

**LANE COMMUNITY COLLEGE
EUGENE, OREGON**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2007**

**LANE COMMUNITY COLLEGE
EUGENE, OREGON**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2007**

**Mary F.T. Spilde, President
Gregory L. Morgan, Associate Vice President of Finance and Budget
Stan Barker, Director of College Finance and Purchasing**

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION:	
Letter of Transmittal	i to v
Board of Education and Administration	vi
Organizational Chart	vii
Certificate of Achievement for Excellence in Financial Reporting	viii
FINANCIAL SECTION:	
Independent Auditor's Report	1 to 2
Management's Discussion and Analysis	3 to 9
Basic Financial Statements:	
Statement of Net Assets	10
Statement of Revenues, Expenses and Changes in Net Assets	11
Statement of Cash Flows	12
Notes to Financial Statements	13 to 29
Required Supplementary Information:	
Schedule of Funding Progress for Lane Community College Early Retirement Plan	30
Other Supplementary Information:	
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
General Fund	Schedule 1 31 to 32
Administratively Restricted Fund	Schedule 2 33 to 34
Special Revenue Fund	Schedule 3 35 to 36
Student Financial Aid Fund	Schedule 4 37
Debt Service Fund	Schedule 5 38

FINANCIAL SECTION: (Contd)

Other Supplementary Information: (Contd)

Schedules of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual: (Contd)

Capital Projects Fund	Schedule 6	39
Enterprise Fund	Schedule 7	40
Internal Service Fund	Schedule 8	41
Schedule of Property Tax Transactions	Schedule 9	42

STATISTICAL SECTION:

Net Assets by Component and Changes in Net Assets		43
Property Tax Levies and Collections		44
Property Tax Collections by County		45
Assessed Valuation and True Cash Valuation – Lane County		46
Assessed Valuation and True Cash Valuation – Linn, Benton and Douglas Counties		47
Direct and Overlapping Property Tax Rates		48 to 49
Principal Taxpayers		50
Tuition Rates and Enrollment Statistics		51
Computation of Legal Debt Margin		52
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita		53
Overlapping Debt Schedule		54
Outstanding Debt		55
Demographic and Economic Statistics		56
Principal Employers for Lane County		57
Enrollment Statistic		58
Certificates and Degrees Granted		59
Average Number of Contracted Employees		60

**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* 61 to 62

Independent Auditor's Report on Compliance With Requirements
Applicable to Each Major Program and on the Internal
Control Over Compliance in Accordance With
OMB Circular A-133 63 to 64

Schedule of Expenditures of Federal Awards 65 to 67

Schedule of Findings and Questioned Costs 68

INDEPENDENT AUDITOR'S COMMENTS 69

INTRODUCTORY SECTION



December 1, 2007

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, 2007, 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, 2007, 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 339,000. In recent years, more than 37,000 people take one or more classes at Lane each year (unduplicated headcount). Congruent with its mission, Lane offers a broad range of educational programs leading to four associate degrees: associate of arts/Oregon transfer, associate of science, associate of general studies, and associate of applied science. All Lane educational programs are based on recognized fields of study and are approved by the Oregon Department of Community College and Workforce Development as sufficient in content and length. The College is the second largest of Oregon's seventeen community colleges.

College Mission

Lifelong learning is a key element of Lane's comprehensive mission. Lane is a learning-centered community college that provides affordable, high-quality, lifelong educational opportunities that include:

Professional technical and lower division college transfer programs,
Employee skill upgrading, business development and career enhancement,
Foundational academic, language and life skills development,
Lifelong personal development and enrichment and
Cultural and community services.

Programs

Lane Community College has five major areas of study:

1. Professional-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, RV manufacturing and tourism. Lane County is the home of the University of Oregon, several high tech companies such as HYNIX Semiconductor, in addition to forest products companies such as Weyerhaeuser. According to the Oregon Office of Economic Analysis (OOEA) Oregon's per capita income was \$33,900 and the United States per capita income was \$36,300 for 2006. Oregon's second quarter economic analysis for 2007 shows job growth increased 1.4 percent. This is the sixteenth consecutive quarterly growth in jobs. According to the OOEA the prognosis is for slower growth in the Oregon economy. Decreasing housing starts and a slowing of home appreciation nationally is likely to impact the Lane County building materials industries. Population growth is expected to be slightly higher than the U.S. average, but much slower than the growth experienced in the mid-1990's. Other financial and demographic information can be found in the Statistical Section of Lane Community College's CAFR.

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 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.

State Board of Education

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

College Management

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

Accreditation

The Northwest Association of Schools and Colleges has granted accreditation to Lane Community College. The college's most recent full-scale accreditation visit occurred in October 2004; the commission's report was issued in 2005. The Oregon Department of Education has approved all of the professional-technical programs and college transfer courses.

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.

Internal Controls

Lane Community College employs a full time internal auditor to coordinate internal control processes throughout the college. The primary strategy to improve internal controls is education of staff on tools available to improve financial management and process improvement. Another strategy implemented recently is an ongoing program of data testing of records and transactions by audit software to efficiently identify items needing closer review.

Long Range Financial Plan Goals

1. Balance General Fund Budget
 - *Outcome: Ongoing (recurring) expenditures will not exceed revenues*

Board Policy E.010 defines a balanced budget as one in which regular operating expenditures do not exceed annual revenues.

