

**LANE COMMUNITY COLLEGE
EUGENE, OREGON**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2014**

**Mary F.T. Spilde, President
Brian Kelly, Vice-President for College Services
Greg Holmes, Chief Financial Officer
Stan Barker, Director of College Finance**

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INTRODUCTORY SECTION



November 17 2014

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for Lane Community College for the fiscal year ended June 30, 2014, 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, 2014, and for the year then ended.

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

College Description

Lane Community College is a comprehensive, two-year, public college founded in 1964. Lane serves a 4,600 square-mile area from the Cascade Mountains to the Pacific Ocean. The district has a population of approximately 356,200. In recent years, more than 34,000 people take one or more classes at Lane each year (unduplicated headcount). Congruent with its mission, Lane offers a broad range of educational programs leading to four associate degrees: associate of arts/Oregon transfer, associate of science, associate of general studies, and associate of applied science. All Lane educational programs are based on recognized fields of study and are approved by the Oregon Department of Community College and Workforce Development as sufficient in content and length. The College is the second largest of Oregon's seventeen community colleges.

College Mission

Lane is the community's college:

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

Programs

Lane Community College has five major areas of study:

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

Economy

Lane County is larger than Delaware and Rhode Island combined. Although 90 percent of Lane County is forestland, Eugene and Springfield combined are the second largest urban area in Oregon. The principal industries in Lane County are agriculture, higher education, high technology, forest products, recreation, health care, and tourism. Lane County is the home of the University of Oregon, Northwest Christian University and several high tech companies, in addition to forest products companies such as Weyerhaeuser.

According to the Oregon Office of Economic Analysis (OOEA), in Oregon, the overall number of jobs has yet to return to its pre-recession peak, but will no doubt do so before the 2015-17 biennium begins. As has historically been the case, Oregon's recession and recovery have shown more of a boom-bust cycle than what has been seen in other states. After suffering relatively severe job losses during the recession, Oregon is now experiencing above-average job growth. Employment growth in Oregon accelerated in 2013, and has outstripped growth in the typical state ever since.

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

Governing Bodies

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

Higher Education Coordinating Commission

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

College Management

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

Accreditation

The Northwest Commission on Colleges and Universities has granted accreditation to Lane Community College. The college's most recent full-scale accreditation visit occurred in October 2014. The Oregon Department of Community Colleges and Workforce Development has approved all college transfer courses, and the State Board of Education has approved all career-technical programs.

Independent Audit

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

Long Range Financial Plan

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

Internal Controls

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 on 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.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to Lane Community College for its comprehensive annual financial report for the fiscal year ended June 30, 2013. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

We wish to express our appreciation to the entire business office staff for their efforts and contributions to our Comprehensive Annual Financial Report. We further extend our thanks to the staff of Kenneth Kuhns & Co. for their efforts during this audit. We also thank the Lane 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 'Greg Holmes', with a horizontal line extending to the right.

Greg Holmes
Chief Financial Officer

LANE COMMUNITY COLLEGE

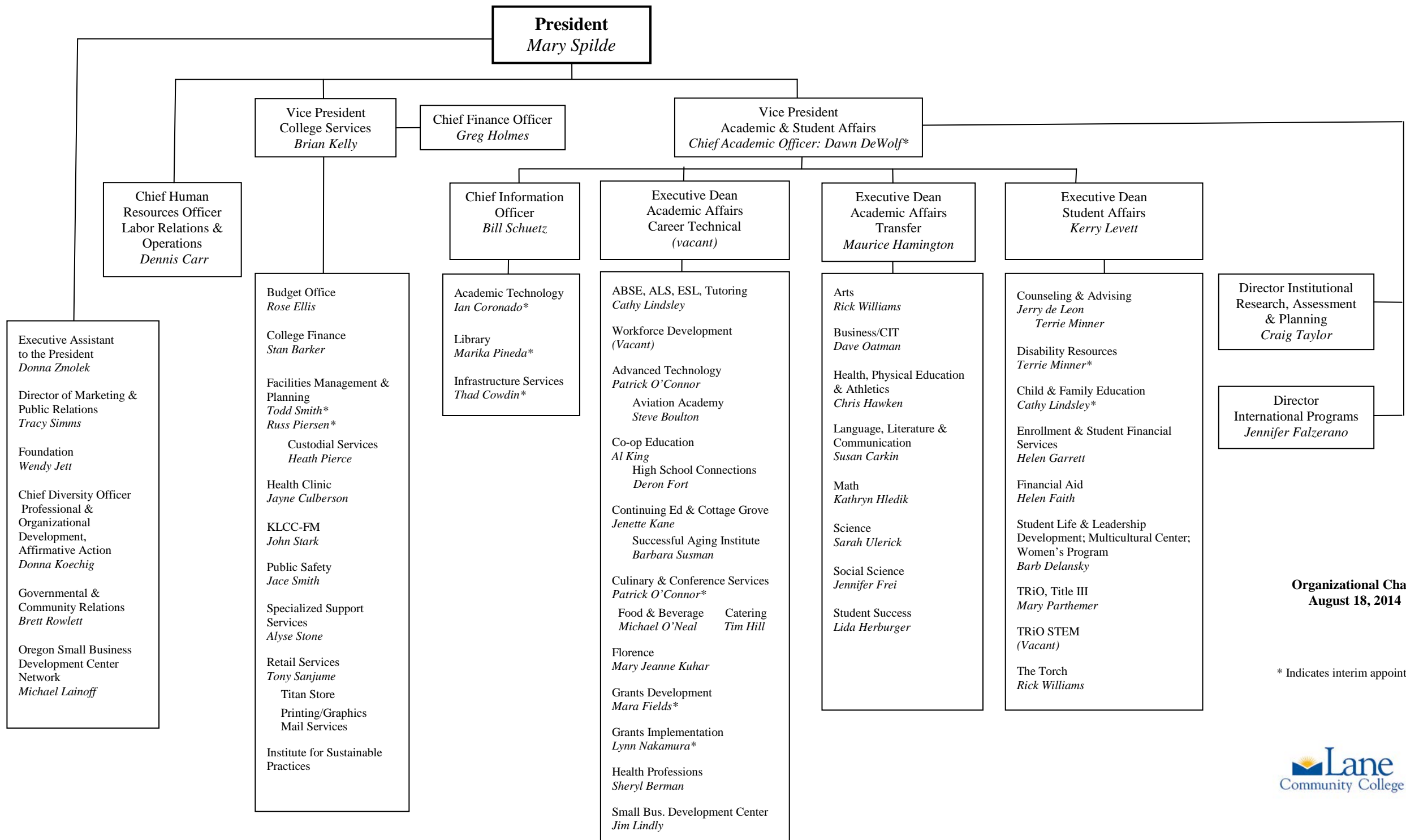
June 30, 2014

Board of Education

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

Administration

Mary F.T. Spilde	President
Brian Kelly	Vice-President for College Services
Greg Holmes	Chief Financial Officer
Stan Barker	Director of College Finance



**Organizational Chart
August 18, 2014**

* Indicates interim appointment





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Lane Community College
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

November 17, 2014

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, 2014, 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 9 and the schedule of funding progress on page 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lane Community College's basic financial statements. The other supplementary information listed in the table of contents, introductory section, statistical section, and schedule of expenditures of federal awards required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* (OMB Circular A-133) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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 November 17, 2014 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 November 17, 2014 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.

Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis section of the College's comprehensive annual financial report provides an overview of the financial activities of Lane Community College (the College) for the fiscal year ended June 30, 2014. The discussion is designed to assist the readers in understanding the accompanying financial statements through an objective and easily readable analysis of the College's financial activities.

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

<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 serves as an introduction to the College's basic entity-wide financial statements. The entity-wide presentation is designed to provide readers with a broad overview of the College's finances, in a manner similar to a private sector business. These financial statements focus on the College's overall financial condition, its results of operations and its cash flows. The entity-wide 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 improvement or erosion 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 method of accounting, which records transactions as soon as they occur, regardless when cash is exchanged. Usage of capital assets is reported as depreciation expense, which amortizes the cost of the assets over their estimated useful lives. Revenues and expenses are reported as either operating or non-operating. Primary sources of operating revenues include tuition, grants and contracts. State appropriations and property taxes are classified as non-operating 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 assists in evaluating 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 that is 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 latter 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 cash. This information is essential for 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

- As of June 30, 2014, the College's assets exceeded its liabilities by \$139 million (Net Position). Of this amount, \$39 million is classified as unrestricted net position. This unrestricted net position may be used to meet the College's ongoing obligations. The largest component (\$83 million) of net position is the College's net investment in capital assets, which represents its land, buildings, machinery and equipment, net of accumulated depreciation and related debt. The College uses these capital assets to provide educational services to its students; consequently these assets are not available for future spending.
- The College's net position increased \$6 million from prior year. As net position increased, unrestricted net position increased \$960 thousand which is a 2.5% increase.
- In response to continued state funding uncertainties, the College was deliberate and thoughtful in the execution of the fiscal year 2013-14 operating budget.

Analysis of the Statement of Net Assets

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

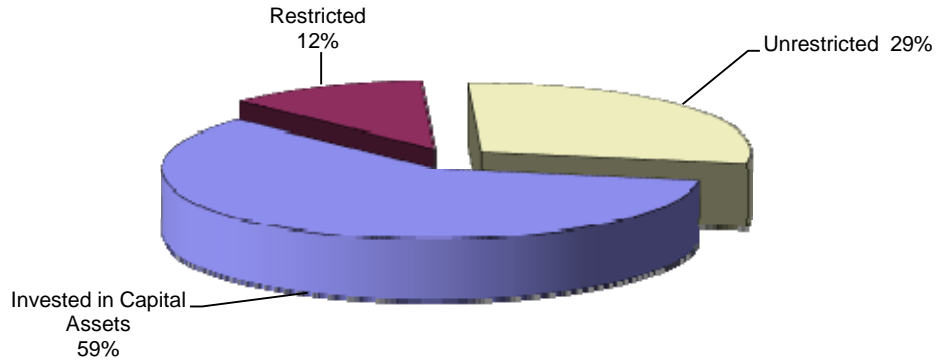
	<u>2014</u>	<u>2013</u>	<u>% Change</u>
Assets			
Current assets	\$ 85,397,146	\$ 87,250,197	-2.1%
Pension Asset	60,461,219	55,180,212	9.6%
Capital assets, net of depreciation	141,892,100	147,621,344	-3.9%
Other noncurrent assets	21,528,713	18,867,733	14.1%
Total assets	<u>\$ 309,279,178</u>	<u>\$ 308,919,486</u>	0.1%
Liabilities			
Current Liabilities	\$ 34,434,878	\$ 35,186,294	-2.1%
Long-term debt, non-current portion	134,992,857	140,376,267	-3.8%
Total liabilities	<u>\$ 169,427,735</u>	<u>\$ 175,562,561</u>	-3.5%
Net Assets			
Invested in capital assets, net of related debt	\$ 83,187,776	\$ 83,679,346	-0.6%
Restricted	16,664,097	10,638,915	56.6%
Unrestricted	39,999,570	39,038,664	2.5%
Total net assets	<u>\$ 139,851,443</u>	<u>\$ 133,356,925</u>	4.9%

At June 30, 2014 the College's current assets of \$85 million was sufficient to cover the College's current liabilities of \$34 million. This represents a current ratio of 2.5. Current assets consist primarily of cash and cash equivalents, investments, receivables from student accounts, property taxes and grants. The College's pension asset of \$60 million was created when the College paid into a PERS investment account used to cover a portion of the College's unfunded actuarial liability. Also included in noncurrent assets are capital assets (land, buildings, machinery and equipment) net of accumulated depreciation used to provide services to students.

Current liabilities primarily consist of accounts payable, payroll and payroll taxes payable, current maturities of long-term obligations, unearned revenues, and compensated absences. Non-current liabilities consist of long-term debt relating to general obligation bonds, pension bond and other debt obligations.

Within Net Position, the “invested in capital assets” amount of \$83 million represents the total original cost of all of the College’s land, buildings, machinery and equipment and infrastructure, less total accumulated depreciation on these assets, and also less debt related to their acquisition. Restricted net assets consist of amounts legally restricted for debt service and grants and contracts.

The following graph shows the allocation of net assets.



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 non-operating revenues and expenses. Annual state reimbursements and property taxes, while budgeted to fund operations, are considered non-operating revenues according to generally accepted accounting principles in the United States of America (GAAP).

Lane Community College
For year ended June 30, 2014

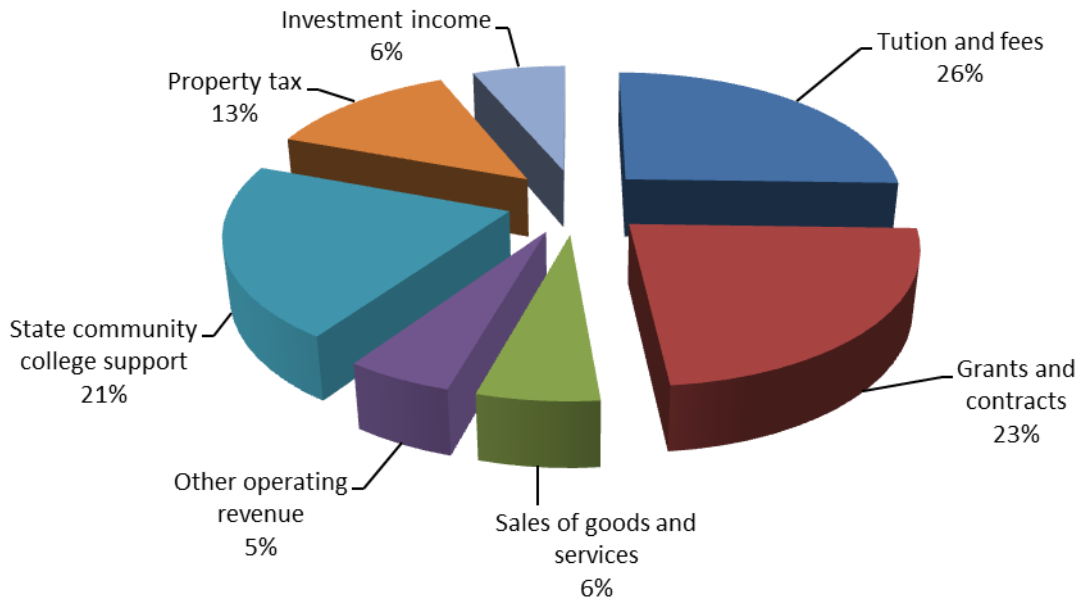
	2014	2013	% Change
Revenues:			
Student tuition and fees	\$ 44,434,463	\$ 47,533,472	-6.5%
Grants and contracts	40,213,952	47,573,883	-15.5%
State community college support	36,727,655	18,147,123	102.4%
Property taxes	22,743,861	22,916,036	-0.8%
Other revenues	30,341,171	29,752,182	2.0%
Total revenues	174,461,102	165,922,696	5.2%
Expenses:			
Instruction	60,885,060	61,109,207	-0.4%
Community services	6,743,984	6,560,038	2.8%
Instructional support services	6,332,683	6,154,786	2.9%
Student services	25,031,297	25,638,484	-2.4%
College support services	12,433,577	15,514,136	-19.9%
Plant operations and maintenance	10,688,250	9,736,298	9.8%
Financial aid	34,753,136	40,664,353	-14.5%
Depreciation	4,584,499	4,233,641	8.3%
Other	6,514,098	6,057,698	7.5%
Total expenses	167,966,584	175,668,641	-4.4%
Income before contributions	6,494,518	(9,745,945)	166.6%
Capital contributions	-	448,000	-100.0%
Change in net assets	6,494,518	(9,297,945)	169.9%
Net assets - beginning of year	133,356,925	142,654,870	-6.5%
Net assets - end of year	\$ 139,851,443	\$ 133,356,925	4.9%

Revenues:

The largest sources of operating revenue for the College are tuition and fees, auxiliary enterprise activities, and grants and contracts. Auxiliary enterprise activities are College operations that provide goods and services to students, faculty, staff or the general public, and charge fees directly related to the cost of these goods and services. Tuition and fees totaled \$44 million which was down 7% over last year's amount.

