during the respective fiscal year indicated above.

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

LANE COMMUNITY COLLEGE

Schedule of Total OPEB Liability
Postemployment Health Care Benefits Plan

Fiscal Year Ended June 30,	Total OPEB Liability (TOL)	Covered Payroll	TOL as a Percentage of Covered Payroll
2021	\$ 6,887,336	\$ 35,480,053	19.4%
2020	5,420,989	37,522,801	14.4%
2019	5,549,225	36,253,914	15.3%
2018	8,008,382	35,158,878	22.8%
2017	8,308,273	33,969,930	24.5%
2016	9,750,770	36,045,267	27.1%

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

Changes of assumptions:

In the actuarial valuation used to determine the total OPEB liability as of June 30, 2019, the discount rate was reduced from 3.58% to 3.50%, and the healthcare cost trend rate for medical was reduced from 8% or 7%, depending on the provider, to 3.4%.

In the actuarial valuation used to determine the total OPEB liability as of June 30, 2021, the

LANE COMMUNITY COLLEGE

Notes to Required Supplementary Information

Public Employees Retirement System Pension and OPEB Plans:

Changes in Plan Provisions

Key changes in plan provisions effective for the June 30, 2015 measurement date are described in the Oregon Public Employees Retirement System's GASB 68 Disclosure Information which was published on September 18, 2013 and can be found at:

<https://www.oregon.gov/pers/EMP/Documents/GASB/2014/GASB-Disclosure-Information.pdf>

and in a letter from the plan's actuary dated May 23, 2016 which can be found at:

<https://www.oregon.gov/pers/EMP/Documents/GASB/2015/Letter-From-Actuary-5-23-16.pdf>

Key changes in plan provisions effective for the June 30, 2020 measurement date are as follows: Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of \$195,000 (as indexed for inflation in future years) will be excluded when determining member benefits. Additionally, effective, July 1, 2020, a portion of the 6% of salary member contribution to the Individual Account Program will be redirected to Employee Pension Stability Accounts, which will help fund the defined benefits provided under Tier One/Tier Two and OPSRP. For Tier One/Tier Two members, the prospectively redirected amount will be 2.50% of salary, and for OPSRP members the amount will be 0.75% of salary. The redirection will only apply to members earning \$2,500 per month or more (indexed for inflation).

Changes of assumptions

Key changes in assumptions for the December 31, 2012 and 2013 valuations are described in the Oregon Public Employees Retirement System's 2012 Experience Study (Updated) which was published on September 18, 2013 and can be found at:

<https://www.oregon.gov/PERS/Documents/Financials/Actuarial/2013/Experience-Study-Updated.pdf>

Key changes in assumptions for the December 31, 2014 and 2015 valuations are described in the Oregon Public Employees Retirement System's 2014 Experience Study which was published on September 23, 2015 and can be found at:

<https://www.oregon.gov/PERS/Documents/Financials/Actuarial/2015/Experience-Study.pdf>

Key changes in assumptions for the December 31, 2016 and 2017 valuations are the reduction of the discount rate and the assumed investment rate of return from 7.5% to 7.2%.

Early Retirement Pension and OPEB Plans:

Changes in plan provisions and assumptions

No material changes in the census or plan provisions have occurred.

In the June 30, 2019 valuation, the discount rate was reduced from 3.58% to 3.50%, and the healthcare cost trend rate for medical was reduced from 8% or 7%, depending on the provider, to 3.4%. In the June 30, 2021 valuation, the discount rate was reduced from 3.50% to 2.16%.

Other Supplementary Information

Description of Budgeted College Funds

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, pension bonds payable and notes 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 International Programs, Housing Program, bookstore and food service.

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, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
State community college support	\$ 25,650,000	\$ 25,961,645	\$ 311,645
Federal	-	4,804,881	4,804,881
Property taxes	22,875,000	22,335,068	(539,932)
Tuition and fees:			
Tuition	27,045,000	22,950,163	(4,094,837)
Fees	4,249,630	5,414,694	1,165,064
Other sources:			
Sales of goods and services	822,000	893,644	71,644
Interest income	400,000	104,894	(295,106)
Other	5,383,017	2,702,064	(2,680,953)
Total revenues	<u>86,424,647</u>	<u>85,167,053</u>	<u>(1,257,594)</u>
Expenditures:			
Instruction	44,514,925	41,594,524	2,920,401
Instructional support services	6,304,445	5,734,800	569,645
Student services	9,736,697	9,127,364	609,333
College support services	18,552,519	17,805,924	746,595
Plant operations and maintenance	6,135,677	5,399,250	736,427
Contingency	1,850,000	-	1,850,000
Total expenditures	<u>87,094,263</u>	<u>79,661,862</u>	<u>7,432,401</u>
Revenues over-(under) expenditures	<u>(669,616)</u>	<u>5,505,191</u>	<u>6,174,807</u>
Other financing sources-(uses):			
Transfers in	910,000	865,936	(44,064)
Transfers out	(1,492,384)	(1,239,554)	252,830
Total other financing sources-(uses)	<u>(582,384)</u>	<u>(373,618)</u>	<u>208,766</u>
Changes in fund balance	(1,252,000)	5,131,573	6,383,573
Fund balance - July 1, 2020	<u>3,812,000</u>	<u>2,779,418</u>	<u>(1,032,582)</u>
Fund balance - June 30, 2021	<u>\$ 2,560,000</u>	<u>\$ 7,910,991</u>	<u>\$ 5,350,991</u>

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
ADMINISTRATIVELY RESTRICTED FUND
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Federal	\$ 35,000	\$ 817	\$ (34,183)
Tuition and fees:			
Tuition	195,000	(6,830)	(201,830)
Fees	7,010,700	6,175,938	(834,762)
Other sources:			
Sales of goods and services	1,610,000	708,328	(901,672)
Other	2,087,301	1,646,741	(440,560)
Total revenues	<u>10,938,001</u>	<u>8,524,994</u>	<u>(2,413,007)</u>
Expenditures:			
Instruction	2,902,301	2,074,995	827,306
Community services	2,390,695	1,767,302	623,393
Instructional support services	1,716,088	1,121,140	594,948
Student services	2,221,386	1,670,107	551,279
College support services	2,224,100	1,329,146	894,954
Contingency	2,864,712	-	2,864,712
Total expenditures	<u>14,319,282</u>	<u>7,962,690</u>	<u>6,356,592</u>
Revenues over-(under) expenditures	(3,381,281)	562,304	3,943,585
Other financing sources-(uses):			
Transfers out	<u>(1,078,799)</u>	<u>(919,348)</u>	<u>159,451</u>
Changes in fund balance	(4,460,080)	(357,044)	4,103,036
Fund balance - July 1, 2020	<u>4,460,080</u>	<u>3,974,191</u>	<u>(485,889)</u>
Fund balance - June 30, 2021	<u>\$ -</u>	<u>\$ 3,617,147</u>	<u>\$ 3,617,147</u>