However, several areas have been seriously under-funded over the last two to four years including: instructional innovation, major facilities maintenance, class sections to meet student demand, capital and computer equipment replacement, and workforce/continuing education. Complete stabilization will not occur until these problems have been addressed within available resources.
2. Stabilize Tuition Rates
 - *Outcome: Tuition rates not to exceed inflationary adjustments through 2011.*

Lane has the highest per credit tuition rate of community colleges in Oregon. Steep increases in tuition rates have jeopardized the affordability of a Lane education for many students. (Board Policy D.110 provides for annual tuition adjustments for inflation.)
3. Build Financial Stabilization Fund
 - *Outcome: Build a reserve of \$500,000 to buffer expected revenue shortfalls in the next legislative biennium.*

Board Policy E.040 provides the ability to establish a financial stabilization fund in anticipation of revenue shortfalls.
4. Build Capital and Equipment Reserves
 - *Outcome: Build facilities capital reserve fund to \$1.2 million by 2012*

Over the last decade, Lane has depleted its capital reserves (except for construction bond funds committed to specific projects.) The college needs to build capital reserves in order to (a) provide a mechanism for funding facilities projects in years when project costs are higher than average and (b) provide funds for emergency maintenance and repairs.
- *Outcome: Build equipment replacement reserve fund to \$400,000 by 2012.*

Likewise, the college has no equipment reserves. For the same reasons, the college should build equipment reserves.

(Board Policy E.050 enables the Board to establish reserve funds for capital projects. Board Policy E.010 specifies that a balanced budget must provide adequate funds for capital needs in any given year. Reserves ensure that funds are available for emergencies and for needs in years where capital expenditures are expected to be higher than average.)

Strategies for Achieving Long-Range Goals

Following are the strategies in place for the current year:

1. Limit new recurring expenditures:
 - Fund new recurring activities through reallocation of current resources.
 - Fund new recurring activities with recurring savings or recurring new revenues created by those activities.
 2. Build new revenue streams:
 - Continue differential tuition program and assess ability to expand or maintain the program into 2009.
 - Build capacity in Lane's Foundation to increase fundraising.
 - Update Long-Range Plan for the college for 2009 and beyond.
- Board Policy E.010 specifies that new ongoing expenditures must be supported by recurring revenues. In order to keep Lane's current service level and/or provide additional programs and services, new revenue sources must be identified.

3. Use one-time (non-recurring) funds to invest in Strategic Directions with expected return on investment (in compliance with Board Policy E.060-Budgeting of Non-Recurring Resources):
 - Student retention
 - High-demand classes
 - K-12 connections/Marketing
 - Sustainability

Awards

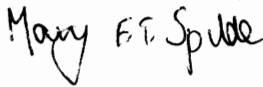
The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to Lane Community College for its comprehensive annual financial report for the fiscal year ended June 30, 2006. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. In addition Lane received the Certificate of Achievement for Excellence in Budget Presentation from GFOA for the fiscal year ended June 30, 2006. This is only the second time an Oregon Community College has received both awards in the same year.