Appropriations from the State of Oregon constitute 57% of non-operating revenue, net. The College received \$36 million in State aid in this fiscal year, which represented a 102% increase from the prior year. The reason for this stems from the 2003 legislative session, in which the Oregon Legislature acted to defer their fourth quarterly payment from April until July in odd numbered years.

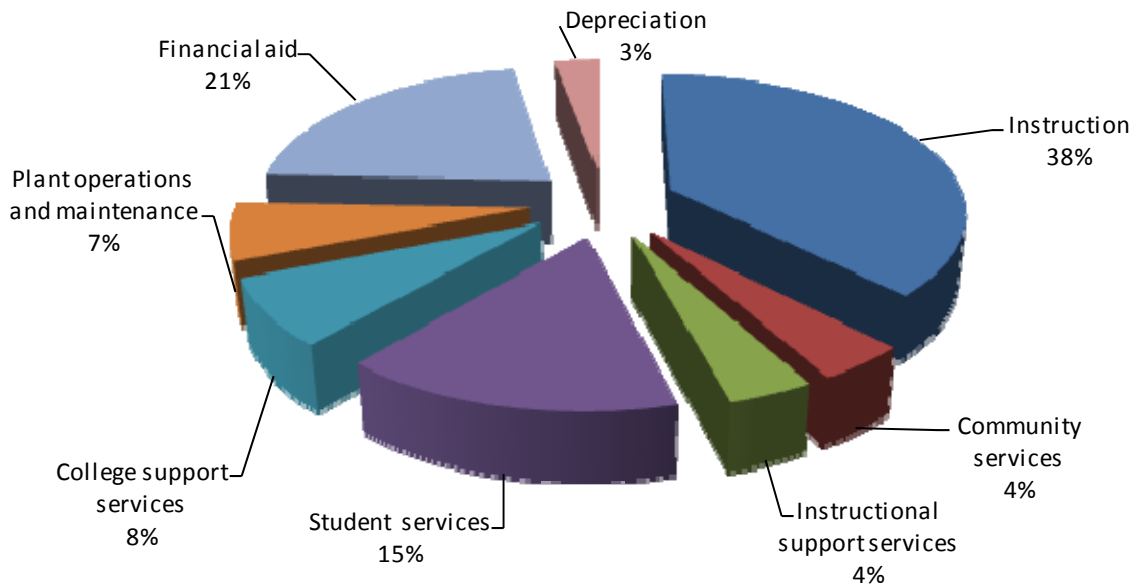
The following graph shows the allocation of total revenues for the College:



Expenses:

Operating expenses totaling \$161 million include salaries and benefits, materials and supplies, utilities, grants and scholarships and depreciation of capital assets. Operating expenses show a decrease of -4.8% over 2013.

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 ability of the college to meet obligations as they become due and the need for external financing.

In summary from the cash flows for the year were:

	<u>2014</u>	<u>2013</u>	<u>% Change</u>
Cash Provided by (Used In):			
Operating Activities	\$ (46,123,737)	\$ (42,950,105)	7.4%
Noncapital Financing Activities	49,216,467	30,619,521	60.7%
Capital Financing Activities	1,206,736	27,320,631	-95.6%
Investing Activities	<u>1,266,878</u>	<u>(2,099,732)</u>	-160.3%
Net increase in cash	5,566,344	12,890,315	-56.8%
Cash - Beginning of year	<u>47,491,890</u>	<u>34,601,575</u>	37.3%
Cash - End of year	<u>\$ 53,058,234</u>	<u>\$ 47,491,890</u>	11.7%

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

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

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 Debt Administration

At June 30, 2014 the College had \$141 million, net of accumulated depreciation, invested in a broad range of capital assets, including land, buildings, and equipment. Additional information pertaining to the College's capital assets is located in note 3 to these financial statements.

At June 30, 2014 the College had total long-term obligations outstanding of \$143 million. Additional information pertaining to the College's long-term obligations is located in note 4 to these financial statements.

Requests for Information

This financial report is designed to provide a general overview of Lane Community College's finances. 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, 2014

	<u>College</u>	<u>Foundation (Component Unit)</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 53,058,234	\$ 3,265,660
Investments	19,875,781	-
Receivables, net:		
Property taxes	1,334,535	-
Accounts	8,812,032	669,009
Interest	298,502	-
Loans and notes, current portion	750,000	19,416
Prepayments	348,854	30,489
Inventories	919,208	-
Total current assets	<u>85,397,146</u>	<u>3,984,574</u>
Noncurrent assets:		
Receivables, net	16,350,374	738,311
Long term investments	3,648,110	12,554,243
Pension asset	60,461,219	-
Net pension obligation	1,530,229	-
Investment in property, annuity trust	-	787,200
Capital assets:		
Non-depreciable	10,732,819	-
Depreciable	187,103,610	18,983,129
Less accumulated depreciation	<u>(55,944,329)</u>	<u>(591,792)</u>
Total noncurrent assets	<u>223,882,032</u>	<u>32,471,091</u>
Total assets	<u>309,279,178</u>	<u>36,455,665</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	4,230,852	43,374
Accrued liabilities	5,944,439	90,027
Accrued interest payable	168,458	-
Unearned revenue	13,683,240	175,349
Current maturities of long-term obligations	<u>10,407,889</u>	<u>40,000</u>
Total current liabilities	<u>34,434,878</u>	<u>348,750</u>
Noncurrent liabilities:		
Long-term obligations, net of current maturities:		
Bonds and obligations payable	133,038,670	-
Notes payable	193,498	18,710,000
Net OPEB obligation	1,760,689	-
Obligations under split-interest agreements	-	202,246
Total noncurrent liabilities	<u>134,992,857</u>	<u>18,912,246</u>
Total liabilities	<u>169,427,735</u>	<u>19,260,996</u>
<u>Net Position</u>		
Net investment in capital assets	<u>83,187,776</u>	<u>-</u>
Restricted for debt service	1,671,564	-
Restricted for pension obligations	9,375,377	-
Restricted for student financial aid	5,342,883	-
Restricted for grants and contracts	274,273	-
Restricted for permanent endowment	-	9,722,289
Restricted for temporary endowment and scholarships	<u>-</u>	<u>6,844,272</u>
Total restricted net position	<u>16,664,097</u>	<u>16,566,561</u>
Unrestricted	<u>39,999,570</u>	<u>628,108</u>
Total net position	<u>\$ 139,851,443</u>	<u>\$ 17,194,669</u>

The accompanying notes are an integral part of this statement.

LANE COMMUNITY COLLEGE

Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2014

	<u>College</u>	<u>Foundation (Component Unit)</u>
Operating revenues:		
Student tuition and fees	\$ 44,434,463	\$ -
Grants and contracts	40,213,952	-
Sales of goods and services	10,247,324	-
Other operating revenue	<u>9,004,708</u>	<u>4,302,944</u>
Total operating revenues	<u>103,900,447</u>	<u>4,302,944</u>
Operating expenses:		
Instruction	60,885,060	-
Community services	6,743,984	-
Instructional support services	6,332,683	-
Student services	25,031,297	-
College support services	12,433,577	-
Plant operations and maintenance	10,688,250	-
Financial aid	34,753,136	-
Foundation programs	-	4,433,058
Depreciation	<u>4,584,499</u>	<u>-</u>
Total operating expenses	<u>161,452,486</u>	<u>4,433,058</u>
Operating income-(loss)	<u>(57,552,039)</u>	<u>(130,114)</u>
Nonoperating revenues-(expenses):		
State community college support	36,727,655	-
Property taxes	22,743,861	-
Investment income	786,348	1,447,878
Investment income from pension asset	10,302,791	-
Interest expense	<u>(6,514,098)</u>	<u>-</u>
Total nonoperating revenues-(expenses)	<u>64,046,557</u>	<u>1,447,878</u>
Change in net position	6,494,518	1,317,764
Net position - July 1, 2013	<u>133,356,925</u>	<u>15,876,905</u>
Net position - June 30, 2014	<u><u>\$ 139,851,443</u></u>	<u><u>\$ 17,194,669</u></u>

The accompanying notes are an integral part of this statement.

LANE COMMUNITY COLLEGE

Statement of Cash Flows
Year Ended June 30, 2014

	College
Cash flows from operating activities:	
Tuition and fees	\$ 44,165,067
Grants and contracts	40,511,198
Sales of goods and services	10,690,480
Other cash receipts	8,831,827
Payments to employees for services	(86,577,446)
Payments to suppliers for goods and services	(29,321,697)
Payments for student scholarships and grants	(34,423,166)
Net cash used in operating activities	(46,123,737)
Cash flows from noncapital financing activities:	
Cash received from State community college support	36,727,655
Cash received from property taxes	16,513,061
Principal paid on pension bonds	(2,495,000)
Interest paid on pension bonds	(1,529,249)
Net cash provided by noncapital financing activities	49,216,467
Cash flows from capital and related financing activities:	
Proceeds from notes payable	230,000
Cash received from property taxes	6,747,582
Capital grants received	1,517,785
Proceeds from sale of capital assets	7,121,389
Acquisition of capital assets	(6,892,545)
Principal paid on bonds, debt obligations and notes payable	(4,021,404)
Interest paid on bonds, debt obligations and notes payable	(3,496,071)
Net cash provided by capital and related financing activities	1,206,736
Cash flows from investing activities:	
Purchase of investments	(23,861,387)
Proceeds from sales of investments	24,522,091
Interest on investments	606,174
Net cash provided by investing activities	1,266,878
Net increase in cash and cash equivalents	5,566,344
Cash and cash equivalents - July 1, 2013	47,491,890
Cash and cash equivalents - June 30, 2014	\$ 53,058,234

The accompanying notes are an integral part of this statement.

LANE COMMUNITY COLLEGE

Statement of Cash Flows
Year Ended June 30, 2014

	<u>College</u>
Reconciliation of operating income-(loss) to net cash used in operating activities:	
Operating income-(loss)	<u>\$ (57,552,039)</u>
Adjustments to reconcile operating income-(loss) to net cash used in operating activities:	
Depreciation	4,584,499
Amortization	4,432,500
Decrease-(increase) in:	
Accounts receivable	1,136,311
Loans and notes receivable	466,863
Inventories	248,160
Prepaid expenses	171,717
Net pension obligation	220,267
Increase-(decrease) in:	
Accounts payable	526,594
Accrued liabilities	56,440
Vacation payable	440,771
Net OPEB obligation	449,229
Unearned revenue	<u>(1,305,049)</u>
Total adjustments	<u>11,428,302</u>
Net cash used in operating activities	<u><u>\$ (46,123,737)</u></u>
Noncash Investing, Capital and Financing Activities:	
Investment income from pension asset	\$ 10,302,791
Pension asset	(10,302,791)
Accreted interest on deferred interest bonds	1,498,147
Interest expense	(1,498,147)
Capital contributions	(1,517,785)
Capital contributions receivable	1,517,785
Increase in fair value of investments	(135,913)
Investment income from investments	135,913
Book value of capital assets disposed	7,121,389
Gain on disposal of capital assets	<u>(7,121,389)</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, 2014

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, 2014, the Foundation provided scholarships of \$623,489 for the benefit of the College. The College provided personnel and administrative contributions to the Foundation totaling \$237,099 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) Use of Estimates

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

(E) Investments

Investments included in cash and investments are reported at fair value. The College invests primarily in the State of Oregon Local Government Investment Pool, 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.

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.

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Contd)

(F) Property Taxes Receivable

Ad valorem property taxes are levied on all taxable property as of July 1. Property taxes become an enforceable lien on that date for real property and for personal property. Collection dates are November 15, February 15, and May 15. Discounts are allowed if amounts due are received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Uncollected taxes, including delinquent amounts, are considered substantially collectable or recoverable through liens. Property taxes are recognized as revenues when levied.

(G) Accounts, Grants and Loans Receivable

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

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

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

(H) Inventories

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

(I) Capital Assets

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

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.

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2014

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Contd)

(I) Capital Assets (Contd)

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

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

(J) Compensated Absences

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

(K) Leases

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

(L) Retirement Plans

Public Employees Retirement System

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

Early Retirement Program

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

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2014

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Contd)

(L) Retirement Plans (Contd)

Other Postemployment Benefits

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

(M) Net Position

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

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

2 - CASH AND INVESTMENTS:

The College's cash and investments are comprised of the following at June 30, 2014:

Cash on hand and other	\$ 56,660
Deposits with financial institutions	6,352,388
Investments	<u>70,961,048</u>
Total cash and investments	77,370,096
Less cash and investments in pension trust fund	<u>(787,971)</u>
Cash and investments, as reported in statement of net position	<u>\$ 76,582,125</u>

Deposits

Deposits with financial institutions are bank demand deposits and certificates of deposit. The total bank balance, as shown on the banks' records at June 30, 2014, is \$7,122,136. Of these deposits, \$500,000 was covered by federal depository insurance.

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2014

2 - CASH AND INVESTMENTS: (Contd)

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

Custodial credit risk for deposits is the risk that in the event of a bank failure, the College's deposits may not be returned to it. The College follows State law with respect to custodial credit risk and has not adopted a separate policy. Deposits in excess of FDIC insured amounts were exposed to custodial credit risk as of June 30, 2014, because these deposits were uncollateralized and/or were collateralized but not held by the third-party custodian bank in the College's name.