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
SPECIAL REVENUE FUND
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
State	\$ 4,250,000	\$ 3,540,821	\$ (709,179)
Federal	20,855,000	16,720,029	(4,134,971)
Tuition and fees	75,000	78,832	3,832
Other sources:			
Sales of goods and services	20,050	1,275	(18,775)
Other	2,180,000	433,405	(1,746,595)
Total revenues	<u>27,380,050</u>	<u>20,774,362</u>	<u>(6,605,688)</u>
Expenditures:			
Instruction	10,446,000	10,158,918	287,082
Community services	8,709,300	6,822,715	1,886,585
Instructional support services	1,804,500	160,312	1,644,188
Student services	5,020,750	3,132,766	1,887,984
College support services	1,304,500	18,509	1,285,991
Plant additions	350,000	422,362	(72,362)
Total expenditures	<u>27,635,050</u>	<u>20,715,582</u>	<u>6,919,468</u>
Changes in fund balance	(255,000)	58,780	313,780
Fund balance - July 1, 2020	<u>255,000</u>	<u>309,550</u>	<u>54,550</u>
Fund balance - June 30, 2021	<u>\$ -</u>	<u>\$ 368,330</u>	<u>\$ 368,330</u>

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
STUDENT FINANCIAL AID FUND
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
State	\$ 6,900,000	\$ 4,956,764	\$ (1,943,236)
Federal	36,358,000	18,139,843	(18,218,157)
Other sources:			
Interest income	100,000	(887)	(100,887)
Other	3,340,000	3,372,582	32,582
Total revenues	<u>46,698,000</u>	<u>26,468,302</u>	<u>(20,229,698)</u>
Expenditures:			
Financial aid	46,965,500	26,221,162	20,744,338
Contingency	1,210,000	-	1,210,000
Total expenditures	<u>48,175,500</u>	<u>26,221,162</u>	<u>21,954,338</u>
Revenues over-(under) expenditures	(1,477,500)	247,140	1,724,640
Other financing sources-(uses):			
Transfers out	(50,000)	(5,936)	44,064
Changes in fund balance	(1,527,500)	241,204	1,768,704
Fund balance - July 1, 2020	<u>1,527,500</u>	<u>576,928</u>	<u>(950,572)</u>
Fund balance - June 30, 2021	<u>\$ -</u>	<u>\$ 818,132</u>	<u>\$ 818,132</u>

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
DEBT SERVICE FUND
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Property taxes	\$ 12,200,618	\$ 12,340,618	\$ 140,000
Other sources:			
Interest income	200	3,285	3,085
Other	5,669,050	5,709,402	40,352
Total revenues	17,869,868	18,053,305	183,437
Expenditures:			
Debt service	24,566,051	23,466,791	1,099,260
Revenues over-(under) expenditures	(6,696,183)	(5,413,486)	1,282,697
Other financing sources-(uses):			
Proceeds from tax and revenue anticipation note	5,000,000	-	(5,000,000)
Transfers in	1,496,183	1,506,402	10,219
Total financing sources-(uses)	6,496,183	1,506,402	(4,989,781)
Changes in fund balance	(200,000)	(3,907,084)	(3,707,084)
Fund balance - July 1, 2020	200,000	4,536,036	4,336,036
Fund balance - June 30, 2021	\$ -	\$ 628,952	\$ 628,952

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
CAPITAL PROJECTS FUND
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Other sources:			
Interest income	\$ -	\$ 211,027	\$ 211,027
Other	135,000	184,120	49,120
Total revenues	135,000	395,147	260,147
Expenditures:			
Plant additions	22,507,000	5,040,807	17,466,193
Revenues over-(under) expenditures	(22,372,000)	(4,645,660)	17,726,340
Other financing sources-(uses):			
Transfers in	1,015,000	592,500	(422,500)
Proceeds from issuance of bonds	20,000,000	139,585,612	119,585,612
Total financing sources-(uses)	21,015,000	140,178,112	119,163,112
Changes in fund balance	(1,357,000)	135,532,452	136,889,452
Fund balance - July 1, 2020	1,357,000	1,552,828	195,828
Fund balance - June 30, 2021	\$ -	\$ 137,085,280	\$ 137,085,280

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
ENTERPRISE FUND
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Tuition and fees	\$ 2,550,500	\$ 2,382,658	\$ (167,842)
Sale of goods and services	1,290,000	273	(1,289,727)
Federal	-	1,722,279	1,722,279
Other	2,095,125	1,662,840	(432,285)
Total revenues	<u>5,935,625</u>	<u>5,768,050</u>	<u>(167,575)</u>
Expenditures:			
Instruction	194,845	134,015	60,830
Student services	6,290,780	3,605,153	2,685,627
Contingency	100,000	-	100,000
Total expenditures	<u>6,585,625</u>	<u>3,739,168</u>	<u>2,846,457</u>
Revenues over-(under) expenditures	(650,000)	2,028,882	2,678,882
Other financing sources-(uses):			
Transfers out	(800,000)	(800,000)	-
Changes in fund balance	(1,450,000)	1,228,882	2,678,882
Fund balance - July 1, 2020	<u>1,450,000</u>	<u>(675,775)</u>	<u>(2,125,775)</u>
Fund balance - June 30, 2021	<u>\$ -</u>	<u>\$ 553,107</u>	<u>\$ 553,107</u>

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
INTERNAL SERVICE FUND
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Sale of goods and services	\$ 712,000	\$ 29,299	\$ (682,701)
Fees	30,000	438	(29,562)
Federal	-	828,251	828,251
Other sources	55,000	83,369	28,369
Total revenues	<u>797,000</u>	<u>941,357</u>	<u>144,357</u>
Expenditures:			
College support services:	890,200	471,562	418,638
Contingency	50,000	-	50,000
Total expenditures	<u>940,200</u>	<u>471,562</u>	<u>468,638</u>
Changes in fund balance	(143,200)	469,795	612,995
Fund balance - July 1, 2020	<u>143,200</u>	<u>30,679</u>	<u>(112,521)</u>
Fund balance - June 30, 2021	<u>\$ -</u>	<u>\$ 500,474</u>	<u>\$ 500,474</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

	2021	2020	2019	2018
NET POSITION BY COMPONENT				
Net investment in capital assets	\$ 102,276,390	\$ 102,455,865	99,374,304	91,354,055
Net position, restricted	1,952,447	1,349,827	1,605,723	3,221,425
Net position, unrestricted	(89,941,358)	(84,020,687)	(76,920,755)	(62,934,508)
TOTAL NET POSITION	\$ 14,287,479	\$ 19,785,005	\$ 24,059,272	\$ 31,640,972
				Years ended
	2021	2020	2019	2018
CHANGES IN NET POSITION				
Operating revenues				
Student tuition and fees	\$ 35,880,893	\$ 36,823,353	38,587,364	38,355,408
Grants and contracts	34,802,061	28,727,281	26,564,463	27,545,713
Sale of goods and services	1,603,520	2,794,723	6,222,053	6,590,003
Other operating revenue	8,226,314	9,461,282	8,422,072	8,450,726
Total operating revenues	80,512,788	77,806,639	79,795,952	80,941,850
Operating expenses				
Instruction	47,914,636	51,875,013	46,557,508	48,059,452
Community services	8,078,966	7,013,784	6,446,235	7,209,954
Instructional support services	7,153,207	7,346,024	6,034,174	6,187,151
Student services	16,526,120	20,139,778	20,684,694	21,242,393
College support services	19,474,736	17,688,028	14,499,800	14,558,342
Plant operations and maintenance	9,890,539	7,324,818	8,249,147	9,843,499
Financial aid	18,303,553	22,143,386	23,067,878	23,565,748
Depreciation	6,403,133	6,195,157	5,952,955	6,076,368
Total operating expenses	133,744,890	139,725,988	131,492,391	136,742,907
Nonoperating revenues (expenses)				
State community college support	19,475,833	31,107,694	17,075,978	31,522,681
Property taxes	34,704,459	29,325,993	28,154,462	27,700,029
Investment income (loss)	366,967	515,747	936,972	903,600
Interest expense	(5,904,589)	(3,733,851)	(4,174,570)	(4,594,549)
Gain (loss) on disposal of capital assets	(198,130)	499,150	(277,949)	-
Other nonoperating revenues (expenses)	(802,964)	(69,651)	-	-
Total nonoperating revenues (expenses)	47,641,576	57,645,082	41,714,893	55,531,761
Capital contributions	93,000	-	2,399,846	701,878
Cumulative effect of change in accounting policy	-	-	-	-
TOTAL CHANGE IN NET POSITION	\$ (5,497,526)	\$ (4,274,267)	(7,581,700)	432,582