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

Acknowledgments

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

Sincerely,



Mary F. T. Spilde
President



Gregory L. Morgan
Associate Vice President of Finance and Budget

LANE COMMUNITY COLLEGE

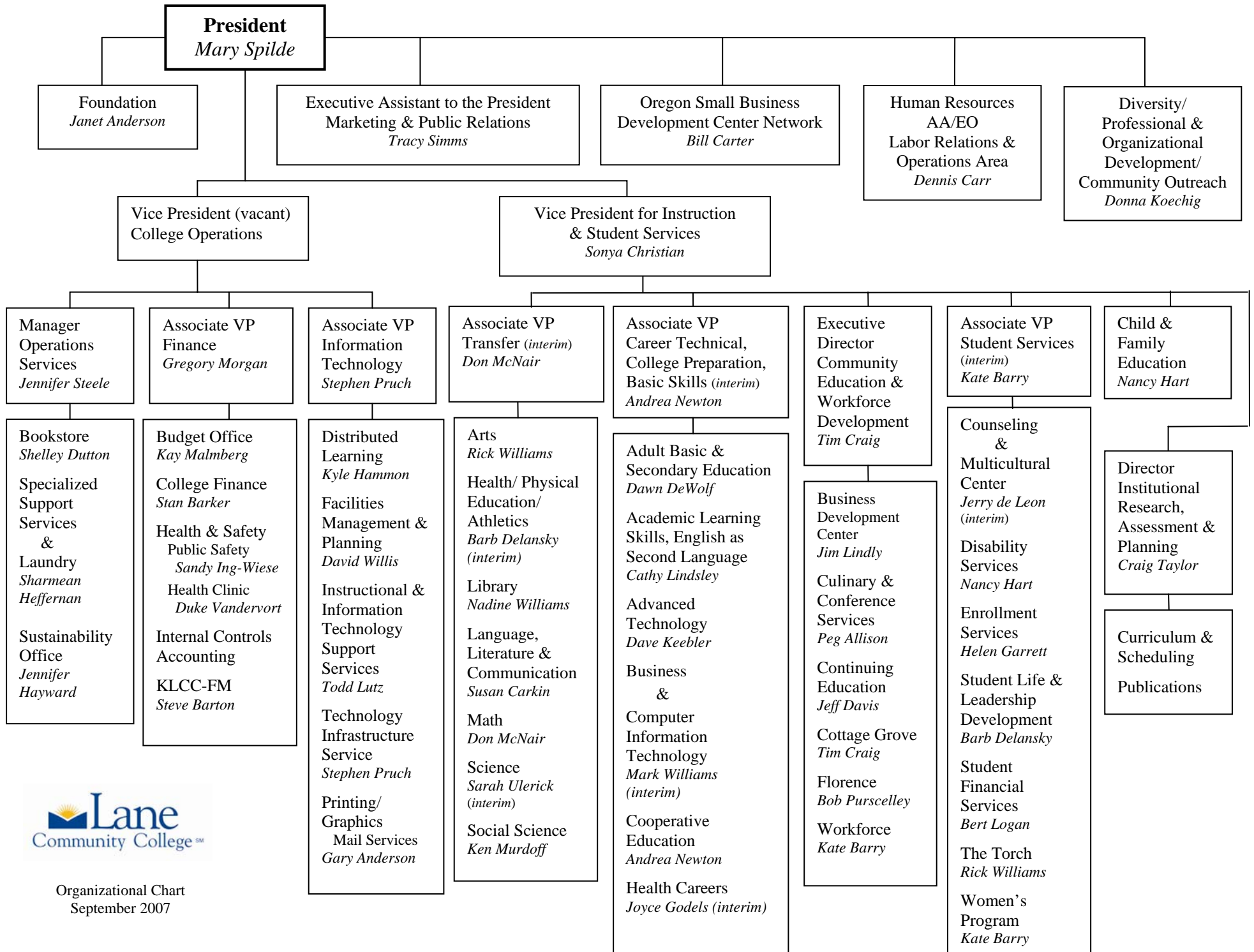
June 30, 2007

Board of Education

<u>Official</u>	<u>Address</u>	<u>Office</u>
Jay Bozievich	24865 Fir Grove Lane Elmira, Oregon 97437	Chair
Pat Riggs-Henson	317 South F Street Springfield, Oregon 97477	Vice Chair
Pat Albright	2712 Jackson Street Eugene, Oregon 97405	Member
Roger C. Hall	3275 Bryceler Drive Eugene, Oregon 97405	Member
Paul Holman	1490 Myrtle Loop Florence, Oregon 97439	Member
Susie Johnston	35825 N Morningstar Road Pleasant Hill, Oregon 97455	Member
Michael R. Rose	2690 Lawrence Street Eugene, Oregon 97405	Member

Administration

Mary F.T. Spilde	President
Gregory L. Morgan	Associate Vice President of Finance and Budget



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, 2006

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



President

Executive Director

FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

November 20, 2007

Board of Education
Lane Community College
Eugene, Oregon

We have audited the statement of net assets of Lane Community College as of June 30, 2007, and the related statements of revenues, expenses and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Lane Community College Foundation, a discretely presented component unit of Lane Community College. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Lane Community College Foundation, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of Lane Community College Foundation were not audited in accordance with Government Auditing Standards. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit, and the report of the other auditors, provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Lane Community College as of June 30, 2007, and the changes in its financial position and, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 3 through 9 is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2007 on our consideration of Lane Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

Management's Discussion and Analysis

Lane Community College

Management's Discussion and Analysis

This section of Lane Community College's (the College) annual financial report provides an overview and analysis of the College's financial performance during the fiscal year ended June 30, 2007. This overview has been prepared by management, along with the financial statements and related note disclosures, and should be read in conjunction with them. The financial statements, notes to the financial statements and this discussion are the responsibility of management.

Overview of the Financial Statements

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

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

Financial Highlights

- As of June 30, 2007 the College's assets exceeded its liabilities by \$82,846,813 (*Net Assets*). Of this amount, \$1,459,072 is classified as unrestricted net assets. These unrestricted net assets may be used to meet the College's ongoing obligations. The largest component (\$51,565,256) of net assets is the College's investment in capital assets, which represents its land, buildings, machinery and equipment, net of accumulated depreciation and related debt. The College uses these capital assets to provide educational services to its students; consequently these assets are not available for future spending.
- State community college support revenues show a 44.33% decrease from 2006. This is because the state is following a pattern of paying five quarterly state payments (one payment being deferred from the prior fiscal year) in the first year of a biennium and three quarterly payments (the fourth quarterly payment being deferred to the next fiscal year) in the second year of a biennium. Thus there is an uneven revenue flow from the state. This is further explained on page 6.
- The College's net assets improved from the prior year. This is due in large part to the Pension asset of the College, which grew 8.23% in 2007.