Investments

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

	S&P Rating	Fair Value	Percent	Maturities	
				0-1 Year	1-2 Years
Corporate Debt:					
Bank of America	A-	\$ 3,611,915	5.1%	\$ 2,568,363	\$ 1,043,552
Barclays Bank	A	4,082,954	5.8%	4,082,954	-
Credit Suisse	A	3,625,871	5.1%	2,048,666	1,577,205
BNY Mellon	A+	2,716,695	3.8%	2,716,695	-
Canadian Imperial Bank	A+	1,027,353	1.4%	-	1,027,353
JP Morgan Chase	A	3,875,267	5.5%	3,875,267	-
Wells Fargo & Co.	A+	3,558,314	5.0%	3,558,314	-
Westpac Banking Corp	AA-	1,025,522	1.4%	1,025,522	-
Commercial paper	A	1,999,917	2.8%	1,999,917	-
Investment in Oregon Local Government					
Investment Pool		<u>45,437,240</u>	<u>64.1%</u>	<u>45,437,240</u>	<u>-</u>
Total investments		<u>\$ 70,961,048</u>	<u>100.0%</u>	<u>\$ 67,312,938</u>	<u>\$ 3,648,110</u>

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

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2014

2 - CASH AND INVESTMENTS: (Contd)

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

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Oregon Short-Term Fund manages this risk by limiting the maturity of the investments held by the fund. Weighted average maturities of investments in the Oregon Short-Term Fund at June 30, 2014 were: 61% mature within 93 days, 13% mature from 94 days to one year, and 26% mature from one to three years.

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

Restricted Cash and Investments

At June 30, 2014, the College had \$30,397,100 in unspent general obligation bond proceeds. These unspent proceeds are restricted for capital improvements.

Foundation Cash and Investments

The Foundation's cash and cash equivalents consist of demand deposits with financial institutions. At June 30, 2014, \$3,441,055 of these cash balances was not covered by federal depository insurance.

The Foundation's investments consist of funds that are managed by professional fund managers chosen by the Board of Trustees and are invested in U.S. Government and agency obligations, corporate bonds, equity securities, mortgage-backed securities, money market accounts and certificates of deposit. These investments are carried at market or appraised value, and unrealized gains and losses are reflected in the Foundation's statement of activities. A summary of investments at June 30, 2014 is as follows:

Money market/cash management accounts	\$ 238,956
Certificates of deposit	902,809
Equity securities	7,968,622
U.S. Government and agency obligations	1,466,127
Corporate bonds	<u>1,977,729</u>
Total investments	<u>\$ 12,554,243</u>

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2014

3 - CAPITAL ASSETS:

The College's capital assets activity for the year ended June 30, 2014 was as follows:

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014
Capital assets not being depreciated:				
Land	\$ 5,695,522	\$ -	\$ -	\$ 5,695,522
Construction in progress	62,135,616	5,632,519	62,730,838	5,037,297
Total capital assets not being depreciated	67,831,138	5,632,519	62,730,838	10,732,819
Capital assets being depreciated:				
Buildings and improvements	117,154,946	55,609,449	-	172,764,395
Furniture and equipment	9,130,982	258,895	-	9,389,877
Library books	4,864,108	85,230	-	4,949,338
Total capital assets being depreciated	131,150,036	55,953,574	-	187,103,610
Less accumulated depreciation for:				
Buildings and improvements	41,425,199	3,812,075	-	45,237,274
Furniture and equipment	5,524,748	690,338	-	6,215,086
Library books	4,409,883	82,086	-	4,491,969
Total accumulated depreciation	51,359,830	4,584,499	-	55,944,329
Total capital assets being depreciated, net	79,790,206	51,369,075	-	131,159,281
Total capital assets, net	<u>\$ 147,621,344</u>	<u>\$ 57,001,594</u>	<u>\$ 62,730,838</u>	<u>\$ 141,892,100</u>

4 - LONG-TERM OBLIGATIONS:

Changes in the College's long-term obligations for the year ended June 30, 2014 are as follows:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Due Within One Year	Interest Paid
Vacation payable	\$ 3,012,020	\$ 3,452,791	\$ 3,012,020	\$ 3,452,791	\$ 3,452,791	\$ -
Bonds payable	67,645,000	-	4,005,000	63,640,000	4,235,000	2,728,475
Bonds payable premium	6,482,112	-	589,284	5,892,828	-	-
Debt obligations payable	19,355,000	-	-	19,355,000	-	761,261
Pension bonds payable	52,082,695	1,498,147	2,495,000	51,085,842	2,700,000	1,529,249
Notes payable	-	230,000	16,404	213,596	20,098	6,335
Total	<u>\$ 148,576,827</u>	<u>\$ 5,180,938</u>	<u>\$ 10,117,708</u>	<u>\$ 143,640,057</u>	<u>\$ 10,407,889</u>	<u>\$ 5,025,320</u>

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2014

4 - LONG-TERM OBLIGATIONS: (Contd)

Bonds Payable

On November 4, 2008, voters approved authority for the College to issue \$83 million in general obligation bonds to be used to renovate outdated infrastructure and instructional technology. In June 2009, the College issued Series 2009 General Obligation Bonds in the original amount of \$45 million and in August 2012, the College issued \$38 million in Series 2012 General Obligation Bonds. These general obligation bonds were issued to finance the costs of capital construction and improvements to College facilities and to pay the costs of issuance of the Bonds. The bonds will be retired from property taxes levied by the College. The bonds are due annually and interest is payable semi-annually, on June 15 and December 15, with interest rates ranging from 3.5% to 5.0% on the Series 2009 Bonds and 2.0% to 5.0% on the Series 2012 Bonds. Future bonded debt requirements are as follows:

	<u>Series 2009 Bonds</u>		<u>Series 2012 Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2014-15	\$ 1,935,000	\$ 1,053,075	\$ 2,220,000	\$ 1,522,375	\$ 6,730,450
2015-16	2,105,000	979,800	2,510,000	1,475,975	7,070,775
2016-17	2,295,000	889,600	2,750,000	1,420,775	7,355,375
2017-18	2,480,000	792,063	2,990,000	1,307,100	7,569,163
2018-19	1,205,000	687,862	4,575,000	1,176,900	7,644,762
2019-20	1,180,000	637,163	5,070,000	972,650	7,859,813
2020-21	2,250,000	587,462	4,585,000	774,850	8,197,312
2021-22	3,460,000	490,713	4,000,000	596,050	8,546,763
2022-23	3,725,000	348,300	4,295,000	437,300	8,805,600
2023-24	4,015,000	180,675	4,645,000	228,425	9,069,100
Totals	<u>\$ 24,650,000</u>	<u>\$ 6,646,713</u>	<u>\$ 37,640,000</u>	<u>\$ 9,912,400</u>	<u>\$ 78,849,113</u>

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

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2014

4 - LONG-TERM OBLIGATIONS: (Contd)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014-15	\$ 80,000	\$ 62,370	\$ 142,370
2015-16	80,000	58,674	138,674
2016-17	85,000	54,978	139,978
2017-18	90,000	51,051	141,051
2018-19	95,000	46,893	141,893
2019-20	100,000	42,504	142,504
2020-21	100,000	37,884	137,884
2021-22	105,000	33,264	138,264
2022-23	110,000	28,413	138,413
2023-24	115,000	23,331	138,331
2024-25	125,000	18,018	143,018
2025-26	130,000	12,243	142,243
2026-27	<u>135,000</u>	<u>6,237</u>	<u>141,237</u>
 Total	 <u>\$ 1,350,000</u>	 <u>\$ 475,860</u>	 <u>\$ 1,825,860</u>

Pension Bonds Payable

In April 2003, the College issued \$51,803,948 of Limited Tax Pension Obligation Bonds and transferred the net proceeds to the State of Oregon Public Employees Retirement System to cover a portion of the College's share of the cost sharing plan's unfunded actuarial liability. The resulting pension asset is being used to pay a portion of the College's annual required contribution. Principal payments are due annually through June 30, 2028 and interest is payable in December and June of each year with rates ranging from 5.52% to 6.25%. Future pension bonds requirements are as follows:

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2014

4 - LONG-TERM OBLIGATIONS: (Contd)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014-15	\$ 2,700,000	\$ 1,529,250	\$ 4,229,250
2015-16	2,915,000	1,529,250	4,444,250
2016-17	3,140,000	1,529,250	4,669,250
2017-18	3,375,000	1,529,250	4,904,250
2018-19	3,620,000	1,529,250	5,149,250
2019-20	3,875,000	1,529,250	5,404,250
2020-21	4,140,000	1,529,250	5,669,250
2021-22	4,420,000	1,529,250	5,949,250
2022-23	4,705,000	1,529,250	6,234,250
2023-24	5,010,000	1,529,250	6,539,250
2024-25	5,605,000	1,245,684	6,850,684
2025-26	6,250,000	927,880	7,177,880
2026-27	6,945,000	572,880	7,517,880
2027-28	3,285,000	183,960	3,468,960
	<u>59,985,000</u>	<u>\$ 18,222,904</u>	<u>\$ 78,207,904</u>
Total	59,985,000	<u>\$ 18,222,904</u>	<u>\$ 78,207,904</u>
Less deferred interest	<u>(8,899,158)</u>		
Carrying amount	<u>\$ 51,085,842</u>		

Debt Obligations Payable

In December 2010, the College issued \$19,355,000 of Full Faith and Credit Obligations, Series 2010 (Federally Taxable – Recovery Zone Economic Development Bonds – Direct Payment). The Obligations 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 College has irrevocably elected to designate the Obligations as “Recovery Zone Economic Development Bonds” under the provisions of the American Recovery and Reinvestment Act of 2009. The College has additionally irrevocably elected to receive subsidy payments (each a “Direct Payment”) from the United States Treasury in connection therewith in an amount equal to 45 percent of the portion of each financing payment designated and constituting interest. The debt service payments are the responsibility of the College. To the extent the Direct Payments are not received by the Escrow Agent on a timely basis, the College shall make the debt service payments in full when due. Principal payments are due annually through December 1, 2035 and interest is payable on June 1st and December 1st of each year with rates ranging from 4.324% to 7.197%. Future debt service requirements are as follows:

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2014

4 - LONG-TERM OBLIGATIONS: (Contd)

	Principal	Total	Interest Subsidy	Net	Net Debt Service
2014-15	\$ -	\$ 1,307,142	\$ (588,214)	\$ 718,928	\$ 718,928
2015-16	-	1,307,142	(588,214)	718,928	718,928
2016-17	680,000	1,292,440	(581,598)	710,842	1,390,842
2017-18	695,000	1,261,323	(567,595)	693,728	1,388,728
2018-19	715,000	1,226,592	(551,966)	674,626	1,389,626
2019-20	735,000	1,188,899	(535,005)	653,894	1,388,894
2020-21	760,000	1,142,921	(514,314)	628,607	1,388,607
2021-22	790,000	1,088,671	(489,902)	598,769	1,388,769
2022-23	820,000	1,032,321	(464,544)	567,777	1,387,777
2023-24	855,000	973,696	(438,163)	535,533	1,390,533
2024-25	890,000	912,621	(410,679)	501,942	1,391,942
2025-26	925,000	849,096	(382,093)	467,003	1,392,003
2026-27	960,000	783,121	(352,404)	430,717	1,390,717
2027-28	995,000	714,696	(321,613)	393,083	1,388,083
2028-29	1,035,000	643,646	(289,641)	354,005	1,389,005
2029-30	1,075,000	569,796	(256,408)	313,388	1,388,388
2030-31	1,120,000	492,971	(221,837)	271,134	1,391,134
2031-32	1,165,000	411,848	(185,332)	226,516	1,391,516
2032-33	1,210,000	326,384	(146,873)	179,511	1,389,511
2033-34	1,260,000	237,501	(106,875)	130,626	1,390,626
2034-35	1,310,000	145,020	(65,259)	79,761	1,389,761
2035-36	1,360,000	48,940	(22,023)	26,917	1,386,917
Totals	<u>\$19,355,000</u>	<u>\$17,956,787</u>	<u>\$ (8,080,552)</u>	<u>\$ 9,876,235</u>	<u>\$29,231,235</u>

Notes Payable

In September 2013, the College executed promissory notes for the purchase of two aircraft totaling \$230,000. The notes are payable in monthly installments with interest at 3.685% and 3.2951% per annum. Future debt service requirements are as follows:

	Principal	Interest	Total
2014-15	\$ 20,098	\$ 7,218	\$ 27,316
2015-16	20,823	6,492	27,315
2016-17	21,585	5,731	27,316
2017-18	22,355	4,960	27,315
2018-19	23,154	4,162	27,316
2019-20 to 2023-24	105,581	7,107	112,688
Total	<u>\$ 213,596</u>	<u>\$ 35,670</u>	<u>\$ 249,266</u>

4 - LONG-TERM OBLIGATIONS: (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 2.2 percent, for the year ending June 30, 2014, 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, 2014 was \$15,984.

5 - RETIREMENT PLANS:

STATE OF OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM:

Plan Description

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

Funding Policy

PERS members are required to contribute 6% of their annual covered salary. The College is required to contribute an actuarially determined rate. The current rate is 16.63% (including 8.83% contributed from the pension asset) of annual covered payroll for member employees of the State and Local Government Rate Pool. The current rate is 14.73% (including 8.83% contributed from the pension asset) of annual covered payroll for member employees of the Oregon Public Service Retirement Plan. The contribution requirements of plan members and the College are established and may be amended by the Public Employees Retirement Board. The College's contributions to PERS (including contributions from the pension asset) for the years ending June 30, 2014, 2013 and 2012, totaled \$8,576,057, \$8,188,802 and \$7,534,279, respectively, equal to the required contributions.