Source

Lane Community College Annual Comprehensive Financial Report

June 30,									
2017	2016	2015	2014	2013	2012				
\$ 90,967,494	\$ 91,483,617	\$ 83,384,282	\$ 86,165,516	\$ 83,679,346	\$ 84,501,930				
4,194,895	5,265,876	7,946,942	16,664,097	10,638,915	9,207,952				
(63,953,999)	(38,907,921)	(12,898,248)	39,999,570	39,038,664	49,708,518				
<u>\$ 31,208,390</u>	<u>\$ 57,841,572</u>	<u>\$ 78,432,976</u>	<u>\$ 142,829,183</u>	<u>\$ 133,356,925</u>	<u>\$ 143,418,400</u>				
ded June 30,			Years ended June 30,						
2017	2016	2015	2014	2013	2012				
\$ 37,336,259	\$ 36,748,559	\$ 39,857,670	\$ 44,434,463	\$ 47,533,472	\$ 50,944,010				
28,575,108	28,245,044	33,289,160	40,213,952	47,573,883	52,458,273				
7,319,430	8,042,658	8,298,210	10,247,324	11,777,535	13,781,545				
8,557,991	9,756,897	9,908,729	9,004,708	11,304,573	7,991,844				
<u>81,788,788</u>	<u>82,793,158</u>	<u>91,353,769</u>	<u>103,900,447</u>	<u>118,189,463</u>	<u>125,175,672</u>				
52,552,112	66,615,910	40,983,742	60,885,060	61,109,207	59,592,551				
6,439,654	6,995,029	5,606,626	6,743,984	6,560,038	6,412,405				
6,231,338	7,542,474	4,805,031	6,332,683	6,154,786	5,921,969				
22,605,315	26,177,779	20,481,101	24,902,088	25,638,484	26,379,672				
15,151,435	18,017,400	10,554,688	12,562,786	15,514,136	14,287,846				
7,545,912	10,127,053	6,198,621	7,710,510	9,736,298	10,730,306				
24,469,394	25,344,988	27,986,681	34,753,136	40,664,353	45,242,381				
6,204,560	5,801,163	4,918,551	4,584,499	4,233,641	3,705,278				
<u>141,199,720</u>	<u>166,621,796</u>	<u>121,535,041</u>	<u>158,474,746</u>	<u>169,610,943</u>	<u>172,272,408</u>				
20,592,064	38,476,320	24,158,025	36,727,655	18,147,123	33,478,815				
25,550,023	23,918,649	24,414,468	22,743,861	22,916,036	23,037,606				
757,561	688,104	523,657	11,089,139	6,670,074	905,484				
(4,635,268)	(5,567,565)	(6,346,762)	(6,514,098)	(5,781,172)	(4,494,525)				
(1,958,263)	-	-	-	-	-				
(163,184)	(163,048)	-	-	(276,526)	(60,033)				
<u>40,142,933</u>	<u>57,352,460</u>	<u>42,749,388</u>	<u>64,046,557</u>	<u>41,675,535</u>	<u>52,867,347</u>				
-	7,600,000	-	-	448,000	17,083,163				
(7,365,183)	(1,715,226)	(73,986,583)	-	(763,530)	-				
<u>(26,633,182)</u>	<u>(20,591,404)</u>	<u>(61,418,467)</u>	<u>9,472,258</u>	<u>(10,061,475)</u>	<u>22,853,774</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
2020-21	\$ 35,332,007	\$ 33,943,563	96.07 %	\$ 760,896	\$ 34,704,459	98.22 %
2019-20	29,325,993	28,438,457	96.97	824,338	29,262,795	99.78
2018-19	28,697,619	27,397,094	95.47	1,136,511	28,533,605	99.43
2017-18	27,632,613	26,442,314	95.69	596,820	27,039,133	97.85
2016-17	26,313,065	24,838,787	94.40	759,402	25,598,189	97.28
2015-16	24,788,346	23,433,924	94.54	567,712	24,001,636	96.83
2014-15	24,928,189	23,626,265	94.78	883,937	24,510,201	98.32
2013-14	23,684,644	22,405,641	94.60	855,002	23,260,643	98.21
2012-13	23,244,695	21,831,397	93.92	986,576	22,817,973	98.16
2011-12	23,342,260	21,995,132	94.23	708,934	22,704,067	97.27

Source

Lane Community College finance records
County Tax Collectors

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	
2020-21	\$ 34,149,520	98.4%	\$ 400,600	1.2%	\$ 143,109	0.4%	\$ 11,231	0.0%	\$ 34,704,459	100.0%
2019-20	28,803,324	98.4%	333,067	1.1%	116,728	0.4%	9,676	0.0%	29,262,795	100.0%
2018-19	28,081,139	98.4%	330,516	1.2%	112,703	0.4%	9,247	0.0%	28,533,605	100.0%
2017-18	26,610,184	98.4%	316,380	1.2%	103,676	0.4%	8,893	0.0%	27,039,133	100.0%
2016-17	25,189,363	98.4%	300,878	1.2%	99,055	0.4%	8,892	0.0%	25,598,189	100.0%
2015-16	23,622,396	98.4%	277,081	1.2%	93,542	0.4%	8,617	0.0%	24,001,636	100.0%
2014-15	24,122,570	98.4%	284,030	1.2%	94,721	0.4%	8,881	0.0%	24,510,202	100.0%
2013-14	22,897,089	98.4%	269,345	1.2%	85,843	0.4%	8,366	0.0%	23,260,643	100.0%
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	22,344,934	98.4%	259,450	1.1%	91,668	0.4%	8,016	0.0%	22,704,067	100.0%