Analysis of the Statement of Net Assets As of June 30, 2007

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

In summary form Net Assets consisted of:

	<u>2007</u>	<u>2006</u>	<u>% Change</u>
Assets			
Current assets	\$ 18,343,027	\$ 21,199,564	-13.47%
Pension asset	78,020,586	72,085,476	8.23%
Capital assets, net	63,465,256	63,225,872	0.38%
Other noncurrent assets	<u>4,351,063</u>	<u>4,912,264</u>	-11.42%
Total assets	<u>\$ 164,179,932</u>	<u>\$ 161,423,176</u>	1.71%
Liabilities			
Current Liabilities	\$ 22,154,415	\$ 15,697,873	41.13%
Noncurrent liabilities	<u>59,178,704</u>	<u>64,467,330</u>	-8.20%
Total liabilities	<u>81,333,119</u>	<u>80,165,203</u>	1.46%
Net Assets			
Invested in capital assets, net of related debt	51,565,256	47,987,203	7.46%
Restricted	29,822,485	24,520,311	21.62%
Unrestricted	<u>1,459,072</u>	<u>8,750,459</u>	-83.33%
Total net assets	<u>82,846,813</u>	<u>81,257,973</u>	1.96%
Total liabilities and net assets	<u>\$ 164,179,932</u>	<u>\$ 161,423,176</u>	1.71%

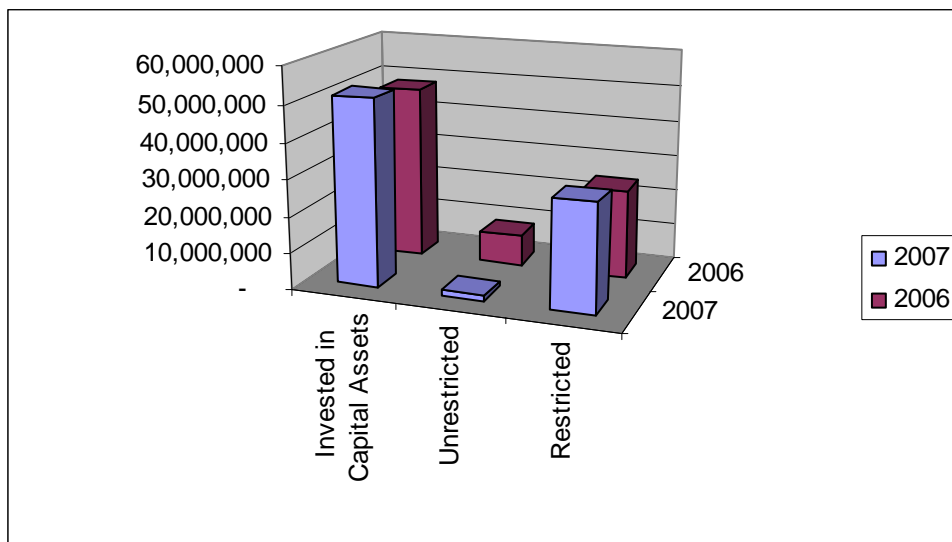
At June 30, 2007 the College's current assets of \$18.3 million were not sufficient to cover current liabilities of \$22.2 million. This represents a current ratio of .83. Current assets consist primarily of cash and cash equivalents, receivables from property taxes, student accounts and grants, plus bookstore inventory. The College's largest noncurrent asset is its \$78 million pension asset, created when the College paid into a PERS investment account used to cover a

portion of the College’s unfunded actuarial liability. Also included in noncurrent assets is capital assets (land, buildings, machinery and equipment), net of accumulated depreciation, used to provide services to students.

Current liabilities consisted primarily of payroll, interest and operating payables, plus the current portion (\$8,322,082) of current maturities of long-term obligations. Noncurrent liabilities consist of long-term debt relating to general obligation bonds, pension bonds, and other debt obligations.

Within Net Assets, the “invested in capital assets” amount of \$51,565,256 represents the total original cost of all of the College’s land, buildings, machinery and equipment, and infrastructure, less total accumulated depreciation on these assets, and also less debt related to their acquisition. Restricted net assets consisted of amounts legally restricted for student financial aid grants and loans, debt service, and grants and contracts.

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



Analysis of the Statement of Revenues, Expenses and Changes in Net Assets For the Year Ended June 30, 2007

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

	<u>2007</u>	<u>2006</u>	<u>Percent Change</u>
Operating revenues:			
Student tuition and fees	\$ 26,334,730	\$ 24,738,713	6.45%
Grants and contracts	41,975,634	40,516,420	3.60%
Sales of goods and services	8,924,091	8,164,357	9.31%
Other operating revenue	<u>6,786,545</u>	<u>8,241,378</u>	-17.65%
Total operating revenues	84,021,000	81,660,868	2.89%
Nonoperating revenues:			
State community college support	18,452,511	33,145,221	-44.33%
Property taxes	18,675,731	18,417,047	1.40%
Investment income	11,576,191	10,726,048	7.93%
Gain on disposal of capital assets	<u>-</u>	<u>2,542</u>	-100.00%
Total revenues	<u>132,725,433</u>	<u>143,951,726</u>	-7.80%
Operating expenses:			
Instruction	44,966,427	46,786,387	-3.89%
Community services	5,640,256	6,228,143	-9.44%
Instructional support services	3,759,209	4,158,551	-9.60%
Student services	17,572,117	17,696,977	-0.71%
College support services	10,889,598	10,209,791	6.66%
Plant operations and maintenance	6,227,768	7,392,183	-15.75%
Financial aid	35,469,459	35,000,075	1.34%
Depreciation	<u>2,577,474</u>	<u>2,688,425</u>	-4.13%
Total operating expenses	127,102,308	130,160,532	-2.35%
Nonoperating expenses	<u>3,857,593</u>	<u>3,990,268</u>	-3.32%
Total expenses	<u>130,959,901</u>	<u>134,150,800</u>	-2.38%
Income before other changes	<u>1,765,532</u>	<u>9,800,926</u>	-81.99%
Capital contributions	-	925,543	-100.00%
Cumulative effect of change in accounting	<u>(823,147)</u>	<u>-</u>	N/A
Change in net assets	<u>\$ 942,385</u>	<u>\$ 10,726,469</u>	-91.21%