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2014

5 - RETIREMENT PLANS: (Contd)

Pension Asset

The pension asset is the result of the transfer of the College's pension bond proceeds to PERS to cover a portion of the College's share of the cost sharing plan's unfunded actuarial liability. This pension asset is separately reported by PERS and is being used to pay a portion of the College's annual required contribution. During the 2013-14 fiscal year, changes in the pension asset were as follows:

Balance - July 1, 2013	\$ 55,180,212
Investment income	10,302,791
Contributions to cost sharing plan	<u>(5,021,784)</u>
Balance - June 30, 2014	<u>\$ 60,461,219</u>

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

EARLY RETIREMENT PLAN:

Plan Description

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

Funding Policy

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

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2014

5 - RETIREMENT PLANS: (Contd)

EARLY RETIREMENT PLAN: (CONTD)

Annual Pension Cost and Net Pension Obligation

The College's annual pension cost and net pension obligation to the plan for the year ended June 30, 2014, are as follows:

Annual required contribution	\$ 12,442
Interest on net pension obligation	(52,515)
Adjustment to annual required contribution	<u>272,782</u>
Annual pension cost	232,709
Contribution made	<u>(12,442)</u>
Increase-(decrease) in net pension obligation	220,267
Net pension obligation - July 1, 2013	<u>(1,750,496)</u>
Net pension obligation - June 30, 2014	<u><u>\$(1,530,229)</u></u>

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

Three-Year Trend Information

The College's annual pension cost, the percentage of annual pension cost contributed to the plan, and the net pension obligation for the years ending June 30, 2014, June 30, 2013 and June 30, 2012, were as follows:

<u>Year</u> <u>Ended</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2014	\$ 232,709	5%	\$ (1,530,229)
6/30/2013	\$ 158,249	474%	\$ (1,750,496)
6/30/2012	\$ 258,297	290%	\$ (1,158,745)

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2014

5 - RETIREMENT PLANS: (Contd)

EARLY RETIREMENT PLAN: (CONTD)

Funded Status and Funding Progress

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

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

PENSION TRUST FUND STATEMENTS:

A separate, audited report is not available for the plan. Information regarding the pension trust funds, which are not included in the basic financial statements, is detailed, as of and for the year ended June 30, 2014, in the following table:

Statement of Plan Net Assets:

Assets:	
Cash and investments	<u>\$ 787,971</u>
Net assets:	
Reserved for employee benefits	<u>\$ 787,971</u>

Statement of Changes in Plan Net Assets:

Additions:	
Employer contributions	\$ 12,442
Interest income	<u>4,861</u>
Total additions	17,303
Deductions:	
Benefits	<u>235,308</u>
Change in net assets	(218,005)
Net assets - beginning	<u>1,005,976</u>
Net assets - ending	<u>\$ 787,971</u>

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2014

6 – POSTEMPLOYMENT HEALTH CARE BENEFITS:

Plan Description

The College maintains a single-employer defined benefit postemployment health care benefits plan. The plan provides group health care and life insurance benefits for retired employees from the employees' retirement date to age 65. Substantially all management personnel who commenced employment with the College prior to July 1, 1991, and all faculty employees become eligible for these benefits if they qualify for retirement while working for the College. The plan was established under collective bargaining agreements with the faculty and contract negotiations with management.

Funding Policy

The College contributes to the premiums for eligible retirees up to the employer paid maximum at the time of retirement. If the insurance premium exceeds the College maximum, the balance is paid by the retiree. There is no obligation on the part of the College to fund these benefits in advance. Funding is on a pay-as-you-go basis. The College made \$903,210 in contributions to the plan for payment of benefits in 2013-14.

Annual OPEB Cost and Net OPEB Obligation

The College's annual pension cost and net pension obligation to the plan for the year ended June 30, 2014, are as follows:

Annual required contribution	\$ 1,432,819
Interest on net OPEB obligation	39,344
Adjustment to annual required contribution	<u>(119,724)</u>
Annual OPEB cost	1,352,439
Contribution made	<u>(903,210)</u>
Increase in net OPEB obligation	449,229
Net OPEB obligation - July 1, 2013	<u>1,311,460</u>
Net OPEB obligation - June 30, 2014	<u><u>\$ 1,760,689</u></u>

Three-Year Trend Information

The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ending June 30, 2014, June 30, 2013 and June 30, 2012, were as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2014	\$ 1,352,439	66.8%	\$ 1,760,689
6/30/2013	\$ 1,376,028	72.0%	\$ 1,311,460
6/30/2012	\$ 1,289,920	82.2%	\$ 926,574

6 – POSTEMPLOYMENT HEALTH CARE BENEFITS: (Contd)

Funded Status and Funding Progress

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

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

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

Actuarial Methods and Assumptions

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

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

7 - CONTINGENCIES:

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

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

8 - RISK MANAGEMENT:

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

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

9 – COMMITMENTS:

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

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2014

9 – COMMITMENTS: (Contd)

The College has approximately \$700,000 in remaining construction contract commitments at June 30, 2014.

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

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

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

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

As of June 30, 2014, the assets, liabilities and members capital of the subsidiary consisted of the following:

Cash	\$ 597,574
Building, net of accumulated depreciation	17,879,400
Intangible assets, net of accumulated depreciation	<u>511,937</u>
Total assets	<u>\$ 18,988,911</u>
Accounts payable	\$ 1,898
Accrued liabilities	90,027
Notes payable	18,710,000
Investment from the Foundation	985,000
Members capital	<u>(798,014)</u>
Total liabilities and member capital	<u>\$ 18,988,911</u>

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

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2014

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.

Required Supplementary Information

LANE COMMUNITY COLLEGE

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Anticipated Covered Payroll</u>	<u>Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll</u>
Early Retirement Plan:						
7/1/2013	\$ 1,005,976	\$ 1,012,963	\$ 6,987	99.3%	\$ 12,907,543	0.05%
7/1/2011	\$ 100,778	\$ 1,290,099	\$ 1,189,321	7.8%	\$ 15,028,628	7.9%
7/1/2009	\$ 633,346	\$ 1,134,064	\$ 500,718	55.8%	\$ 13,506,705	3.7%

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

Postemployment Health Care Benefits Plan:

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

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

NA - payroll information was not available.

Other Supplementary Information

Description of Budgeted College Funds

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 bookstore, food service, student health service, laundry, performance season, ASLCC Childcare Co-op, and ASLCC Student Body Fees.

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

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
GENERAL FUND
Year Ended June 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - State	\$ 29,695,248	\$ 36,770,335	\$ 7,075,087
Property taxes	16,000,000	16,513,061	513,061
Tuition and fees:			
Tuition	37,248,312	31,443,694	(5,804,618)
Fees	5,272,424	4,809,405	(463,019)
Other sources:			
Sales of goods and services	479,350	438,112	(41,238)
Interest income	200,000	155,576	(44,424)
Other	4,225,028	1,257,164	(2,967,864)
Total revenues	93,120,362	91,387,347	(1,733,015)
Expenditures:			
Instruction:			
Personal services	50,589,357	49,341,385	1,247,972
Materials and services	4,639,681	2,636,655	2,003,026
Capital outlay	70,553	23,428	47,125
Total instruction	55,299,591	52,001,468	3,298,123
Instructional support services:			
Personal services	4,420,613	4,346,831	73,782
Materials and services	816,262	522,168	294,094
Capital outlay	113,058	88,289	24,769
Total instructional support services	5,349,933	4,957,288	392,645
Student services:			
Personal services	8,368,567	7,812,669	555,898
Materials and services	775,782	505,791	269,991
Total student services	9,144,349	8,318,460	825,889
College support services:			
Personal services	8,947,643	7,365,748	1,581,895
Materials and services	5,548,149	4,069,440	1,478,709
Capital outlay	73,500	73,423	77
Total college support services	14,569,292	11,508,611	3,060,681

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
GENERAL FUND
Year Ended June 30, 2014

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures: (Contd)			
Plant operations and maintenance:			
Personal services	\$ 3,719,478	\$ 3,673,186	\$ 46,292
Materials and services	3,097,622	2,695,315	402,307
Capital outlay	22,314	22,314	-
Total plant operations and maintenance	<u>6,839,414</u>	<u>6,390,815</u>	<u>448,599</u>
Contingency	<u>5,252,016</u>	<u>-</u>	<u>5,252,016</u>
Total expenditures	<u>96,454,595</u>	<u>83,176,642</u>	<u>13,277,953</u>
Revenues over-(under) expenditures	<u>(3,334,233)</u>	<u>8,210,705</u>	<u>11,544,938</u>
Other financing sources-(uses):			
Transfers in	285,185	204,099	(81,086)
Transfers out	<u>(3,431,637)</u>	<u>(3,315,477)</u>	<u>116,160</u>
Total other financing sources-(uses)	<u>(3,146,452)</u>	<u>(3,111,378)</u>	<u>35,074</u>
Changes in fund balance	(6,480,685)	5,099,327	11,580,012
Fund balance - July 1, 2013	<u>9,557,361</u>	<u>5,004,549</u>	<u>(4,552,812)</u>
Fund balance - June 30, 2014	<u>\$ 3,076,676</u>	<u>\$ 10,103,876</u>	<u>\$ 7,027,200</u>

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
ADMINISTRATIVELY RESTRICTED FUND
Year Ended June 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental:			
State	\$ 1,000,000	\$ -	\$ (1,000,000)
Federal	34,000	30,394	(3,606)
Tuition and fees:			
Tuition	661,400	375,169	(286,231)
Fees	4,445,492	4,225,890	(219,602)
Other sources:			
Sales of goods and services	964,850	1,860,648	895,798
Interest income	9,000	3,023	(5,977)
Other	5,296,763	3,045,466	(2,251,297)
Total revenues	<u>12,411,505</u>	<u>9,540,590</u>	<u>(2,870,915)</u>
Expenditures:			
Instruction:			
Personal services	4,902,206	3,544,706	1,357,500
Materials and services	1,399,443	985,558	413,885
Total instruction	<u>6,301,649</u>	<u>4,530,264</u>	<u>1,771,385</u>
Community services:			
Personal services	1,274,493	1,265,867	8,626
Materials and services	1,082,316	470,692	611,624
Capital outlay	50,255	-	50,255
Total community services	<u>2,407,064</u>	<u>1,736,559</u>	<u>670,505</u>
Instructional support services:			
Personal services	772,008	770,402	1,606
Materials and services	581,518	478,237	103,281
Capital outlay	54,674	44,519	10,155
Total instructional support services	<u>1,408,200</u>	<u>1,293,158</u>	<u>115,042</u>
Student services:			
Personal services	2,182,934	2,091,361	91,573
Materials and services	2,364,969	1,361,205	1,003,764
Capital outlay	107,122	68,235	38,887
Total student services	<u>4,655,025</u>	<u>3,520,801</u>	<u>1,134,224</u>

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
ADMINISTRATIVELY RESTRICTED FUND
Year Ended June 30, 2014

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures: (Contd)			
College support services:			
Personal services	\$ 633,239	\$ 632,760	\$ 479
Materials and services	<u>1,171,920</u>	<u>1,171,134</u>	<u>786</u>
Total college support services	<u>1,805,159</u>	<u>1,803,894</u>	<u>1,265</u>
Total expenditures	<u>16,577,097</u>	<u>12,884,676</u>	<u>3,692,421</u>
Revenues over-(under) expenditures	<u>(4,165,592)</u>	<u>(3,344,086)</u>	<u>821,506</u>
Other financing sources-(uses):			
Transfers in	1,517,672	1,680,374	162,702
Transfers out	<u>(789,728)</u>	<u>(363,556)</u>	<u>426,172</u>
Total other financing sources-(uses)	<u>727,944</u>	<u>1,316,818</u>	<u>588,874</u>
Changes in fund balance	(3,437,648)	(2,027,268)	1,410,380
Fund balance - July 1, 2013	<u>3,799,048</u>	<u>9,830,638</u>	<u>6,031,590</u>
Fund balance - June 30, 2014	<u><u>\$ 361,400</u></u>	<u><u>\$ 7,803,370</u></u>	<u><u>\$ 7,441,970</u></u>

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
SPECIAL REVENUE FUND
Year Ended June 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental:			
State	\$ 2,420,000	\$2,268,336	\$ (151,664)
Federal	13,180,000	5,664,454	(7,515,546)
Local	-	101,987	101,987
Tuition and fees:			
Tuition	100,000	15,566	(84,434)
Fees	200,000	86,439	(113,561)
Other sources:			
Sales of goods and services	978,306	19,068	(959,238)
Interest income	680,000	-	(680,000)
Other	1,620,000	478,125	(1,141,875)
Total revenues	<u>19,178,306</u>	<u>8,633,975</u>	<u>(10,544,331)</u>
Expenditures:			
Instruction:			
Personal services	5,478,000	1,927,916	3,550,084
Materials and services	4,707,000	728,174	3,978,826
Capital outlay	265,000	76,924	188,076
Total instruction	<u>10,450,000</u>	<u>2,733,014</u>	<u>7,716,986</u>
Community services:			
Personal services	1,845,000	1,473,578	371,422
Materials and services	5,279,306	3,612,996	1,666,310
Total community services	<u>7,124,306</u>	<u>5,086,574</u>	<u>2,037,732</u>
Instructional support services:			
Personal services	47,000	-	47,000
Materials and services	3,000	40,167	(37,167)
Total instructional support services	<u>50,000</u>	<u>40,167</u>	<u>9,833</u>

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
SPECIAL REVENUE FUND
Year Ended June 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Expenditures: (Contd)			
Student services:			
Personal services	\$ 1,525,000	\$ 488,352	\$ 1,036,648
Materials and services	325,000	304,121	20,879
Total student services	<u>1,850,000</u>	<u>792,473</u>	<u>1,057,527</u>
College support services:			
Personal services	75,000	9,496	65,504
Materials and services	25,000	6,866	18,134
Total college support services	<u>100,000</u>	<u>16,362</u>	<u>83,638</u>
Total expenditures	<u>19,574,306</u>	<u>8,668,590</u>	<u>10,905,716</u>
Revenues over-(under) expenditures	(396,000)	(34,615)	361,385
Other financing sources-(uses):			
Transfers out	<u>(4,000)</u>	<u>-</u>	<u>4,000</u>
Changes in fund balance	(400,000)	(34,615)	365,385
Fund balance - July 1, 2013	<u>400,000</u>	<u>308,888</u>	<u>(91,112)</u>
Fund balance - June 30, 2014	<u>\$ -</u>	<u>\$ 274,273</u>	<u>\$ 274,273</u>

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
STUDENT FINANCIAL AID FUND
Year Ended June 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental:			
State	\$ 5,300,000	\$ 4,077,771	\$ (1,222,229)
Federal	102,653,851	62,897,215	(39,756,636)
Other sources:			
Interest income	50,000	108,021	58,021
Other	3,257,285	3,277,672	20,387
Total revenues	111,261,136	70,360,679	(40,900,457)
Expenditures:			
Financial aid	112,322,036	70,180,907	42,141,129
Revenues over-(under) expenditures	(1,060,900)	179,772	1,240,672
Other financing sources-(uses):			
Transfers in	88,560	137,665	49,105
Transfers out	(50,000)	(50,000)	-
Total other financing sources-(uses)	38,560	87,665	49,105
Changes in fund balance	(1,022,340)	267,437	1,289,777
Fund balance - July 1, 2013	1,022,340	1,882,072	859,732
Fund balance - June 30, 2014	\$ -	\$ 2,149,509	\$ 2,149,509