Source

Lane Community College Annual Comprehensive 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			
	2012	2013	2014	2015
Property Class				
Unimproved Real Property	936,751,519	929,935,173	947,990,734	953,504,734
Improved Real Property	24,078,201,634	24,109,752,529	24,854,181,880	25,893,726,098
Personal Property	672,963,916	659,984,419	657,045,262	673,464,110
Machinery & Equipment ^d	-	542,028,713	476,917,483	590,998,713
Manufactured Structures	273,342,593	261,900,630	251,573,127	258,520,193
Utilities	718,537,083	711,107,188	738,383,164	803,554,049
	<u>26,679,796,745</u>	<u>27,214,708,652</u>	<u>27,926,091,650</u>	<u>29,173,767,897</u>
Other				
Other	(52,257,013)	(50,068,180)	(51,117,697)	(54,739,132)
Plus Nonprofit Housing	9,329,861	9,609,757	9,898,049	10,194,991
Less Urban Renewal Excess	<u>(302,973,107)</u>	<u>(325,513,533)</u>	<u>(351,557,536)</u>	<u>(394,337,685)</u>
Total Taxable Assessed Value ^{a b}	<u>\$ 26,333,896,486</u>	<u>\$ 26,848,736,696</u>	<u>\$ 27,533,314,466</u>	<u>\$ 28,734,886,071</u>
Total Direct Tax Rate				
Permanent Rate	0.6191	0.6191	0.6191	0.6191
General Obligation Bond	<u>0.2591</u>	<u>0.2449</u>	<u>0.2455</u>	<u>0.2425</u>
Total Direct Tax Rate ^c	0.8782	0.8640	0.8646	0.8616
Estimated Actual Value of Property				
Land	18,217,007,579	18,054,816,315	18,195,334,376	18,624,659,782
Improvements	<u>28,253,095,729</u>	<u>26,744,519,746</u>	<u>27,426,212,630</u>	<u>30,256,378,803</u>
Total Real Market Value	<u>\$ 46,470,103,308</u>	<u>\$ 44,799,336,061</u>	<u>\$ 45,621,547,006</u>	<u>\$ 48,881,038,585</u>
Actual Value of Property per Capita	129,183	126,480	128,105	136,233
Total Assessed Value to Estimated Actual Value of Taxable Property	56.67%	59.93%	60.35%	58.79%

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.

Source

Lane County Department of Assessment and Taxation

Fiscal Year					
2016	2017	2018	2019	2020	2021
961,143,951	992,977,652	996,608,585	985,867,916	1,017,677,711	1,009,867,521
26,973,630,716	27,825,037,202	28,993,976,741	30,311,124,457	31,512,005,048	32,762,424,117
698,779,190	741,697,296	761,731,713	797,577,968	794,753,842	819,662,139
668,928,594	668,602,471	703,266,780	758,066,768	799,218,551	786,164,322
270,014,603	285,863,129	299,655,241	321,459,249	339,197,182	356,723,996
881,254,228	927,534,823	1,024,260,535	1,013,953,235	1,047,443,722	1,116,469,576
30,453,751,282	31,441,712,573	32,779,499,595	34,188,049,593	35,510,296,056	36,851,311,671
(57,022,473)	(58,242,381)	(58,804,786)	(61,754,123)	(63,845,961)	(65,470,452)
10,500,841	8,532,472	9,314,345	9,924,737	10,084,711	13,333,102
(428,141,705)	(481,657,987)	(521,800,767)	(175,620,243)	(612,653,390)	(659,338,607)
\$29,979,087,945	\$ 30,910,344,677	\$ 32,208,208,387	\$ 33,960,599,964	\$ 34,843,881,416	\$ 36,139,835,714
0.6191	0.6191	0.6191	0.6191	0.6191	0.6191
0.2007	0.2228	0.2273	0.2258	0.2219	0.3437
0.8198	0.8419	0.8464	0.8449	0.8410	0.9628
19,029,780,146	19,382,889,230	20,446,600,422	20,912,578,564	22,449,699,370	23,529,802,936
31,825,217,356	33,400,498,575	37,149,915,716	41,031,067,202	43,704,058,558	46,510,471,956
\$ 50,854,997,502	\$ 52,783,387,805	\$ 57,596,516,138	\$ 61,943,645,766	\$ 66,153,757,928	\$ 70,040,274,892
140,425	144,241	155,414	165,130	174,603	184,861
58.95%	58.56%	55.92%	54.82%	52.67%	51.60%

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Direct and Overlapping^a Property Tax Rates
Last Ten Fiscal Years
Rate per \$1,000 of assessed value

Taxing Entity	Fiscal Year Taxes are Payable ^b					Fiscal Year Taxes are Payable ^b				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>County Direct Rate</u>										
<u>Lane County^c</u>	1.3942	1.3908	1.9376	1.9345	1.8293	1.6743	1.6743	1.8093	1.8443	1.8443
<u>Lane Community College</u>	0.8782	0.8640	0.8646	0.8616	0.8198	0.8419	0.8464	0.8449	0.8410	0.9628
<u>Lane Education Service District</u>	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232
<u>Linn-Benton-Lincoln ESD</u>	0.3049	0.3049	0.3049	0.3049	0.3049	0.3049	0.3049	0.3049	0.3049	0.3049
<u>Schools</u>										
Alea	5.0811	5.0811	5.0811	5.0811	5.0811	5.0811	5.0811	5.0811	5.0811	5.0811
Bethel	6.1057	4.5067	4.5067	6.1296	6.0382	5.9381	5.9381	5.8809	5.8948	6.1362
Blachly	5.1023	5.1023	5.1023	5.1023	5.1023	5.1023	5.1023	5.1023	5.1023	5.1023
Creswell	8.3599	8.2230	8.1405	8.1809	4.6426	7.9389	7.1150	7.0201	6.7765	6.5443
Crow-Applegate	6.4255	6.4255	6.4255	6.4255	6.4255	6.4255	6.4255	7.3777	7.3431	7.3037
Eugene	7.4256	7.2785	7.7310	7.7159	7.6934	7.7279	7.6966	7.8266	8.4583	8.4436
Fern Ridge	6.9724	6.9151	7.0136	6.8865	6.9196	6.8241	6.8049	6.8400	6.8771	6.7004
Harrisburg	6.0778	6.1439	5.9787	5.9291	5.8371	5.7949	5.7510	5.9817	6.3470	6.2178
Junction City	4.5604	4.5604	4.5604	4.5604	4.5604	6.1745	6.1470	6.1168	6.0804	6.1385
Lincoln County	5.6566	5.6689	5.6826	5.6369	5.6358	5.6362	5.6237	5.6650	5.5556	5.6692
Lowell	5.0409	5.0409	5.0409	5.0409	5.0409	5.0409	5.0409	6.1361	6.1295	6.1385
Mapleton	4.8917	4.8917	4.8917	4.8917	4.8917	6.1855	6.1894	6.1073	6.1629	6.1512
Marcola	4.6687	4.6687	4.6687	4.6687	6.8116	6.7977	6.7977	6.7561	6.7276	6.6856
McKenzie	6.6207	6.7359	6.7275	6.7050	6.7036	6.7146	4.6915	4.6915	4.6915	4.6915
Monroe	4.6341	4.6341	4.6341	4.6341	4.6341	4.6341	4.6341	7.2303	6.1708	6.0556
Oakridge	5.6758	6.2014	6.1550	5.9655	6.0364	6.0595	5.8059	5.8869	5.9760	5.9775
Pleasant Hill	6.3620	6.2787	6.2657	6.3140	6.4643	6.5664	6.5707	6.7953	6.4459	6.6139
Siuslaw	5.4012	5.4172	5.3873	5.3837	5.3808	5.3859	5.3859	5.5101	4.6428	4.6428
South Lane	6.3893	6.3539	6.5030	6.2850	6.1948	6.8933	6.6176	6.4829	6.1617	6.5041
Springfield	5.6341	5.6314	5.6082	5.6086	5.7854	5.8839	5.8849	5.8382	5.8526	5.8493
<u>Cities</u>										
Coburg	5.3222	5.2780	4.9264	4.7909	4.7849	5.1318	5.1389	3.7506	3.7506	3.7506
Cottage Grove	7.2087	7.2087	7.2087	7.2087	7.2087	7.2087	7.2087	7.2087	7.2087	7.2087
Creswell	2.6705	2.6705	2.6705	2.6705	2.6705	2.6705	2.6705	2.6705	2.6705	2.6705
Eugene	8.0381	8.0264	8.2778	8.0844	8.2540	7.3828	8.1594	8.2925	8.2266	13.0566
Florence	3.1396	3.1172	3.5393	3.4406	3.3252	3.3505	2.9096	3.0253	3.0240	3.0182
Junction City	6.0445	6.0445	6.0445	6.0445	6.0445	6.0445	6.0445	6.0445	6.0445	6.0445
Lowell	2.1613	2.1613	2.1613	2.1613	2.1613	2.1613	2.1613	2.1613	2.1613	2.1613
Oakridge	7.7251	7.7082	7.7088	7.6435	7.1996	7.1996	7.1996	7.1996	7.1966	7.3199
Springfield	7.3336	6.9679	7.8253	7.8028	6.8369	6.8501	6.7596	6.8943	6.8943	6.8943
Veneta	5.4157	5.4083	7.4190	7.4142	7.2408	7.0522	6.9962	5.9086	5.8971	5.8662
Westfir	7.7733	9.3036	9.3036	9.3036	9.3036	9.3036	9.3036	9.3036	9.3036	9.3036
<u>Water Districts</u>										
Blue River	0.9488	0.9488	0.9488	0.9488	0.9488	0.9488	0.9488	0.9488	0.9488	1.9116
Glenwood	3.5355	3.4778	3.4111	3.4734	3.4357	3.3600	3.3337	3.3603	4.1425	4.1425
Heceta	0.2432	0.2387	0.2177	0.2081	0.2077					
Junction City	0.2806	0.2523	0.2523	0.2523	0.2523	0.2523	0.2523	0.2523	0.2523	0.2523
Marcola	0.4037	0.4037	0.4037	0.4037	0.4037	0.4037	0.4037	0.4037	0.4037	0.4037
McKenzie-Palisades	0.3620	0.3620	0.4471	0.4808	0.6875	0.6988	0.6963	0.6960	0.6790	0.6790
Rainbow Water & Fire	3.7598	3.7205	3.6738	3.6188	3.8295	3.7763	3.7235	3.6747	3.7731	3.7731
River Road	1.9694	1.9694	1.9694	1.9694	1.9694	1.9694	1.9694	1.9694	1.9694	1.9694
River Road Subdistrict #1	0.2796	0.2796	0.2796	0.2796	0.2796	0.2796	0.2796	0.2796	0.2796	0.2796
Shangri-La	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000