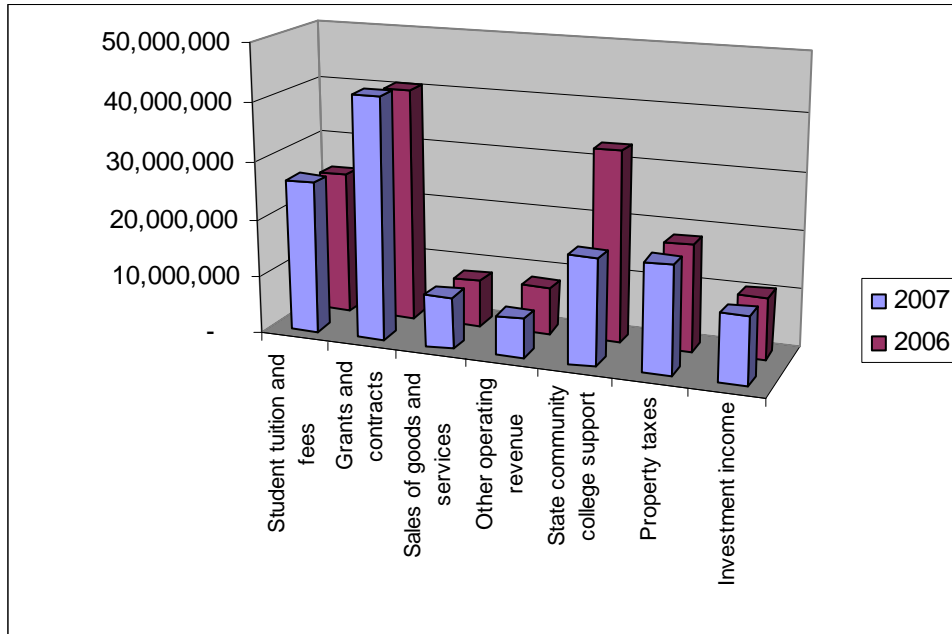
Revenues:

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

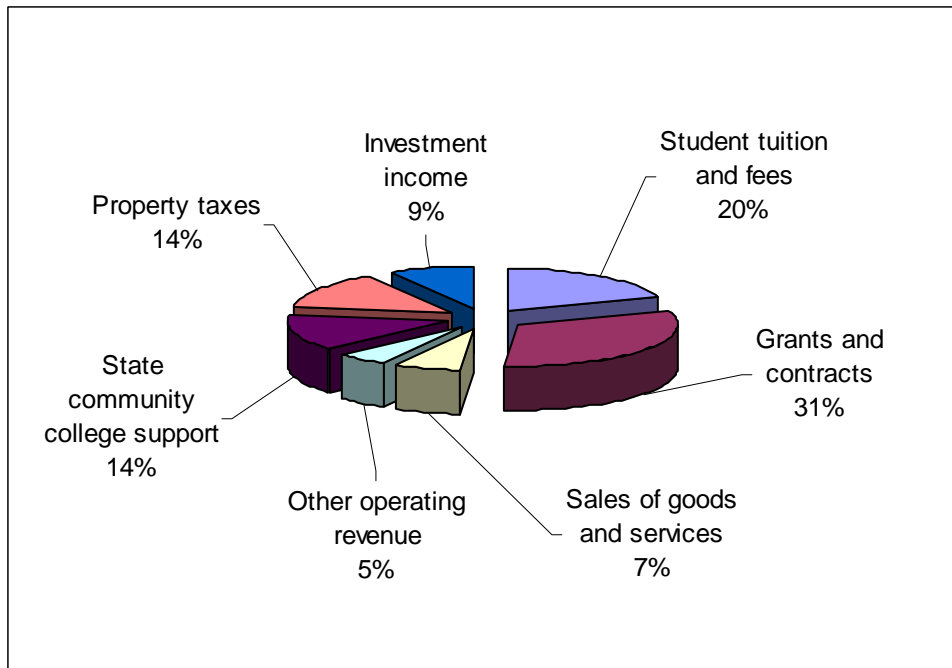
Appropriations from the State of Oregon constitute the largest share of non-operating revenue. The College received \$18,452,511 in State aid in this fiscal year, which represented a 44.33% decrease from the prior year. The reason for this stems from the 2003 legislative session, in which the Oregon Legislature acted to defer their fourth quarterly payment from April until July

2005. This increased the College's revenue by \$6,513,433 in 2006. Additionally the fourth quarterly payment for 2007 was shifted from April to July. This decreased the College's revenue by \$6,247,229 in 2007 and shifted it into 2008. This produces the large disparity in State aid between 2006 and 2007.