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
DEBT SERVICE FUND
Year Ended June 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Property taxes	\$ 6,523,525	\$ 6,747,582	\$ 224,057
Other sources:			
Interest income	-	2,717	2,717
Other	4,024,250	4,024,250	-
Total revenues	10,547,775	10,774,549	226,774
Expenditures:			
Debt service	11,600,893	11,541,724	59,169
Revenues over-(under) expenditures	(1,053,118)	(767,175)	285,943
Other financing sources-(uses):			
Transfers in	876,442	876,442	-
Changes in fund balance	(176,676)	109,267	285,943
Fund balance - July 1, 2013	-	1,396,367	1,396,367
Fund balance - June 30, 2014	\$ (176,676)	\$ 1,505,634	\$ 1,682,310

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
CAPITAL PROJECTS FUND
Year Ended June 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Other sources:			
Interest income	\$ 27,500	\$ 291,781	\$ 264,281
Other	-	7,320,229	7,320,229
Total revenues	<u>27,500</u>	<u>7,612,010</u>	<u>7,584,510</u>
Expenditures:			
Plant additions:			
Personal services	1,048,517	760,241	288,276
Materials and services	32,081,001	9,170,135	22,910,866
Capital outlay	464,843	-	464,843
Total plant additions	<u>33,594,361</u>	<u>9,930,376</u>	<u>23,663,985</u>
Revenues over-(under) expenditures	<u>(33,566,861)</u>	<u>(2,318,366)</u>	<u>31,248,495</u>
Other financing sources-(uses):			
Transfers in	1,434,861	1,436,936	2,075
Transfers out	<u>(31,000)</u>	<u>(19,350)</u>	<u>11,650</u>
Total other financing sources-(uses)	<u>1,403,861</u>	<u>1,417,586</u>	<u>13,725</u>
Changes in fund balance	(32,163,000)	(900,780)	31,262,220
Fund balance - July 1, 2013	<u>32,163,000</u>	<u>33,503,210</u>	<u>1,340,210</u>
Fund balance - June 30, 2014	<u>\$ -</u>	<u>\$32,602,430</u>	<u>\$32,602,430</u>

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
ENTERPRISE FUND
Year Ended June 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Tuition and fees	\$ 2,076,200	\$ 4,316,561	\$ 2,240,361
Sale of goods and services	12,490,000	8,714,408	(3,775,592)
Interest income	-	197,002	197,002
Other	2,063,087	2,005,430	(57,657)
Total revenues	<u>16,629,287</u>	<u>15,233,401</u>	<u>(1,395,886)</u>
Expenditures:			
Student services:			
Personal services	3,878,181	4,000,606	(122,425)
Materials and services	13,482,372	8,789,490	4,692,882
Capital outlay	787,997	45,598	742,399
Total student services	<u>18,148,550</u>	<u>12,835,694</u>	<u>5,312,856</u>
College support services:			
Personal services	523,710	298,720	224,990
Materials and services	-	26,092	(26,092)
Total college support services	<u>523,710</u>	<u>324,812</u>	<u>198,898</u>
Total expenditures	<u>18,672,260</u>	<u>13,160,506</u>	<u>5,511,754</u>
Revenues over-(under) expenditures	(2,042,973)	2,072,895	4,115,868
Other financing sources-(uses):			
Transfers out	(1,147,027)	(892,927)	254,100
Changes in fund balance	(3,190,000)	1,179,968	4,369,968
Fund balance - July 1, 2013	<u>3,190,000</u>	<u>7,394,330</u>	<u>4,204,330</u>
Fund balance - June 30, 2014	<u>\$ -</u>	<u>\$ 8,574,298</u>	<u>\$ 8,574,298</u>

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
INTERNAL SERVICE FUND
Year Ended June 30, 2014

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Sale of goods and services	\$ 1,837,000	\$ 1,044,463	\$ (792,537)
Fees	47,600	41,839	(5,761)
Other sources	<u>92,500</u>	<u>15,528</u>	<u>(76,972)</u>
Total revenues	<u>1,977,100</u>	<u>1,101,830</u>	<u>(875,270)</u>
Expenditures:			
College support services:			
Personal services	944,047	700,062	243,985
Materials and services	1,467,620	703,108	764,512
Capital outlay	<u>135,000</u>	<u>-</u>	<u>135,000</u>
Total expenditures	<u>2,546,667</u>	<u>1,403,170</u>	<u>1,143,497</u>
Revenues over-(under) expenditures	<u>(569,567)</u>	<u>(301,340)</u>	<u>268,227</u>
Other financing sources-(uses):			
Transfers in	374,028	305,794	(68,234)
Transfers out	<u>(4,500)</u>	<u>-</u>	<u>4,500</u>
Total other financing sources-(uses)	<u>369,528</u>	<u>305,794</u>	<u>(63,734)</u>
Changes in fund balance	(200,039)	4,454	204,493
Fund balance - July 1, 2013	<u>200,039</u>	<u>458,911</u>	<u>258,872</u>
Fund balance - June 30, 2014	<u>\$ -</u>	<u>\$ 463,365</u>	<u>\$ 463,365</u>

LANE COMMUNITY COLLEGE

Schedule of Property Tax Transactions
 ALL COUNTIES
 Year Ended June 30, 2014

Tax Year	Uncollected Taxes 7/1/2013	2013-14 Levy	Discounts/ Adjustments	Collections	Uncollected Taxes 6/30/2014
2012-13	\$ -	\$ 23,684,644	\$ (675,956)	\$ 22,435,578	\$ 573,110
2011-12	738,011	-	(165,016)	283,519	289,476
2010-11	434,575	-	(117,603)	138,828	178,144
2009-10	276,223	-	(103,806)	91,823	80,594
2008-09	175,666	-	(92,648)	56,554	26,464
2007-08	31,567	-	(4,304)	7,970	19,293
2006-07	17,198	-	(2,395)	4,044	10,759
Prior	178,077	-	(17,966)	3,416	156,695
Totals	<u>\$ 1,851,317</u>	<u>\$ 23,684,644</u>	<u>\$ (1,179,694)</u>	23,021,732	<u>\$ 1,334,535</u>
				Interest and other taxes	<u>238,911</u>
				Total turnovers by counties	<u>\$ 23,260,643</u>
				Allocation by fund:	
				General Fund	\$ 16,513,061
				Debt Service Fund	<u>6,747,582</u>
				Total allocations	<u>\$ 23,260,643</u>

STATISTICAL SECTION

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

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

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

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

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

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

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

Financial Trends Information

LANE COMMUNITY COLLEGE
EUGENE, OREGON

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

	June 30,			
	2014	2013	2012	2011
NET POSITION BY COMPONENT				
Net investment in capital assets	\$ 83,187,776	\$ 83,679,346	\$ 84,501,930	\$ 74,245,090
Net position, restricted	16,664,097	10,638,915	9,207,952	12,746,012
Net position, unrestricted	39,999,570	39,038,664	49,708,518	33,573,524
TOTAL NET POSITION	\$ 139,851,443	\$ 133,356,925	\$ 143,418,400	\$ 120,564,626
	Years ended June 30,			
	2014	2013	2012	2011
CHANGES IN NET POSITION				
Operating revenues				
Student tuition and fees	\$ 44,434,463	\$ 47,533,472	\$ 50,944,010	\$ 48,676,549
Grants and contracts	40,213,952	47,573,883	52,458,273	48,694,168
Sale of goods and services	10,247,324	11,777,535	13,781,545	13,420,535
Other operating revenue	9,004,708	11,304,573	7,991,844	7,475,413
Total operating revenues	103,900,447	118,189,463	125,175,672	118,266,665
Operating expenses				
Instruction	60,885,060	61,109,207	59,592,551	58,238,835
Community services	6,743,984	6,560,038	6,412,405	5,550,825
Instructional support services	6,332,683	6,154,786	5,921,969	5,473,840
Student services	25,031,297	25,638,484	26,379,672	23,786,244
College support services	12,433,577	15,514,136	14,287,846	11,873,926
Plant operations and maintenance	10,688,250	9,736,298	10,730,306	10,647,742
Financial aid	34,753,136	40,664,353	45,242,381	40,850,517
Depreciation	4,584,499	4,233,641	3,705,278	3,262,947
Total operating expenses	161,452,486	169,610,943	172,272,408	159,684,876
Nonoperating revenues (expenses)				
State community college support	36,727,655	18,147,123	33,478,815	18,841,504
Property taxes	22,743,861	22,916,036	23,037,606	21,842,450
Investment income (loss)	11,089,139	6,670,074	905,484	11,781,138
Interest expense	(6,514,098)	(5,781,172)	(4,494,525)	(4,583,511)
Other nonoperating revenues (expenses)	-	(276,526)	(60,033)	(20,669)
Total nonoperating revenues (expenses)	64,046,557	41,675,535	52,867,347	47,860,912
Capital contributions	-	448,000	17,083,163	400,000
Cumulative effect of change in accounting policy	-	(763,530)	-	-
TOTAL CHANGE IN NET POSITION	\$ 6,494,518	\$ (10,061,475)	\$ 22,853,774	\$ 6,842,701

Source

Lane Community College Comprehensive Annual Financial Report

June 30,					
2010	2009	2008	2007	2006	2005
\$ 71,599,531	\$ 62,199,844	\$ 55,955,863	\$ 51,565,256	\$ 46,360,872	\$ 39,977,408
7,291,576	6,588,984	23,296,176	29,822,485	24,520,311	19,363,962
34,830,818	17,363,286	21,747,354	1,459,072	10,376,790	8,501,502
<u>\$ 113,721,925</u>	<u>\$ 86,152,114</u>	<u>\$ 100,999,393</u>	<u>\$ 82,846,813</u>	<u>\$ 81,257,973</u>	<u>\$ 67,842,872</u>
Years ended June 30,					
2010	2009	2008	2007	2006	2005
\$ 45,582,278	\$ 34,986,270	\$ 29,297,111	\$ 26,334,730	\$ 24,738,713	\$ 23,995,084
56,603,841	34,322,646	22,107,702	21,534,477	20,135,836	19,579,057
12,019,997	10,076,217	9,032,167	8,924,091	8,164,357	7,715,107
6,918,513	5,997,134	6,141,068	6,786,545	9,123,625	8,129,542
<u>121,124,629</u>	<u>85,382,267</u>	<u>66,578,048</u>	<u>63,579,843</u>	<u>62,162,531</u>	<u>59,418,790</u>
54,650,662	49,007,701	45,476,077	44,966,427	46,786,387	42,897,001
5,086,857	5,846,678	5,226,699	5,640,256	6,271,872	4,628,001
4,704,212	4,197,496	3,840,765	3,759,209	4,158,551	4,240,181
22,526,789	19,246,710	18,069,265	17,572,117	18,539,224	16,970,501
11,953,269	13,697,310	9,841,113	10,889,598	10,209,791	10,573,040
18,775,624	10,520,521	6,062,482	6,227,768	7,392,183	7,000,488
38,449,942	23,422,827	16,169,250	15,028,302	14,619,491	14,037,767
2,741,972	2,634,292	2,605,782	2,577,474	2,688,425	2,615,716
<u>158,889,327</u>	<u>128,573,535</u>	<u>107,291,433</u>	<u>106,661,151</u>	<u>110,665,924</u>	<u>102,962,695</u>
35,907,437	23,078,963	35,988,864	18,452,511	33,145,221	19,840,398
15,783,198	20,936,965	18,861,085	18,675,731	18,417,047	17,645,859
9,093,894	(15,448,802)	(139,417)	11,576,191	10,729,777	17,867,687
(4,718,909)	(3,358,846)	(3,558,839)	(3,786,858)	(3,990,268)	(4,150,201)
(28,901)	(32,696)	(124,643)	(70,735)	2,542	
<u>56,036,719</u>	<u>25,175,584</u>	<u>51,027,050</u>	<u>44,846,840</u>	<u>58,304,319</u>	<u>51,203,743</u>
<u>9,297,790</u>	<u>3,168,405</u>	<u>-</u>	<u>-</u>	<u>925,543</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>7,838,915</u>	<u>(176,692)</u>	<u>2,688,632</u>	<u>-</u>
<u>\$ 27,569,811</u>	<u>\$ (14,847,279)</u>	<u>\$ 18,152,580</u>	<u>\$ 1,588,840</u>	<u>\$ 13,415,101</u>	<u>\$ 7,659,838</u>

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
2013-14	\$ 23,684,644	\$ 22,435,578	94.73 %	\$ -	\$ 22,435,578	94.73 %
2012-13	23,244,695	21,856,354	94.03	283,519	22,139,873	95.25
2011-12	23,342,260	21,927,389	93.94	431,304	22,358,693	95.79
2010-11	22,325,922	21,062,898	94.34	425,642	21,488,540	96.25
2009-10	22,169,481	20,766,615	93.67	570,486	21,337,101	96.25
2008-09	21,353,330	20,066,039	93.97	600,157	20,666,196	96.78
2007-08	19,644,259	18,425,199	93.79	491,796	18,916,995	96.30
2006-07	19,017,200	18,023,724	94.78	374,993	18,398,717	96.75
2005-06	18,777,789	17,771,627	94.64	358,359	18,129,986	96.55
2004-05	17,960,646	16,909,509	94.15	423,600	17,333,109	96.51

Source

Lane Community College Comprehensive Annual Financial Report

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Property Tax Collections by County
Last Ten Fiscal Years

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

Source

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

LANE COMMUNITY COLLEGE
EUGENE, OREGON

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

	Fiscal Year			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Property Class				
Residential	\$ 9,989,431,512	\$ 10,502,688,478	\$ 11,090,299,584	\$ 11,669,538,072
Commercial ^e	2,302,417,337	2,449,674,221	2,566,299,522	2,648,462,926
Industrial ^e	1,957,339,447	2,032,880,568	2,149,473,463	2,293,935,760
Commercial/Industrial ^e				
Tract	2,308,999,165	2,425,269,060	2,546,657,884	2,700,717,402
Farm and Range	440,370,096	468,602,706	489,415,814	515,361,179
Forest	542,464,517	563,131,668	595,563,995	622,589,415
Multiple Housing	778,798,291	820,527,442	850,025,101	1,025,875,403
Recreation	405,885,969	424,572,910	443,672,771	466,972,883
Small Tract Forestland	81,123,446	85,315,051	90,899,787	93,510,612
Miscellaneous	3,054,968	2,717,555	3,178,931	2,181,525
Personal	629,866,384	699,049,095	682,280,293	737,126,581
Manufactured Structures	326,733,010	343,158,137	353,034,694	348,267,868
Utilities	604,715,749	522,590,588	513,314,800	549,141,809
Machinery & Equipment ^d	-	-	-	-
	<u>20,371,199,891</u>	<u>21,340,177,479</u>	<u>22,374,116,639</u>	<u>23,673,681,435</u>
Other				
Plus Nonprofit Housing	7,762,512	7,995,387	8,235,249	8,289,461
Less Urban Renewal Excess	<u>(219,576,480)</u>	<u>(209,003,975)</u>	<u>(216,778,574)</u>	<u>(245,618,775)</u>
Total Taxable Assessed Value ^{a,b}	<u>\$ 20,159,385,923</u>	<u>\$ 21,139,168,891</u>	<u>\$ 22,165,573,314</u>	<u>\$ 23,436,352,121</u>
Total Direct Tax Rate ^c	1.4069	1.4070	1.4086	1.4020
Estimated Actual Value of Property	<u>\$ 26,749,361,683</u>	<u>\$ 30,422,495,849</u>	<u>\$ 36,563,388,894</u>	<u>\$ 41,729,282,436</u>
Actual Value of Property per Capita	\$ 80,244	\$ 90,326	\$ 107,622	\$ 121,610
Total Assessed Value to Estimated Actual Value of Taxable Property	75.36%	69.64%	60.62%	56.16%