LANE COMMUNITY COLLEGE
EUGENE, OREGON

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

Taxing Entity	Fiscal Year Taxes are Payable ^b				Fiscal Year Taxes are Payable ^b					
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>Rural Fire Protection Districts</u>										
Bailey-Spencer	2.3930	2.3930	2.3930	2.3930	2.3930	2.3930	2.3930	2.3930	2.3930	2.3930
Coburg	1.5826	1.5750	1.4056	1.5231	1.4829	1.2784	1.4972	1.5477	1.5477	1.5477
Dexter	2.4151	1.9151	1.9151	1.9151	1.9151	1.9151	1.9151	1.9151	1.9151	1.9151
Eugene	1.8500	2.1000	2.3500	2.5417	2.5417	2.5417	2.5417	2.5417	2.5417	2.5417
Goshen	1.7196	2.2196	2.2196	2.2196	2.2196	2.2196	2.2196	2.2196	2.2196	1.7196
Hazeldell	2.7115	2.7115	2.7115	1.7998	2.7115	2.7115	2.7115	2.7115	2.7115	2.7115
Junction City	1.4386	2.0858	2.0203	1.9538	1.5844	1.5844	1.5844	1.5844	1.5844	1.5844
Lake Creek	3.0757	3.0757	3.0757	3.0757	3.0757	3.0757	3.0757	3.0757	3.0757	3.0757
Lane County District #1	1.9848	1.9848	1.9848	1.9848	1.9848	1.9848	2.0388			
Lane Rural	2.1174	2.1174	2.1174	2.1174	2.1174	2.1174	2.1174			
Lorane	2.8618	2.7573	2.7267	2.6931	2.6654	2.5926	2.2952	2.2952	2.2952	2.2952
Lowell	2.6970	2.6970	2.6970	2.6970	2.6970	2.6970	2.6970	2.6970	2.6970	2.6970
Mapleton	2.0869	2.0869	2.0869	2.0869	2.0869	2.0869	2.0869	1.3869	1.3869	1.3869
McKenzie	2.0606	2.0606	2.0606	2.0606	2.0606	2.0606	2.0606	2.0606	2.0606	2.2106
Mohawk Valley	1.9126	1.9126	1.9126	1.9126	1.9126	1.9126	1.9126	2.3205	2.3247	2.2963
Monroe	1.6854	1.6854	1.6854	1.6854	1.6854	1.6854	1.6854	1.6854	1.6854	1.6854
Pleasant Hill	1.1031	1.0131	1.1031	1.1031	1.1031	1.1031	1.1031	1.1031	1.1031	1.1031
Santa Clara	1.6439	1.6439	1.6439	1.0439	1.4939	1.4939	1.4939	1.4939	1.4939	1.4939
Siuslaw	0.8717	0.8891	0.9391	1.1391	1.1019	1.0994	1.1391	1.1391	1.5417	1.5417
South Lane	1.0335	1.3350	1.5035	1.5035	1.5035	1.8035	1.8035	1.7792	1.7616	1.7616
Swisshome-Deadwood	2.1452	2.1452	2.1452	2.1452	2.1452	2.1452	2.1452	2.1452	2.1452	2.1452
Upper McKenzie	1.1951	1.1951	1.6951	1.6951	1.6951	1.6951	1.6951	1.6951	1.6951	1.6951
Willakenzie	3.0669	3.0669	3.0669	3.0669	3.0669	3.0669	3.0669	3.0669	3.0669	3.0669
Zumwalt	2.3419	2.3419	2.3419	2.3419	2.3419	2.3419	2.3419	2.3419	2.3419	2.3419
<u>Miscellaneous Districts</u>										
Fern Ridge Library	0.6324	0.6324	0.6324	0.5731	0.6324	0.5741	0.7324	0.7324	0.7324	0.7324
Lane Library	0.5900	0.5900	0.5900	0.5900	0.5900	0.5900	0.5900	0.5900	0.5900	0.5900
Port of Siuslaw	0.1474	0.1474	0.1474	0.1474	0.1474	0.1474	0.1424	0.1474	0.1474	0.1474
River Road Park & Recreation	3.8791	3.8730	3.8631	3.8535	3.5259	3.5259	3.5259	3.5259	3.5259	3.5259
Siuslaw Library	0.5163	0.5026	0.5163	0.5005	0.5163	0.4986	0.4956	0.5163	0.5163	0.5163
Western Lane Ambulance	0.5698	0.7613	0.7698	0.7698	0.7698	0.7588	0.7570	0.7698	0.7698	0.7698
Willamalane Park & Recreation	2.0074	2.0074	2.4543	2.3701	2.3386	2.3056	2.3290	2.3024	2.2946	2.2672