The following graph shows a comparison of revenue sources from 2006 to 2007:



The following graph shows the percentage allocation of revenue sources for 2007:

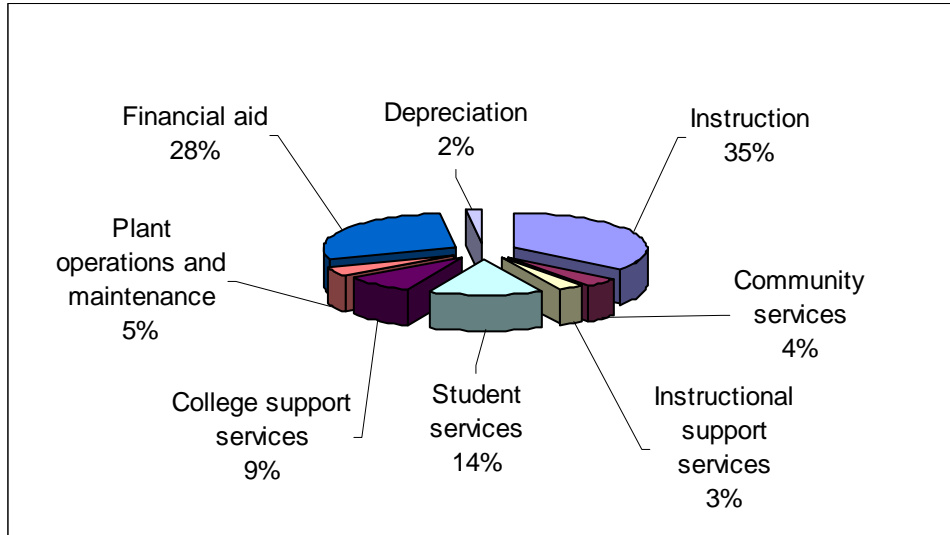


Expenses:

The College expended \$127,102,308 on salaries and benefits, materials and services, utilities, scholarships and depreciation. Instructional expenses represent the largest percentage of total expenses, and include all three outreach centers, contracted trainings and open-entry programs.

The largest non-operating expense was interest paid on debt related to capital improvements and debt related to prepayment of the College's PERS unfunded actuarial liability.

The following graph shows the percentage allocation of operating expenses for 2007:



Analysis of the Statement of Cash Flows For the Year Ended June 30, 2007

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

	2007	2006	Percent Change
Cash provided by (used in)			
Operating activities	\$(34,489,040)	\$(41,979,057)	17.84%
Non-capital financing activities	40,067,914	49,003,873	-18.24%
Capital financing activities	(8,869,085)	(9,127,577)	2.83%
Investing activities	745,579	864,200	-13.73%
Net increase (decrease) in cash	(2,544,632)	(1,238,561)	-105.45%
Cash - beginning of year	11,419,613	12,658,174	-9.78%
Cash - end of year	<u>\$ 8,874,981</u>	<u>\$ 11,419,613</u>	-22.28%

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

State aid and property taxes are the primary sources of non-capital financing cash. GASB Statements 34 and 35 require the College to report these sources as non-operating even though the College's budget depends on these sources to continue to provide our current level of educational offerings. The non-capital financing activities and net increase (decrease) in cash had significant changes due in large part to the effect of the State's fourth quarter payments being delayed between years as explained on page 6.

Capital Asset and Debt Administration

Capital Assets:

The College's investment in capital assets at June 30, 2007 amounts to \$63.5 million, net of accumulated depreciation. Investment in capital assets includes land, buildings, machinery and equipment, library collections and infrastructure. Additional information pertaining to the College's capital assets is located in note 3 to these financial statements.

Debt:

At June 30, 2007 the College had total long-term obligations outstanding of \$67,500,786. Additional information pertaining to the College's long-term obligations is located in note 5 to these financial statements.

Contacting the College's Financial Management

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

College Finance
Lane Community College
4000 E. 30th Avenue
Eugene, OR 97405

Basic Financial Statements

LANE COMMUNITY COLLEGE

Statement of Net Assets
June 30, 2007

<u>Assets</u>	<u>College</u>	<u>Foundation (Component Unit)</u>
Current assets:		
Cash and cash equivalents	\$ 8,874,981	\$ 82,071
Receivables, net:		
Property taxes	972,930	-
Accounts	5,944,951	317,324
Loans and notes, current portion	1,100,000	10,525
Accrued interest	-	11,299
Prepayments	236,015	526
Inventories	1,214,150	-
Total current assets	18,343,027	421,745
Noncurrent assets:		
Receivables, net	2,286,782	479,315
Foundation investments	-	11,053,358
Pension asset	78,020,586	-
Net pension obligation	1,522,252	-
Deferred charges	542,029	-
Investment in property, annuity trust	-	787,200
Capital assets:		
Land	5,695,521	-
Construction in progress	3,004,269	-
Buildings and improvements	77,185,563	-
Furniture and equipment	7,208,266	-
Library books	4,234,449	-
Less accumulated depreciation	(33,862,812)	-
Total noncurrent assets	145,836,905	12,319,873
Total assets	164,179,932	12,741,618
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	2,342,752	2,489
Accrued liabilities	3,766,319	-
Accrued interest payable	72,388	-
Due to others	118,200	-
Unearned revenue	1,787,674	36,000
Note payable	5,745,000	-
Current maturities of long-term obligations	8,322,082	110,000
Total current liabilities	22,154,415	148,489
Noncurrent liabilities:		
Long-term obligations, net of current maturities:		
General obligation bonds payable	5,545,000	-
Pension bonds payable	52,593,704	-
Debt obligations payable	1,040,000	-
Obligations under split-interest agreements	-	594,785
Total noncurrent liabilities	59,178,704	594,785
Total liabilities	81,333,119	743,274
<u>Net Assets</u>		
Invested in capital assets, net of related debt	51,565,256	-
Restricted for debt service	1,610,445	-
Restricted for pension bonds	24,006,882	-
Restricted for student financial aid	4,065,049	-
Restricted for grants and contracts	140,109	-
Restricted for permanent endowment	-	6,999,328
Restricted for temporary endowment and scholarships	-	4,357,175
Total restricted net assets	29,822,485	11,356,503
Unrestricted	1,459,072	641,841
Total net assets	\$ 82,846,813	\$ 11,998,344