Notes

- a. Assessments are limited to an increase of 3% not to exceed real market value. However, property is subject to reassessment if improved, partitioned, subdivided, rezoned, previously omitted, or disqualified from exemption.
- b. Taxable assessed values are reported net of tax exempt property.
- c. Total Direct Tax Rate is per \$1,000 of value.
- d. Assessment and Taxation reported machinery and equipment separately in 2013.
In prior years it was combined under both Commercial and Industrial values.
- e. Commercial and Industrial property classes were merged in fiscal year 2013 for reporting purposes

Source

Lane County Department of Assessment and Taxation

Fiscal Year					
<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$12,238,252,806	\$ 12,738,935,537	\$ 13,182,948,833	\$ 13,632,435,080	\$ 13,889,294,763	\$ 14,337,813,098
2,741,402,996	2,952,788,580	3,122,253,063	3,196,797,665	-	-
2,144,226,025	2,193,056,565	1,891,268,723	1,869,301,503	-	-
				4,683,148,527	4,801,119,331
2,872,632,830	3,320,335,139	3,564,939,764	3,677,573,128	3,846,693,626	3,938,560,602
548,688,937	554,752,761	546,310,962	540,685,754	535,969,681	552,149,942
642,533,655	659,628,419	672,286,396	686,965,719	691,027,753	715,953,166
1,131,366,250	1,139,612,646	1,184,602,539	1,231,657,010	1,290,099,928	1,349,785,265
486,392,156	194,649,646	75,114,951	77,096,961	4,774,254	4,926,058
96,112,182	99,675,432	100,182,200	100,853,981	97,155,691	100,349,206
1,994,500	1,841,079	1,665,266	1,586,352	1,523,479	1,515,946
764,432,164	742,435,555	699,549,325	672,963,916	659,984,419	657,045,262
349,767,857	327,511,572	274,857,036	273,342,593	261,900,630	251,672,127
545,274,620	694,125,923	698,150,851	718,537,083	711,107,188	738,383,164
-	-	-	-	542,028,713	476,917,483
24,563,076,978	25,619,348,854	26,014,129,909	26,679,796,745	27,214,708,652	27,926,190,650
8,538,145	8,794,289	9,058,117	9,329,861	9,609,757	9,898,049
(273,863,735)	(288,676,272)	(290,901,476)	(302,973,107)	(325,513,533)	(351,557,536)
\$24,297,751,388	\$ 25,339,466,871	\$ 25,732,286,550	\$ 26,386,153,499	\$ 26,898,804,876	\$ 27,584,531,163
1.4007	1.3971	1.3921	1.3942	1.3908	1.3876
\$43,631,332,946	\$ 41,711,522,718	\$ 38,108,802,366	\$ 37,261,878,627	\$ 35,736,940,602	\$ 36,172,462,575
\$ 126,146	\$ 119,968	\$ 109,335	\$ 105,511	\$ 100,895	\$ 101,572
55.69%	60.75%	67.52%	70.81%	75.27%	76.26%

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			
	2005	2006	2007	2008
<u>County Direct Rate</u>				
Lane County ^c	1.2763	1.2773	1.2781	1.2793
General Obligation Debt Service	<u>0.1306</u>	<u>0.1297</u>	<u>0.1305</u>	<u>0.1227</u>
	1.4069	1.4070	1.4086	1.4020
<u>Lane Community College</u>				
Lane Education Service District	0.8850	0.8814	0.8496	0.8306
Linn-Benton-Lincoln ESD	0.2232	0.2232	0.2232	0.2232
	0.3049	0.3049	0.3049	0.3049
<u>Schools</u>				
Alsea	5.2232	5.0811	5.0811	5.0811
Bethel	7.0725	6.8802	6.8494	6.8041
Blachly	5.1023	5.1023	5.1023	5.1023
Creswell	8.2889	7.1900	7.1185	8.5743
Crow-Applegate	6.4255	6.4255	6.4255	6.4255
Eugene	7.2819	7.6460	8.5330	7.5889
Fern Ridge	7.3979	7.2300	7.0595	6.6965
Harrisburg	6.8023	6.2940	6.2797	6.2815
Junction City	4.5604	4.5604	4.5604	4.5604
Lincoln County	5.7579	5.7893	5.6715	5.6203
Lowell	5.6514	5.0409	5.0409	5.0409
Mapleton	4.8917	4.8917	4.8917	4.8917
Marcola	4.6687	4.6687	4.6687	4.6687
McKenzie	6.7114	6.7077	6.6651	6.7239
Monroe	4.7740	4.6341	4.6341	4.6341
Oakridge	6.3333	6.0645	6.3211	6.4086
Pleasant Hill	7.2862	7.4557	7.4033	7.0455
Siuslaw	5.3728	5.2274	5.1293	5.0460
South Lane	6.5484	6.4694	6.4217	6.3615
Springfield	5.6143	5.4978	5.5181	5.5456
<u>Cities</u>				
Coburg	3.7506	3.7506	5.3830	5.4907
Cottage Grove	6.4687	7.2087	7.2087	7.2087
Creswell	2.6705	2.6705	2.6705	2.6705
Eugene	9.0866	9.0222	8.1407	8.1547
Florence	3.4453	3.4019	3.3723	3.3503
Glenwood				
Junction City	6.0445	6.0445	6.0445	6.0445
Lowell	2.2569	2.2434	2.2858	2.1613
Oakridge	7.8283	7.9370	7.8872	7.8231
Springfield	6.1473	6.1078	6.1191	6.5391
Veneta	6.1732	6.1149	5.1020	5.0852
Westfir	9.3036	9.3036	9.3036	9.3036
<u>Water Districts</u>				
Blue River	0.9488	0.9488	0.9488	0.9488
Glenwood	4.1425	4.1425	4.1425	3.8949
Heceta	0.3200	0.2896	0.2656	0.2708
Junction City	0.3200	0.2893	0.3111	0.3115
Marcola	0.4037	0.4037	0.4037	0.4037
McKenzie-Palispades	0.6695	0.6635	0.6482	0.3620
Rainbow Water & Fire	3.2122	3.1816	3.1485	3.7303
River Road	1.9694	1.9694	1.9694	1.9694
River Road Subdistrict #1	0.2796	0.2796	0.2796	0.2796

Fiscal Year Taxes are Payable^b

2009	2010	2011	2012	2013	2014
1.2793	1.2793	1.2793	1.2793	1.2793	1.8293
<u>0.1214</u>	<u>0.1178</u>	<u>0.1128</u>	<u>0.1149</u>	<u>0.1115</u>	<u>0.1083</u>
1.4007	1.3971	1.3921	1.3942	1.3908	1.9376
0.8705	0.8534	0.8589	0.8782	0.8640	0.8646
0.2232	0.2232	0.2232	0.2232	0.2232	0.2232
0.3049	0.3049	0.3049	0.3049	0.3049	0.3049
5.0811	5.0811	5.0811	5.0811	5.0811	5.0811
7.1555	6.8780	6.1279	6.1057	4.5067	4.5067
5.1023	5.1023	5.1023	5.1023	5.1023	5.1023
8.7008	8.3737	8.2917	8.3599	8.2230	8.1405
6.4255	6.4255	6.4255	6.4255	6.4255	6.4255
7.6242	7.6414	7.4448	7.4256	7.2785	7.7310
6.7856	6.8415	6.9201	6.9724	6.9151	7.0136
6.3056	6.1016	6.1666	6.0778	6.1439	5.9787
4.5604	4.5604	4.5604	4.5604	4.5604	4.5604
5.6348	5.6986	5.6593	5.6566	5.6689	5.6826
5.0409	5.0409	5.0409	5.0409	5.0409	5.0409
4.8917	4.8917	4.8917	4.8917	4.8917	4.8917
4.6687	4.6687	4.6687	4.6687	4.6687	4.6687
6.6563	6.6893	6.6121	6.6207	6.7359	6.7275
4.6341	4.6341	4.6341	4.6341	4.6341	4.6341
6.7461	6.5203	5.4935	5.6758	6.2014	6.1550
6.8934	7.2296	6.7206	6.3620	6.2787	6.2657
5.0849	5.7716	5.6134	5.4012	5.4172	5.3873
6.3478	6.4016	6.4495	6.3893	6.3539	6.5030
5.3920	5.5868	5.6012	5.6341	5.6314	5.6082
5.4845	3.1918	3.2294	5.3222	5.2780	4.9264
7.2087	7.2087	7.2087	7.2087	7.2087	7.2087
2.6705	2.6705	2.6705	2.6705	2.6705	2.6705
10.3051	8.5617	8.3254	8.0381	8.0264	8.2778
3.2297	3.1827	3.1339	3.1396	3.1172	3.5393
		0.0734	0.8997	0.7176	0.5819
6.0445	6.0445	6.0445	6.0445	6.0445	6.0445
2.1613	2.1613	2.1613	2.1613	2.1613	2.1613
7.7599	7.7166	7.7100	7.7251	7.7082	7.7088
7.1869	7.4824	7.3901	7.3336	6.9679	7.8253
5.0355	7.4556	7.6890	5.4157	5.4083	7.4190
9.3036	9.3036	9.3036	7.7733	9.3036	9.3036
0.9488	0.9488	0.9488	0.9488	0.9488	0.9488
3.8473	3.8509	3.6901	3.5355	3.4778	3.4111
0.2573	0.2525	0.2438	0.2432	0.2387	0.2177
0.2965	0.2859	0.2886	0.2806	0.2523	0.2523
0.4037	0.4037	0.4037	0.4037	0.4037	0.4037
0.3620	0.3620	0.3620	0.3620	0.3620	0.4471
3.6749	3.6241	3.5816	3.7598	3.7205	3.6738
1.9694	1.9694	1.9694	1.9694	1.9694	1.9694
0.2796	0.2796	0.2796	0.2796	0.2796	0.2796

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Direct and Overlapping^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			
	2005	2006	2007	2008
<u>Rural Fire Protection Districts</u>				
Bailey-Spencer	2.3930	2.3930	2.3930	2.3930
Coburg	1.7750	1.7259	1.6498	1.6353
Dexter	1.6151	1.6151	1.6151	2.4151
Eugene	1.7199	2.5417	2.5417	2.5417
Goshen	1.7196	1.7196	1.7196	1.7196
Hazeldell	2.7115	2.7115	2.7115	2.7115
Junction City	0.9844	1.6694	1.6118	1.6575
Lake Creek	3.0757	3.0757	3.0757	3.0757
Lane County District #1	1.9848	1.9848	1.9848	1.9848
Lane Rural	2.1174	2.1174	2.1174	2.1174
Lorane	2.9589	2.9159	2.8211	2.7770
Lowell	3.4430	3.3938	3.3046	3.2265
Mapleton	1.3869	1.3869	1.3869	2.0869
McKenzie	2.3106	2.3106	2.3106	2.3106
Mohawk Valley	2.5126	2.5451	2.4784	2.4095
Monroe	1.7298	1.6854	1.6854	1.6854
Pleasant Hill	1.1031	1.1031	1.1031	1.1031
Santa Clara	1.0439	1.0439	1.0439	1.0439
Siuslaw	1.5417	1.5417	1.5417	1.5417
South Lane	1.0335	1.0335	1.0335	1.0335
Swisshome-Deadwood	2.1452	2.1452	2.1452	2.1452
Upper McKenzie	1.1951	1.1951	0.7077	1.1951
Willakenzie	3.0669	3.0669	3.0669	3.0669
Zumwalt	2.3419	2.3419	2.3419	2.3419
<u>Miscellaneous Districts</u>				
Fern Ridge Library	0.3824	0.6324	0.6324	0.6324
Lane Library	-	0.5900	0.5900	0.5900
Port of Siuslaw	0.1474	0.1474	0.1474	0.1474
River Road Park & Recreation	3.5123	3.5010	3.4814	3.4789
Siuslaw Library	0.6118	0.6060	0.5993	0.5928
Western Lane Ambulance	0.3198	0.4198	0.4198	0.4198
Willamalane Park & Recreation	2.3344	2.3255	2.1836	2.1457

Notes

- a. *Overlapping rates are those of other local governments that apply to property owners within Lane County who are located within the other local government's boundaries.*
- b. *Rates may vary based on map code combination of taxing districts and application of Oregon Ballot Measure 5 limits.*
- c. *Lane County rate is shown net of timber offset*

Source

Lane County Department of Assessment and Taxation

Fiscal Year Taxes are Payable^b

2009	2010	2011	2012	2013	2014
2.3930	2.3930	2.3930	2.3930	2.3930	2.3930
2.9685	1.6090	1.3678	1.5826	1.5750	1.4056
2.4151	2.4151	2.4151	2.4151	1.9151	1.9151
2.0000	2.0000	1.8500	1.8500	2.1000	2.3500
1.7196	1.7196	1.7196	1.7196	2.2196	2.2196
2.7115	2.7115	2.7115	2.7115	2.7115	2.7115
1.4661	1.4717	1.4357	1.4386	2.0858	2.0203
3.0757	3.0757	3.0757	3.0757	3.0757	3.0757
1.9848	1.9848	1.9848	1.9848	1.9848	1.9848
2.1174	2.1174	2.1174	2.1174	2.1174	2.1174
2.7458	2.9186	2.8854	2.8618	2.7573	2.7267
3.1681	3.1059	2.9855	2.6970	2.6970	2.6970
2.0869	2.0869	2.0869	2.0869	2.0869	2.0869
2.3106	2.3106	2.0606	2.0606	2.0606	2.0606
2.4133	1.9126	1.9126	1.9126	1.9126	1.9126
1.6854	1.6854	1.6854	1.6854	1.6854	1.6854
1.1031	1.1031	1.1031	1.1031	1.1031	1.1031
1.0439	1.6439	1.6439	1.6439	1.6439	1.6439
1.5417	1.5417	1.5417	0.8717	0.8891	0.9391
1.0335	1.0335	1.0335	1.0335	1.3350	1.5035
2.1452	2.1452	2.1452	2.1452	2.1452	2.1452
1.1951	1.1951	1.1951	1.1951	1.1951	1.6951
3.0669	3.0669	3.0669	3.0669	3.0669	3.0669
2.3419	2.3419	2.3419	2.3419	2.3419	2.3419
0.7046	0.6324	0.6324	0.6324	0.6324	0.6324
0.5900	0.5900	0.5900	0.5900	0.5900	0.5900
0.1474	0.1474	0.1474	0.1474	0.1474	0.1474
3.4631	3.5259	3.5259	3.8791	3.8730	3.8631
0.5885	0.5163	0.5163	0.5163	0.5026	0.5163
0.5698	0.5698	0.5698	0.5698	0.7613	0.7698
2.1487	2.0074	2.0074	2.0074	2.0074	2.4543