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

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
2020-21				
IP Eat Three LLC	Wood Products	\$ 300,721,680	0.84 %	\$ 3,970,209
Lumen Technologies Inc	Telecommunications	161,201,000	0.46	2,441,271
Verizon Communications	Telecommunications	151,053,000	0.43	2,436,865
Northwest Natural Gas Co.	Utility	129,602,200	0.37	1,960,729
Valley River Center	Retail/Commercial	104,242,716	0.30	1,814,890
Comcast Corporation	Telecommunications	102,197,000	0.29	1,742,303
Shephard Investment Group LLC	Investment	95,839,376	0.28	1,725,527
MexKenzie Willamette Medical	Medical Group	86,088,176	0.25	1,589,885
Weyerhaeuser Company	Wood Products	164,817,242	0.47	1,525,715
Emerald PUD	Utility	135,776,806	0.39	1,486,206
Subtotal - ten of the largest taxpayers		1,431,539,196	4.08	
All other taxpayers in Lane County		34,688,298,518	96.05	
Total Lane County Taxpayers		<u>\$ 36,119,837,714</u>	<u>100.00 %</u>	
2011-12				
IP Eat Three LLC	Wood Products	\$ 225,962,099	0.87 %	\$ 3,770,391
Comcast Corporation	Telecommunications	147,874,300	0.56	2,602,789
Valley River Center LLC	Retail/Commercial	106,139,760	0.40	1,731,106
Symantec Corporation	Electronics	86,747,813	0.33	1,497,535
Shepard Investment Group LLC	Investment	84,305,700	0.32	1,439,540
Northwest Natural Gas co.	Utililty	90,592,000	0.34	1,208,503
CenturyLink	Utililty	79,190,700	0.30	1,177,826
Verizon Communication	Utililty	72,462,800	0.28	1,114,787
Gateway Mall Partner	Retail/Commercial	63,219,398	0.25	1,083,424
Weyerhaeuser Company	Wood Products	67,020,200	0.25	1,057,617
Subtotal - ten of the largest taxpayers		1,023,514,770	3.90	
All other taxpayers in Lane County		25,310,381,716	96.09	
Total Lane County Taxpayers		<u>\$ 26,333,896,486</u>	<u>99.99 %</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 ¹</u>	<u>Unduplicated Headcount ¹</u>
2020-21	\$ 121.00	6,245.80	15,573
2019-20	118.00	7,353.90	20,957
2018-19	113.50	8,076.70	24,259
2017-18	109.00	8,305.49	25,536
2016-17	102.50	8,715.64	26,215
2015-16	99.50	9,249.77	28,219
2014-15	98.00	10,465.57	30,449
2013-14	93.00	12,312.20	33,695
2012-13	90.00	14,018.09	37,256
2011-12	84.00	15,444.81	38,671

Source

¹ 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

	2021	2020	2019	2018
Total Real Market Value of Taxable Property ^a	\$ 70,040,274,892	\$ 66,153,757,928	\$ 61,943,645,766	\$ 55,534,521,957
Debt Limitation (1.5% of Real Market Value)	\$ 1,050,604,123	\$ 992,306,369	\$ 929,154,686	\$ 833,017,829
Debt Subject to Limitation	144,205,000	30,545,000	36,730,000	42,510,000
Legal Debt Margin	\$ 906,399,123	\$ 961,761,369	\$ 892,424,686	\$ 790,507,829
Legal Debt Margin as a Percentage of the Debt Limitation	86.27%	96.92%	96.05%	94.90%

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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>\$ 50,829,563,212</u>	<u>\$ 41,012,353,816</u>	<u>\$ 39,151,561,247</u>	<u>\$ 36,172,462,575</u>	<u>\$ 35,736,940,602</u>	<u>\$ 37,261,878,627</u>
\$ 762,443,448	\$ 615,185,307	\$ 587,273,419	\$ 542,586,939	\$ 536,054,109	\$ 558,928,179
47,980,000	53,025,000	58,135,000	62,290,000	66,220,000	31,910,000
<u>\$ 714,463,448</u>	<u>\$ 562,160,307</u>	<u>\$ 529,138,419</u>	<u>\$ 480,296,939</u>	<u>\$ 469,834,109</u>	<u>\$ 527,018,179</u>
93.71%	91.38%	90.10%	88.52%	87.65%	94.29%

LANE COMMUNITY COLLEGE
EUGENE, OREGON

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

Fiscal Year	Population ^a	Assessed Value ^b	Gross Bonded Debt ^c	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2020-21	382,647	\$ 36,139,835,714	\$ 200,038,020	628,952	199,409,068	0.55%	\$ 521
2019-20	375,120	34,843,881,416	73,183,276	258,583	72,924,693	0.21%	192
2018-19	375,120	33,960,599,964	83,373,590	283,044	83,090,546	0.24%	219
2017-18	370,600	32,267,182,417	92,744,589	160,043	92,584,546	0.29%	250
2016-17	365,940	30,968,587,058	101,427,928	528,081	100,899,847	0.33%	279
2015-16	362,150	29,979,087,945	109,342,429	842,423	108,500,006	0.36%	305
2014-15	358,805	28,789,625,203	114,547,287	1,912,867	112,634,420	0.39%	314
2013-14	356,212	27,533,314,466	114,725,843	1,503,373	113,222,470	0.41%	318
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

Source

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

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Overlapping Debt Schedule
June 30, 2021