The accompanying notes are an integral part of this statement.

LANE COMMUNITY COLLEGE

Statement of Revenues, Expenses and Changes in Net Assets
Year Ended June 30, 2007

	<u>College</u>	<u>Foundation (Component Unit)</u>
Operating revenues:		
Student tuition and fees	\$ 26,334,730	\$ -
Grants and contracts	41,975,634	-
Sales of goods and services	8,924,091	-
Other operating revenue	6,786,545	3,270,384
	<hr/>	<hr/>
Total operating revenues	84,021,000	3,270,384
	<hr/>	<hr/>
Operating expenses:		
Instruction	44,966,427	-
Community services	5,640,256	-
Instructional support services	3,759,209	-
Student services	17,572,117	-
College support services	10,889,598	-
Plant operations and maintenance	6,227,768	-
Financial aid	35,469,459	-
Foundation programs	-	2,798,791
Depreciation	2,577,474	-
	<hr/>	<hr/>
Total operating expenses	127,102,308	2,798,791
	<hr/>	<hr/>
Operating income-(loss)	(43,081,308)	471,593
	<hr/>	<hr/>
Nonoperating revenues-(expenses):		
State community college support	18,452,511	-
Property taxes	18,675,731	-
Investment income	11,576,191	1,168,381
Loss on disposal of capital assets	(70,735)	-
Interest expense	(3,786,858)	-
	<hr/>	<hr/>
Total nonoperating revenues-(expenses)	44,846,840	1,168,381
	<hr/>	<hr/>
Income before cumulative effect of a change in accounting principle	1,765,532	1,639,974
	<hr/>	<hr/>
Cumulative effect of change in capitalization threshold (Note 9)	(823,147)	-
	<hr/>	<hr/>
Change in net assets	942,385	1,639,974
	<hr/>	<hr/>
Net assets, as restated (Note 10) - July 1, 2006	81,904,428	10,358,370
	<hr/>	<hr/>
Net assets - June 30, 2007	<u>\$ 82,846,813</u>	<u>\$ 11,998,344</u>

The accompanying notes are an integral part of this statement.

LANE COMMUNITY COLLEGE

Statement of Cash Flows
Year Ended June 30, 2007

	<u>College</u>
Cash flows from operating activities:	
Tuition and fees	\$ 26,292,502
Grants and contracts	42,757,825
Sales of goods and services	9,043,278
Other cash receipts	6,766,550
Payments to employees for services	(66,401,274)
Payments to suppliers for goods and services	(17,406,245)
Payments for student scholarships and grants	(35,541,676)
Net cash used in operating activities	<u>(34,489,040)</u>
Cash flows from noncapital financing activities:	
Cash received from State community college support	18,452,511
Cash received from property taxes	18,664,652
Proceeds from note payable	5,745,000
Principal paid on pension bonds	(1,265,000)
Interest paid on pension bonds	(1,529,249)
Net cash provided by noncapital financing activities	<u>40,067,914</u>
Cash flows from capital and related financing activities:	
Proceeds from sale of capital assets	3,889
Acquisition of capital assets	(3,068,174)
Principal paid on bonds and debt obligations	(4,965,000)
Interest paid on bonds and debt obligations	(839,800)
Net cash used in capital and related financing activities	<u>(8,869,085)</u>
Cash flows from investing activities:	
Interest on investments	745,579
Net decrease in cash and cash equivalents	<u>(2,544,632)</u>
Cash and cash equivalents - July 1, 2006	<u>11,419,613</u>
Cash and cash equivalents - June 30, 2007	<u>\$ 8,874,981</u>
Reconciliation of operating income-(loss) to net cash used in operating activities:	
Operating income-(loss)	<u>\$ (43,081,308)</u>
Adjustments to reconcile operating income-(loss) to net cash used in operating activities:	
Depreciation	2,577,474
Amortization	4,921,314
Decrease-(increase) in:	
Accounts receivable	672,892
Loans and notes receivable	212,306
Inventories	(248,108)
Prepaid expenses	13,200
Net pension obligation	208,083
Increase-(decrease) in:	
Accounts payable	(211,214)
Accrued liabilities	499,726
Vacation payable	(33,125)
Due to others	25,763
Unearned revenue	(46,043)
Total adjustments	<u>8,592,268</u>
Net cash used in operating activities	<u>\$ (34,489,040)</u>
Noncash Investing, Capital and Financing Activities:	
Book value of capital assets disposed	\$ 74,624
Loss on disposal of capital assets	(74,624)
Total noncash investing, capital and financing activities	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2007

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

(A) Organization and Operation

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

(B) Description of the Reporting Entity

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

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

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

During the year ended June 30, 2007, the Foundation provided scholarships of \$413,345 for the benefit of the College. The College provided personnel and administrative contributions to the Foundation totaling \$316,558 during the year. Complete financial statements for the Foundation can be obtained at: 4000 East 30th Avenue, Eugene, Oregon 97405-0640.