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
2013-14:				
Comcast Corporation	Telecommunications	\$ 160,229,400	0.58 %	\$ 2,985,885
IP Eat Three LLC	Wood Products	148,972,074	0.54	2,691,036
Valley River Center LLC	Retail/Commercial	107,296,874	0.39	1,854,703
Shepard Investment Group LLC	Investment	95,127,059	0.34	1,701,538
Symantec Corporation	Electronics	91,918,795	0.33	1,672,139
Northwest Natural Gas Co.	Utility	93,406,000	0.34	1,323,033
Century Link	Telecommunications	83,397,600	0.30	1,318,505
Verizon Communications	Telecommunications	77,420,400	0.28	1,237,476
Weyerhaeuser Co.	Wood Products	128,318,940	0.47	1,160,233
Gateway Mall Partners	Retail/Commercial	93,724,337	0.34	1,149,139
Subtotal - ten of the largest taxpayers		1,079,811,479	3.91	
All other taxpayers in Lane County		26,504,719,684	96.09	
Total Lane County Taxpayers		<u>\$ 27,584,531,163</u>	<u>100.00 %</u>	
2004-05:				
Hynix Semiconductor MFG	Electronics	\$ 570,780,961	2.84 %	\$ 6,910,227
Weyerhaeuser Co.	Wood Products	373,822,243	1.85	5,030,915
Qwest Corporation	Utility	243,704,900	1.21	3,718,507
Valley River Center LLC	Shopping Mall	79,443,780	0.39	1,489,940
Northwest Natural Gas Co.	Utility	74,161,600	0.37	1,119,725
Gateway Mall Partners	Shopping Mall	45,534,317	0.23	756,380
Peacehealth	Medical Group	44,917,341	0.22	531,048
Symantec Corporation	Electronics	37,172,945	0.18	225,599
Emerald PUD	Utility	51,098,800	0.25	496,189
Monaco Coach Corp	Custom RV	34,487,419	0.17	509,510
Subtotal - ten of the largest taxpayers		1,555,124,306	7.71	
All other taxpayers in Lane County		18,604,261,617	92.29	
Total Lane County Taxpayers		<u>\$ 20,159,385,923</u>	<u>100.00 %</u>	

Notes

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

Source

Lane County Assessor

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Tuition Rates and Enrollment Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Tuition Rate Per Credit Hour</u>	<u>Total FTE ¹</u>	<u>Unduplicated Headcount ¹</u>
2013-14	\$ 93.00	12,312.20	33,695
2012-13	90.00	14,014.90	37,254
2011-12	84.00	15,375.00	38,671
2010-11	83.00	15,417.10	37,561
2009-10	81.00	14,957.70	37,783
2008-09	75.50	12,823.00	36,899
2007-08	73.00	11,065.00	34,508
2006-07	69.50	11,189.10	35,666
2005-06	67.00	10,738.00	36,089
2004-05	64.50	10,465.00	29,868

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Total Real Market Value of Taxable Property ^a	<u>\$ 36,172,462,575</u>	<u>\$ 35,736,940,602</u>	<u>\$ 37,261,878,627</u>	<u>\$ 38,108,802,366</u>
Debt Limitation (1.5% of Real Market Value)	\$ 542,586,939	\$ 536,054,109	\$ 558,928,179	\$ 571,632,035
Debt Subject to Limitation	<u>62,290,000</u>	<u>66,220,000</u>	<u>31,910,000</u>	<u>36,655,000</u>
Legal Debt Margin	<u>\$ 480,296,939</u>	<u>\$ 469,834,109</u>	<u>\$ 527,018,179</u>	<u>\$ 534,977,035</u>
Legal Debt Margin as a Percentage of the Debt Limitation	88.52%	87.65%	94.29%	93.59%

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>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<u>\$ 41,711,522,728</u>	<u>\$ 43,631,332,946</u>	<u>\$ 41,729,282,436</u>	<u>\$ 36,563,388,894</u>	<u>\$ 30,422,495,849</u>	<u>\$ 26,749,361,683</u>
\$ 625,672,841	\$ 654,469,994	\$ 625,939,237	\$ 548,450,833	\$ 456,337,438	\$ 401,240,425
41,015,000	45,000,000	5,545,000	10,600,000	15,210,000	19,400,000
<u>\$ 584,657,841</u>	<u>\$ 609,469,994</u>	<u>\$ 620,394,237</u>	<u>\$ 537,850,833</u>	<u>\$ 441,127,438</u>	<u>\$ 381,840,425</u>
93.44%	93.12%	99.11%	98.07%	96.67%	95.16%

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
2013-14	356,212	\$ 27,584,531,163	\$ 114,725,842	\$ 1,505,634	\$ 113,220,208	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
2010-11	348,550	25,732,286,550	90,069,987	1,061,775	89,008,212	0.35%	255
2009-10	347,690	25,339,466,871	94,811,402	1,194,054	93,617,348	0.37%	269
2008-09	345,880	24,297,751,388	99,012,195	905,726	98,106,469	0.40%	284
2007-08	343,140	23,436,352,121	59,622,858	724,659	54,090,840	0.23%	160
2006-07	339,740	22,165,573,314	60,509,510	1,421,536	59,087,974	0.27%	174
2005-06	336,085	21,139,168,891	66,576,172	1,649,198	64,926,974	0.31%	193
2004-05	333,350	20,159,385,923	72,138,882	1,522,492	70,616,390	0.35%	212

Source

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

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Overlapping Debt Schedule
June 30, 2014

Overlapping District	Real Market Valuation	Percent Overlap	Overlapping	
			Gross Property-tax Backed Debt	Net Property-tax Backed Debt
BENTON COUNTY	\$ 17,277,834	1.85%	\$ 319,899	\$ 21,385
BENTON CITY SD 1J (MONROE)	1,501,296	47.67%	715,614	715,614
BROWNSVILLE RFPD 2	1,755,000	0.26%	4,530	4,530
CITY OF COTTAGE GROVE	17,470,928	100.00%	17,470,928	-
CITY OF EUGENE	75,765,703	99.87%	75,665,768	20,767,571
CITY OF FLORENCE	10,557,752	100.00%	10,557,752	7,615,000
CITY OF HARRISBURG	993,877	100.00%	993,877	-
CITY OF MONROE	1,435,000	100.00%	1,435,000	1,435,000
CITY OF OAKRIDGE	505,000	100.00%	505,000	505,000
CITY OF SPRINGFIELD	21,410,000	100.00%	21,410,000	21,410,000
CITY OF VENETA	971,000	100.00%	971,000	971,000
COBURG RFPD	306,667	100.00%	306,667	306,667
HARRISBURG RFPD 6	155,000	98.45%	152,601	152,601
HECETA WATER DISTRICT	240,000	100.00%	240,000	240,000
JUNCTION CITY RFPD	300,000	100.00%	300,000	300,000
LANE COUNTY	97,317,273	99.81%	97,131,495	39,549,356
LANE CITY SD 1 (PLEASANT HILL)	1,655,000	100.00%	1,655,000	1,655,000
LANE CTY SD 19 (SPRINGFIELD)	100,710,372	100.00%	100,710,372	100,710,372
LANE CTY SD 28J (FERN RIDGE)	11,504,290	99.57%	11,454,649	11,454,649
LANE CTY SD 40 (CRESWELL)	23,455,000	100.00%	23,455,000	23,455,000
LANE CTY SD 45J3 (SOUTH LANE)	35,317,690	100.00%	35,317,690	35,317,690
LANE CTY SD 4J (EUGENE)	197,610,402	100.00%	197,610,402	197,610,402
LANE CTY SD 52 (BETHEL)	58,681,166	100.00%	58,681,166	58,681,166
LANE CTY SD 68 (MCKENZIE)	1,940,000	100.00%	1,940,000	1,940,000
LANE CTY SD 71 (LOWELL)	547,373	100.00%	547,373	547,373
LANE CTY SD 76 (OAKRIDGE)	1,335,000	100.00%	1,335,000	1,335,000
LANE CTY SD 97J (SIUSLAW)	16,840,000	100.00%	16,840,000	16,840,000
LANE ESD	7,285,000	99.99%	7,284,119	7,284,119
LINN CTY SD 7J (HARRISBURG)	2,105,000	100.00%	2,105,000	2,105,000
LORANE RFPD	65,000	100.00%	65,000	65,000
MAPLETON FIRE DISTRICT	75,000	100.00%	75,000	75,000
RIVER ROAD PARK & REC DISTRICT	225,000	100.00%	225,000	225,000
SIUSLAW PUBLIC LIBRARY DIST	230,000	100.00%	230,000	230,000
WILLAMALANE PARK & RECREATION DISTRICT	22,240,000	100.00%	22,240,000	18,915,000
Totals:	Overlapping Issuer Count: 34		<u>\$ 709,950,902</u>	<u>\$ 572,439,495</u>
Net Property-tax Backed Debt of Subject Issuer is:	\$ 62,290,000		Ratio of Net Property-tax Backed Debt to Real Market Value is:	0.17%
Net Property-tax Backed Debt of Overlapping Issuers is:	<u>572,439,495</u>		Ratio of Total Net Property-tax Backed Debt to Real Market Value is:	1.71%
Total Net Property-tax Backed Debt of Subject issuer and Overlapping Issuers is:	<u>\$ 634,729,495</u>			
Real Market Value of Subject Issuer is:	<u>\$ 37,139,285,598</u>	As of: 01/01/2013		

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			
2014	\$ 62,290,000		\$ 20,918,596	\$ 51,085,842	\$ 134,294,438	1.1%	\$ 377
2013	66,220,000		20,780,000	52,082,695	139,082,695	1.1%	393
2012	31,910,000		19,355,000	52,851,117	104,116,117	0.9%	295
2011	36,655,000		19,355,000	53,414,987	109,424,987	0.9%	311
2010	41,015,000		-	53,796,402	94,811,402	0.8%	267
2009	45,000,000		780,000	54,012,195	99,792,195	0.9%	288
2008	5,545,000		1,040,000	54,077,858	60,662,858	0.5%	177
2007	10,600,000		1,300,000	54,013,704	65,913,704	0.6%	194
2006	15,210,000		1,655,000	53,832,330	70,697,330	0.7%	210
2005	19,400,000		2,005,000	53,547,069	74,952,069	0.8%	225

Source

Lane Community College Comprehensive Annual Financial Report

Demographic and Economic Information

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population ^d	Personal Income (in thousands) ^{b, e}	Per Capita Income ^{c, e}	Unemployment Rate ^f
2014	356,125	\$ 12,799,489	\$ 35,941	7.6%
2013	354,200	12,241,506	34,561	8.6%
2012	353,155	12,205,390	34,561	9.5%
2011	348,550	12,214,306	34,561	11.1%
2010	347,690	11,709,176	33,277	11.9%
2009	345,880	11,783,941	33,562	6.6%
2008	343,140	11,679,994	33,522	5.3%
2007	339,740	11,269,508	32,877	5.5%
2006	336,085	10,483,145	30,825	6.1%
2005	333,350	9,981,276	29,841	7.4%

Notes

- a. Lane Community College District encompasses all of Lane County and smaller portions of Benton County, Douglas County and Linn County. These statistics are just for Lane County.
- b. The 2013 and 2014 personal income was not available and has been estimated by multiplying population by per capita income.
- c. The 2013 and 2014 per capita income was not available and has been estimated to be the same as 2012.

Source

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

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Principal Employers for Lane County
Current Year and Nine Years Ago

Employer	2014			2005		
	Employees ^b	Rank	Percentage of County Employment	Employees ^b	Rank	Percentage of County Employment
University of Oregon	4,847	1	3.05%	3,676	2	2.32%
PeaceHealth	4,212	2	2.65%	4,125	1	2.60%
Lane County	2,000	3	1.26%	1,786	6	1.13%
Eugene School District	1,900	4	1.20%	1,651	7	1.04%
US Government	1,625	5	1.02%	2,000	4	1.26%
Springfield School District	1,500	6	0.95%	1,500	8	0.95%
City of Eugene	1,427	7	0.90%	1,465	9	0.92%
Lane Community College	1,151	8	0.73%	2,000	5	1.26%
State of Oregon	1,100	9	0.69%	1,200	10	0.76%
Wal-Mart	1,050	10	0.66%			
Monaco Coach Corporation				2,200	3	1.39%
	<u>20,812</u>		<u>13.11%</u>	<u>21,603</u>		<u>13.63%</u>

Notes

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

Source

Eugene Chamber of Commerce: Data not available, using prior year data.