Overlapping District	Real Market Valuation	Percent Overlap	Overlapping	
			Gross Property-tax Backed Debt	Net Property-tax Backed Debt
Benton County	\$ 16,103,325,029	1.83%	\$ 513,007	\$ 294,061
Benton Cty SD 1J (Monroe)	614,800,103	50.26%	3,639,246	3,639,246
Benton Cty SD 509J (Corvallis)	11,719,304,574	0.01%	12,294	12,294
Brownsville RFPD 2	478,561,139	0.19%	542	542
City Of Coburg	384,119,551	100.00%	6,210,000	-
City Of Cottage Grove	1,123,031,047	100.00%	18,999,338	879,338
City Of Creswell	635,468,756	100.00%	2,783,752	2,783,752
City Of Eugene	28,553,592,486	99.88%	92,354,426	40,194,193
City Of Florence	1,482,232,208	100.00%	16,068,269	4,903,664
City Of Harrisburg	374,625,966	100.00%	12,375,000	8,095,000
City Of Lowell	119,302,444	100.00%	1,157,550	1,157,550
City Of Monroe	76,743,155	100.00%	1,045,000	1,045,000
City Of Oakridge	249,717,522	100.00%	5,277,274	5,277,274
City Of Springfield	8,751,318,553	100.00%	14,476,000	14,476,000
City Of Veneta	543,720,231	100.00%	617,975	617,975
City Of Westfir	24,710,496	100.00%	391,908	391,908
Goshen RFPD	731,070,176	100.00%	147,251	147,251
Harrisburg RFPD 6	677,447,942	98.45%	6,020,376	6,020,376
Heceta Water District	1,016,359,026	100.00%	1,373,954	1,373,954
Lane County	59,605,586,892	99.83%	61,209,479	16,327,311
Lane Cty Housing Authority	59,605,586,892	99.83%	5,819,380	8,519,380
Lane Cty SD 1 (Pleasant Hill)	1,088,302,779	100.00%	12,762,956	12,762,956
Lane Cty SD 19 (Springfield)	9,842,304,188	100.00%	141,111,344	141,111,344
Lane Cty SD 28J (Fern Ridge)	1,639,781,328	99.70%	27,695,230	27,695,230
Lane Cty SD 32 (Mapleton)	223,997,596	100.00%	3,671,832	3,671,832
Lane Cty SD 40 (Creswell)	1,218,530,167	100.00%	3,671,832	3,671,832
Lane Cty SD 45J3 (South Lane)	2,506,780,581	100.00%	57,010,257	57,010,257
Lane Cty SD 4J (Eugene)	2,970,747,059	100.00%	393,572,762	393,572,762
Lane Cty SD 52 (Bethel)	5,962,324,352	100.00%	147,863,480	143,386,040
Lane Cty SD 66 (Crow-Applegate-Lorane)	429,830,430	100.00%	3,726,163	3,726,163
Lane Cty SD 69 (Junction City)	1,927,260,143	100.00%	22,855,775	22,855,775
Lane Cty SD 71 (Lowell)	403,329,449	100.00%	8,624,314	8,624,314
Lane Cty SD 76 (Oakridge)	468,462,405	100.00%	6,190,928	6,190,928
Lane Cty SD 79 (Marcola)	321,462,984	100.00%	8,837,471	8,837,471
Lane Cty SD 90 (Blachly)	99,242,912	100.00%	170,611	170,611
Lane Cty SD 97J (Siuslaw)	3,012,059,863	100.00%	7,150,000	7,150,000
Lane ESD	59,465,546,363	99.99%	6,001,480	6,001,480
Lane Library District	1,215,048,036	100.00%	435,966	435,966
Linn Cty SD 7J (Harrisburg)	732,385,748	100.00%	8,242,814	8,242,814
Linn-Benton Community College	31,070,578,977	0.00%	1,218	786
Linn-Benton-Lincoln ESD	44,387,163,944	2.35%	148,486	148,486
Mohawk Valley RFPD	552,122,322	99.97%	399,862	399,862
Port Of Siuslaw	3,530,005,090	100.00%	943,039	943,039
River Road Park & Rec District	939,805,963	100.00%	533,000	329,000
South Lane County Fire & Rescue	3,340,538,188	100.00%	294,769	294,769
Umpqua Public Transportation District	12,726,645,796	0.11%	623	623
Willamalane Park & Recreation District	9,324,299,168	100.00%	13,005,000	11,435,000
Totals:	Overlapping Issuer Count: 47		\$ 1,125,413,233	\$ 984,825,409
Net Property-tax Backed Debt of Subject Issuer is:	\$ 158,975,000		Ratio of Net Property-tax Backed Debt to Real Market Value is:	0.26%
Net Property-tax Backed Debt of Overlapping Issuers is:	992,913,419		Ratio of Total Net Property-tax Backed Debt to Real Market Value is:	1.90%
Total Net Property-tax Backed Debt of Subject issuer and Overlapping Issuers is:	\$ 1,151,888,419			
Real Market Value of Subject Issuer is:	\$ 60,502,686,095	As of: 01/01/2020		

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			
2021	\$ 164,625,129		\$ 16,007,670	\$ 35,412,891	216,045,690	1.1%	565
2020	34,370,221		16,591,370	38,813,055	89,774,646	0.5%	237
2019	41,607,361		17,379,994	41,766,229	100,753,584	0.6%	269
2018	48,434,501		18,145,185	44,310,088	110,889,774	0.6%	299
2017	54,946,641		18,958,276	46,481,287	120,386,204	0.7%	329
2016	61,028,781		19,527,647	48,313,648	128,870,076	0.9%	356
2015	63,438,544		20,818,472	49,838,743	134,095,759	0.9%	374
2014	68,182,828		20,918,596	51,085,843	140,187,267	1.0%	394
2013	72,702,112		20,780,000	52,082,695	145,564,807	1.1%	411
2012	32,633,012		19,355,000	52,851,117	104,839,129	0.8%	297

Source

Lane Community College Annual Comprehensive Financial Report

* - Includes bond premium

Demographic and Economic Information

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population ^c	Personal Income (in thousands) ^{a, d}	Per Capita Income ^{b, d}	Unemployment Rate ^e
2021	382,647	\$18,972,786	\$49,583	4.2%
2020	378,880	17,397,791	49,583	4.1%
2019	375,120	17,225,135	45,960	4.5%
2018	370,600	17,431,415	44,957	4.5%
2017	365,940	16,275,162	43,430	5.1%
2016	362,150	15,160,278	41,027	5.9%
2015	358,805	14,468,971	39,871	7.1%
2014	356,125	13,392,647	37,374	7.6%
2013	354,200	13,047,961	36,630	8.6%
2012	353,155	12,742,734	35,941	9.5%

Notes

- a. The 2019 and 2020 personal income was not available and has been estimated by multiplying population by per capita income.
- b. The 2018, 2019 and 2020 per capita income was updated using the BEA report of November 2021. The 2020 per capita income has been used to estimate 2021.

Source

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

Operating Information

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Principal Employers for Lane County
Current Year and Nine Years Ago

Employer	<u>2021</u>			<u>2012</u>		
	Employees ^a	Rank	Percentage of County Employment	Employees ^a	Rank	Percentage of County Employment
PeaceHealth Corp	5,347	1	3.54%	4,212	1	2.59%
University of Oregon	5,036	2	3.34%	4,038	2	2.49%
Eugene 4J School District	2,347	3	1.56%	2,794	3	1.76%
US Government	1,813	4	1.20%	1,777	6	1.08%
State of Oregon	1,805	5	1.20%	1,967	5	1.21%
City of Eugene	1,733	6	1.15%	1,310	7	0.81%
Lane Community College	1,721	7	1.14%	1,118	9	0.69%
Lane County Government	1,552	8	1.06%	2,000	4	1.23%
Springfield School District	1,130	9	0.75%	1,300	8	0.80%
McKenzie-Willamette Medical Center	1,060	10	0.70%			
Wal-Mart				1,050	10	0.65%
	23,544		15.65%	21,566		13.31%

Notes

a. Employee count is for the 1st Quarter of 2018 and percent of county employment is as of January 1st of each year.

Source

Eugene Chamber of Commerce, Oregon Employment Department and City of Eugene.

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	184,618	184,618	
	Student Services	42,699	227,317	
	Business	19,358	246,675	
	Administration	16,307	262,982	
	Health Technology	43,825	306,807	
	Physical Education	105,485	412,292	
	Performing Arts	60,329	472,621	
	Campus Services	42,022	514,643	
	Welding Technology	21,236	535,879	
	Auto/Diesel Technology	38,621	574,500	
	Air Technology	82,476	656,976	
	Art/GED	38,884	695,860	
	Machine Technology	79,086	774,946	
	Electronics	17,077	792,023	
	Science	89,547	881,570	
	Forum	24,520	906,090	
	Industrial Technology	19,656	925,746	
	Work Force Training	89,281	1,015,027	
	Child Care Centers	17,426	1,032,453	
	2010	Health And Wellness Center	43,255	1,075,708
Native American Longhouse		6,543	1,082,251	
FMP Nursery		1,500	1,083,751	
Waste Water Treatment Plant		660	1,084,411	
FMP Storage		2,240	1,086,651	
Test Cells		3,100	1,089,751	
Cooling Tower		1,752	1,091,503	
PA Storage		2,890	1,094,393	
PE Storage		1,430	1,095,823	
Greenhouse		240	1,096,063	
Chemical Storage Facility		297	1,096,360	
2016		Chiller Building	2,750	1,099,110
		Exterior Elevators	360	1,099,470
	Flight Tech / Aviation	41,303	1,140,773	
	Cottage Grove Center	18,613	1,159,386	
2007	Florence Center	17,426	1,176,812	
	KLCC Downtown	8,200	1,185,012	
2012	Downtown Campus	185,171	1,370,183	