Operating Information

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Building Construction and Acquisitions
Last Ten Fiscal Years

<u>Year</u>	<u>Building Name</u>	<u>Square Footage</u>	<u>Cumulative Square Footage</u>
Prior to 2004	Center	176,664	176,664
	Student Services	37,477	214,141
	Business	21,045	235,186
	Administration	17,907	253,093
	Health Technology	48,482	301,575
	Physical Education	98,532	400,107
	Performing Arts	48,156	448,263
	Campus Services	43,746	492,009
	Welding Technology	20,593	512,602
	Auto/Diesel Technology	37,529	550,131
	Air Technology	35,014	585,145
	Art/GED	47,636	632,781
	Machine Technology	59,658	692,439
	Electronic Annex	6,720	699,159
	Electronics	18,414	717,573
	Science	91,655	809,228
	Forum	24,520	833,748
	Industrial Technology	20,921	854,669
	Work Force Training	87,888	942,557
	Child Care Centers	16,774	959,331
	Waste Water Treatment Plant	660	959,991
	Test Cells	3,100	963,091
	Cooling Tower	1,752	964,843
	Greenhouse	240	965,083
	Wildish Building	12,950	978,033
	Downtown Center	56,508	1,034,541
	Flight Tech / Aviation	36,029	1,070,570
	Cottage Grove Center	18,613	1,089,183
	Florence Center/Siltcoos Station	18,397	1,107,580
	Thurston CLC	19,882	1,127,462
Storage	7,117	1,134,579	
Bus Station	1,944	1,136,523	
2007	KLCC Downtown	7,370	1,143,893
2009	Aviation Maintenance Training & Shop	5,274	1,149,167
2010	Health And Wellness Center	43,554	1,192,721
	Native American Longhouse	6,720	1,199,441
	Solar Station	5,390	1,204,831
	Physical Education Addition	10,540	1,215,371
	2011	Air Technology Expansion	32,286
2012	Downtown Campus	180,000	1,427,657

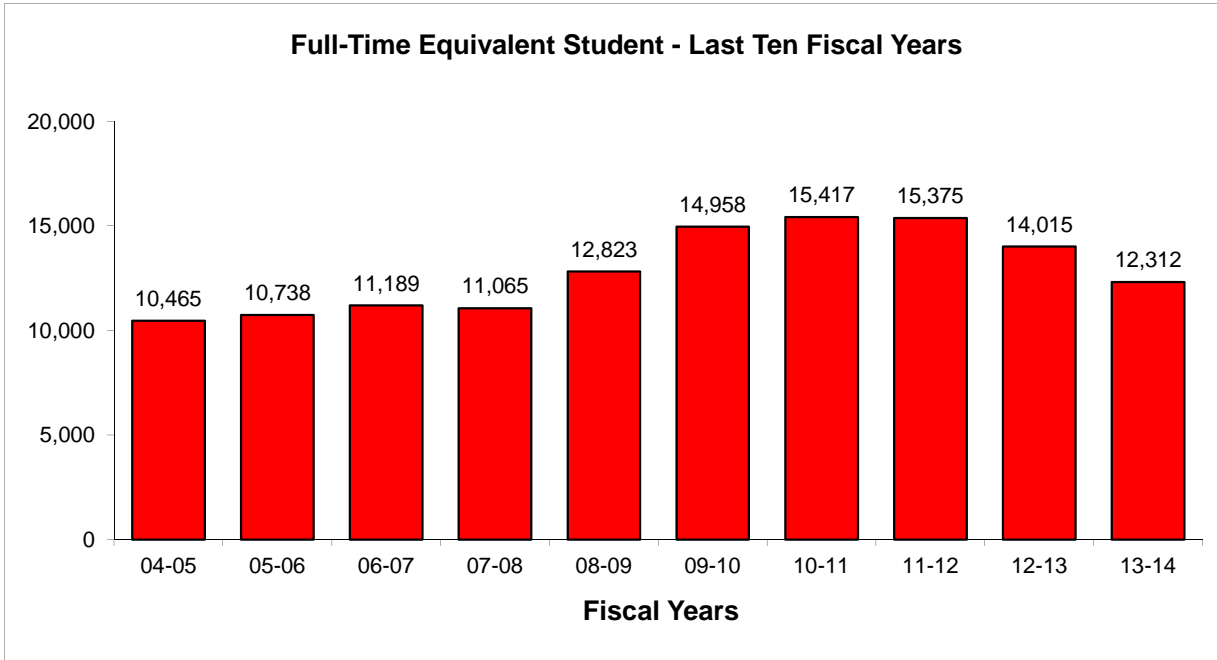
Source

Lane Community College Facilities Management and Planning

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Enrollment Statistics
Last Ten Fiscal Years

	Total Operating Expenses	District Population (Estimated) ^b	Full-time Equivalent Student	Unduplicated Headcount	Percent of Total District Population	Cost Per FTE ^a	Number of Employees	Student FTE Per Employee
2013-14	\$ 161,452,486	356,212	12,312	33,695	9.46%	NA	725	17.0
2012-13	169,610,943	354,200	14,015	37,254	10.52%	NA	730	19.2
2011-12	172,272,408	353,155	15,375	38,671	10.95%	NA	725	21.2
2010-11	159,684,876	348,550	15,417	37,561	10.78%	3,656	738	20.9
2009-10	158,889,327	347,690	14,958	37,783	10.87%	3,507	733	20.4
2008-09	128,573,535	345,880	12,823	36,899	10.67%	3,436	714	18.0
2007-08	107,291,433	343,140	11,065	34,508	10.06%	3,792	710	15.6
2006-07	106,661,151	339,740	11,189	35,666	10.50%	7,636	737	15.2
2005-06	110,665,924	336,085	10,738	36,089	10.74%	8,367	786	13.7
2004-05	102,962,695	333,350	10,465	29,868	8.96%	8,263	779	13.4



Notes

NA Not available

Source

a. Oregon Community College Profile

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

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Awards Earned
Last Ten Fiscal Years

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Lower Division Transfer										
AAOT/ASOT	454	573	474	418	407	319	291	302	294	356
Associate of General Studies	158	150	97	86	42	42	40	48	27	40
Associate of Science	87	61	90	54	47	38	18	21	12	23
Oregon Transfer Module	<u>376</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Transfer Awards	<u>1075</u>	<u>784</u>	<u>661</u>	<u>558</u>	<u>496</u>	<u>399</u>	<u>349</u>	<u>371</u>	<u>333</u>	<u>419</u>
Technical										
Associate of Applied Science	637	548	558	418	320	307	287	307	316	351
Certificate	543	526	434	390	243	158	102	170	141	183
Apprentice: Assoc. of Applied Science	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Total Technical Awards	<u>1180</u>	<u>1074</u>	<u>992</u>	<u>808</u>	<u>563</u>	<u>466</u>	<u>389</u>	<u>477</u>	<u>457</u>	<u>535</u>
Total Awards	<u><u>2255</u></u>	<u><u>1858</u></u>	<u><u>1653</u></u>	<u><u>1366</u></u>	<u><u>1059</u></u>	<u><u>865</u></u>	<u><u>738</u></u>	<u><u>848</u></u>	<u><u>790</u></u>	<u><u>954</u></u>

Source

Per Lane Community College Institutional Research and Planning

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Number of Contracted Employees
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Faculty</u>	<u>Classified</u>	<u>Exempt</u>	<u>Total</u>
2013-14	255	402	68	725
2012-13	252	406	72	730
2011-12	250	403	72	725
2010-11	252	419	67	738
2009-10	250	416	67	733
2008-09	241	416	57	714
2007-08	244	400	66	710
2006-07	251	416	70	737
2005-06	269	449	68	786
2004-05	260	454	65	779

Source

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

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

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

November 17, 2014

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, 2014, and have issued our report thereon dated November 17, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

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

November 17, 2014

Board of Education
Lane Community College
Eugene, Oregon

Report on Compliance for Each Major Federal Program

We have audited Lane Community College's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Lane Community College's major federal programs for the year ended June 30, 2014. Lane Community College's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Lane Community College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lane Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Lane Community College's compliance.

Opinion on Each Major Federal Program

In our opinion, Lane Community College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of Lane Community College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lane Community College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lane Community College's internal control over compliance.

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

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

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

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

LANE COMMUNITY COLLEGE

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue July 1, 2013	Receipts	Expenditures	Accrued (Deferred) Revenue June 30, 2014
U.S. DEPARTMENT OF EDUCATION:						
Direct programs:						
Student Financial Aid Cluster:						
Supplemental Educational Opportunity Grants						
84.007		\$ 532,210	\$ 71,868	\$ 604,078	\$ 532,210	\$ -
84.033		621,641	258,937	627,225	621,641	253,353
84.063		25,477,468	11,745	25,423,631	25,477,468	65,582
84.268		34,887,951	133,859	34,965,624	34,887,951	56,186
84.042	P042A110479-12	287,087	23,657	49,128	25,471	-
84.042	P042A110479-13	258,525	-	193,373	206,453	13,080
84.042	P042A100972-12	212,841	19,669	55,883	36,214	-
84.042	P042A100972-13	225,093	-	166,758	191,167	24,409
84.031	P031A80262-12	436,020	16,109	134,683	118,574	-
84.335	P335A090144-12	107,178	22,640	37,861	15,221	-
84.335	P335A090144-13	216,401	-	180,020	199,374	19,354
Passed Through Oregon Department of Community Colleges and Workforce Development:						
84.002	EE121313 BG	225,989	98,758	98,758	-	-
84.002	EE131413 BG	230,000	-	120,712	230,000	109,288
84.002	EE121313 EG	41,406	5,618	5,618	-	-
84.002	EE131413 EG	37,223	-	25,478	37,223	11,745
84.002	EE121313 CG	34,111	30,701	30,701	-	-
84.002	EE121313 CG	34,111	-	15,306	34,111	18,805
84.002	EE121313 TG	13,202	3,299	3,299	-	-
84.002	EE131413 TG	13,202	-	7,934	10,579	2,645
84.002	EE121313 AG	63,429	16,950	16,950	-	-
84.002	EE131413 AG	70,884	-	48,945	70,652	21,707
84.002	EE121313 PG	14,008	11,068	11,068	-	-
84.002	EE131413 PG	19,259	-	2,128	19,258	17,130
84.002	IGRA 0580	21,700	1,627	1,627	-	-
84.002	IGRA 0629	47,000	-	35,290	37,718	2,428
Passed Through Oregon Department of Education:						
84.048	24839	689,137	206,350	268,507	62,157	-
84.048	27372	635,442	-	461,068	663,708	202,640
84.243	24866	47,463	7,400	7,400	-	-
84.243	27397	41,856	-	26,268	33,906	7,638
Total U.S. Department of Education						
			940,255	63,625,321	63,511,056	825,990

LANE COMMUNITY COLLEGE

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue July 1, 2013	Receipts	Expenditures	Accrued (Deferred) Revenue June 30, 2014
45.169	HD-51671-13	\$ 29,271	\$ -	\$ -	\$ 29,270	\$ 29,270
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES:</u>						
Direct programs:						
NEH Digital Humanities 12-13						
47.076	DUE-0903330	692,042	15,810	15,810	-	-
47.076	DUE-0903333	810,312	67,721	88,618	20,897	-
47.049	WU-NSFRCN-01	40,220	-	6,964	7,004	40
Total National Science Foundation						
83,531						
111,392						
27,901						
40						
<u>SMALL BUSINESS ADMINISTRATION:</u>						
Direct programs:						
59.037	1-603001-Z-0145	558,580	-	77,295	77,295	-
59.037	3-603001-EZ-0013	100,000	-	19,549	90,852	71,303
59.037	3-603001-Z-0039	1,283,312	488,614	1,214,345	725,731	-
59.037	4-603001-EZ-0049	1,302,869	-	-	534,380	534,380
59.037	SBAHQ-10V-0004/2603001Z0600	100,000	46,818	46,818	-	-
59.037	3603001Z0604A-SBAHQ-10V-0004	100,000	23,005	93,080	70,075	-
Total Small Business Administration						
558,437						
1,451,087						
1,498,333						
605,683						
<u>CORPORATION FOR NATIONAL & COMMUNITY SERVICE:</u>						
Direct programs:						
94.016	10SCPOR002	268,692	87,082	87,082	-	-
94.016	13SCPOR002	257,944	-	162,016	238,313	76,297
Total Corporation for National & Community Service						
87,082						
249,098						
238,313						
76,297						
<u>U. S. DEPARTMENT OF LABOR:</u>						
Passed Through Clackamas Community College:						
17.282	TACT-DOL 3-15	1,682,123	129,024	619,960	646,455	155,519
17.282	CASE-TACT Professional Services 9-14	15,000	9,003	13,550	5,997	1,450
Passed Through Portland Community College:						
17.269	HOPE 6-13	790,074	22,163	22,163	-	-

LANE COMMUNITY COLLEGE

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue July 1, 2013	Receipts	Expenditures	Accrued (Deferred) Revenue June 30, 2014
Passed Through Lane Workforce Partnership:						
17.278	22201	\$ 152,674	\$ 26,365	\$ 26,365	\$ -	\$ -
17.258	22201	106,096	18,322	18,322	-	-
Total U.S. Department of Labor			204,877	700,360	652,452	156,969
<u>U. S. DEPARTMENT OF COMMERCE - NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION:</u>						
Direct program:						
11.558	41-50-M09042	1,120,000	73,376	276,586	320,568	117,358
ARRA-SBDD-PUC of Oregon 2011-14						
<u>U. S. DEPARTMENT OF HEALTH & HUMAN SERVICES:</u>						
Direct programs:						
93.924	T22HA26442	105,381	-	105,381	105,381	-
93.887	C76HF19806-01-00	495,000	4,777	4,777	-	-
Total U.S. Department of Health & Human Services			4,777	110,158	105,381	-
Total all programs			\$ 1,952,335	\$ 66,524,002	\$ 66,383,274	\$ 1,811,607

LANE COMMUNITY COLLEGE

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

1. Purpose of the Schedule:

The accompanying schedule of expenditures of federal awards (the Schedule) is a supplementary schedule to Lane Community College's financial statements and is presented for purposes of additional analysis. Because the Schedule presents only a selected portion of the activities of the College, it is not intended to and does not present either the financial position or changes in net position of the College.

2. Significant Accounting Policies:

Reporting Entity: The reporting entity is fully described in Note 1 to the College's financial statements. The Schedule includes all federal financial assistance programs administered by the College for the year ended June 30, 2014.

Basis of Presentation: The information in the Schedule is presented in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Federal Financial Assistance: Pursuant to OMB Circular A-133, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, nonmonetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

Basis of Accounting: The expenditures in the Schedule are recognized as incurred based on the accrual basis of accounting and the cost accounting principles contained in OMB Circular A-21, *Cost Principles for Educational Institutions*. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement.

Matching Costs: The Schedule does not include matching expenditures.

3. Federal Perkins Loans: Activity of the College's Federal Perkins Loan program (CFDA # 84.038) during the 2013-14 fiscal year is as follows:

Balance - 7/1/2013	\$ 4,681,438
Loan advances	388,946
Loan repayments, assignments and cancellations	<u>(856,706)</u>
Balance - 6/30/2014	<u><u>\$ 4,213,678</u></u>

LANE COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2014

A - SUMMARY OF AUDIT RESULTS:

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

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

8. The threshold for distinguishing Type A programs from Type B programs was \$944,000.
9. Lane Community College was determined to be a low-risk auditee.

B - FINDINGS, FINANCIAL STATEMENTS AUDIT:

None.

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

None.

INDEPENDENT AUDITOR'S COMMENTS

INDEPENDENT AUDITOR'S COMMENTS
REQUIRED BY OREGON STATE REGULATIONS

November 17, 2014

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, 2014, and have issued our report thereon dated November 17, 2014.

Internal Control Over Financial Reporting

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

Compliance

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

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

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

In connection with our testing nothing came to our attention that caused us to believe Lane Community College was not in substantial compliance with certain provisions of laws, regulations, contracts and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

Purpose of this Report

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

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

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.