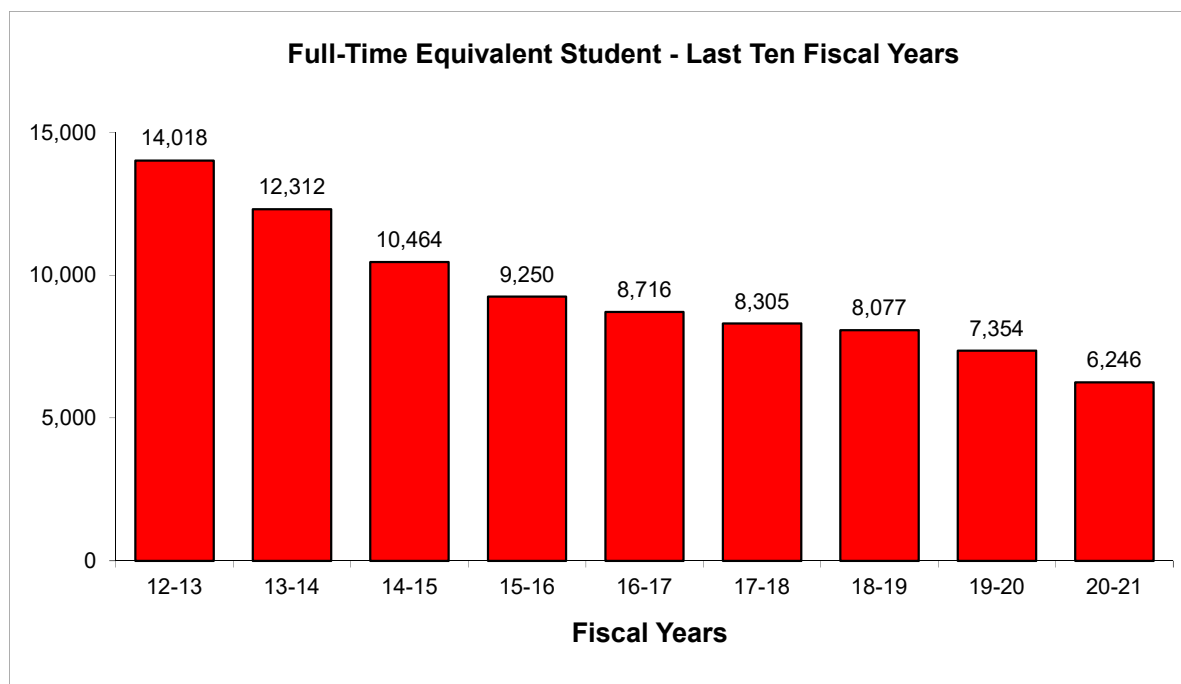
Source

Lane Community College Facilities Management and Planning

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Enrollment Statistics
Last Ten Fiscal Years

	Total Operating Expenses	District Population (Estimated) ^b	Full-time Equivalent Student	Unduplicated Headcount	Percent of Total District Population	Number of Employees ^c	Student FTE Per Employee
2020-21	133,744,890	382,647	6,246	15,573	4.07%	564	11.1
2019-20	139,725,988	378,880	7,354	20,957	5.53%	587	12.5
2018-19	131,492,391	375,120	8,077	24,259	6.47%	593	13.6
2017-18	136,742,907	370,600	8,305	25,793	6.96%	603	13.8
2016-17	141,199,720	365,940	8,716	26,176	7.15%	627	13.9
2015-16	166,621,796	362,150	9,250	28,219	7.79%	645	14.3
2014-15	121,535,041	358,805	10,464	30,449	8.49%	697	15.0
2013-14	161,452,486	356,212	12,312	33,695	9.46%	725	17.0
2012-13	169,610,943	354,200	14,018	37,254	10.52%	730	19.2
2011-12	172,272,408	353,155	15,445	38,671	10.95%	725	21.3



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.
- c. October 31 Employee Snapshot Data, All Funds

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Awards Conferred
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Lower Division Transfer										
AAOT/ASOT	512	552	470	536	441	468	482	468	573	474
Associate of General Studies	680	593	567	667	538	429	139	159	150	97
Associate of Science	<u>155</u>	<u>150</u>	<u>144</u>	<u>165</u>	<u>118</u>	<u>81</u>	<u>65</u>	<u>73</u>	<u>61</u>	<u>90</u>
Total Transfer Awards	<u>1347</u>	<u>1295</u>	<u>1181</u>	<u>1368</u>	<u>1097</u>	<u>978</u>	<u>686</u>	<u>700</u>	<u>784</u>	<u>661</u>
Technical										
Associate of Applied Science	375	352	331	352	399	415	491	519	550	558
Certificate	403	408	509	458	419	468	420	546	526	434
Apprentice: Assoc. of Applied Science	<u>6</u>	<u>24</u>	<u>2</u>	<u>5</u>	<u>2</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Technical Awards	<u>784</u>	<u>784</u>	<u>842</u>	<u>815</u>	<u>820</u>	<u>883</u>	<u>912</u>	<u>1065</u>	<u>1076</u>	<u>992</u>
 Total Awards	<u>2131</u>	<u>2079</u>	<u>2023</u>	<u>2183</u>	<u>1917</u>	<u>1861</u>	<u>1598</u>	<u>1765</u>	<u>1860</u>	<u>1653</u>
 Oregon Transfer Module*	<u>0</u>	<u>0</u>	<u>1</u>	<u>491</u>	<u>412</u>	<u>418</u>	<u>421</u>	<u>376</u>	<u>517</u>	<u>0</u>

* The Oregon Transfer Module is a state-approved transcription notation, not a degree or certificate.

Source

Per Lane Community College Institutional Research

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Number of Contracted Employees
Last Ten Fiscal Years
All Funds

<u>Fiscal Year</u>	<u>Faculty</u>	<u>Classified</u>	<u>Exempt</u>	<u>Total</u>
2020-21	196	303	65	564
2019-20	202	314	71	587
2018-19	207	319	67	593
2017-18	198	337	68	603
2016-17	222	341	64	627
2015-16	223	352	70	645
2014-15	247	382	68	697
2013-14	255	402	68	725
2012-13	252	406	72	730
2011-12	250	403	72	725

Source

Lane Community College Institutional Research and Planning
October 31 Employee Snapshot Data

**DISCLOSURES IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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 27, 2021

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, 2021, and have issued our report thereon dated December 27, 2021.

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) as a basis for designing 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 financial statements. 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 COMMENTS

KENNETH KUHNS & CO.
CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITOR'S COMMENTS
REQUIRED BY OREGON STATE REGULATIONS

December 27, 2021

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, 2021, and have issued our report thereon dated December 27, 2021.

Internal Control Over Financial Reporting

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

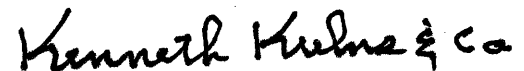
- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Authorized investment of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

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.