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Contd)

(C) Basis of Accounting

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

The College applies all applicable Governmental Accounting Standards Board (GASB) pronouncements and all applicable Financial Accounting Standards Board (FASB) statements and interpretations, Accounting Principles Board (APB) opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

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

(D) Use of Estimates

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

(E) Investments

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

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2007

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Contd)

(E) Investments (Contd)

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

(F) Property Taxes Receivable

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

(G) Accounts, Grants and Loans Receivable

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

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

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

(H) Inventories

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

(I) Capital Assets

Capital assets include land, buildings and improvements, furniture and equipment and library books. 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.

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2007

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

(L) Retirement Plans

Public Employees Retirement System

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

Early Retirement Program

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

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2007

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Contd)

(L) Retirement Plans

Post-Retirement Program

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

(M) Restricted Net Assets

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

2 - CASH AND INVESTMENTS:

The College's cash and investments are comprised of the following at June 30, 2007:

Cash on hand and other	\$ 75,424
Deposits with financial institutions	1,767,911
Investments	<u>16,393,812</u>
Total cash and investments	18,237,147
Less cash and investments in pension trust funds	<u>(9,362,166)</u>
Cash and investments, as reported in statement of net assets	<u><u>\$ 8,874,981</u></u>

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2007

2 - CASH AND INVESTMENTS: (Contd)

Deposits

Deposits with financial institutions are bank demand deposits. The total bank balance, as shown on the banks' records at June 30, 2007, is \$2,558,127. Of these deposits, \$310,096 was covered by federal depository insurance, and \$2,248,031 was collateralized to the extent required by state law. Oregon laws require municipal corporations to obtain certificates of participation issued by a pool manager for amounts on deposit in excess of federal depository insurance, and the College held \$15,000,000 in certificates at June 30, 2007. Oregon Revised Statutes require the depository institution to maintain on deposit with a custodian bank collateral pool securities having a value of not less than 25% of the outstanding certificates of participation issued by the pool manager. Deposits in excess of federal depository insurance, even to the extent collateralized by certificates of participation, are considered uncollateralized by GASB Statement No. 40.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The College does not have a policy for deposits custodial credit risk. As of June 30, 2007, \$2,248,031 of the College's bank balance of \$2,558,127 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$1,686,023
Uninsured and collateral held by pledging bank's collateral custodian but not in the College's name	<u>562,008</u>
Total	<u><u>\$2,248,031</u></u>

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.

At June 30, 2007, the College's investments of \$16,393,812 were 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, 2007

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, 2007 were: 78% mature within 93 days, 9% mature from 94 days to one year, and 13% mature from one to three years.

Foundation Cash and Investments

The Foundation's cash and cash equivalents consist of demand deposits with financial institutions. At June 30, 2007, \$718,001 of these cash balances were not covered by federal depository insurance.

The Foundation's investments consist of certificates of deposit, equity securities, U.S. Government and agency securities and corporate bonds. The investments are held in a pooled account managed by a professional fund manager. These investments are carried at fair value. A summary of investments at June 30, 2007 is as follows:

Money market/cash management accounts	\$ 1,778,430
Equity securities	6,668,807
U.S. Government and agency obligations	520,035
Corporate bonds	<u>2,086,086</u>
Total investments	<u><u>\$ 11,053,358</u></u>

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2007

3 - CAPITAL ASSETS:

The College's capital assets activity for the year ended June 30, 2007 was as follows:

	Balance July 1, 2006	Increases	Decreases	Balance June 30, 2007
Capital assets not being depreciated:				
Land	\$ 5,695,521	\$ -	\$ -	\$ 5,695,521
Construction in progress	1,924,506	2,710,294	1,630,531	3,004,269
Total capital assets not being depreciated	<u>7,620,027</u>	<u>2,710,294</u>	<u>1,630,531</u>	<u>8,699,790</u>
Capital assets being depreciated:				
Buildings and improvements	75,555,032	1,630,531	-	77,185,563
Furniture and equipment	7,167,441	188,864	148,039	7,208,266
Library books	4,074,785	169,016	9,352	4,234,449
Total capital assets being depreciated	<u>86,797,258</u>	<u>1,988,411</u>	<u>157,391</u>	<u>88,628,278</u>
Less accumulated depreciation for:				
Buildings and improvements	24,333,999	1,915,789	-	26,249,788
Furniture and equipment	3,822,008	487,613	73,415	4,236,206
Library books	3,212,098	174,072	9,352	3,376,818
Total accumulated depreciation	<u>31,368,105</u>	<u>2,577,474</u>	<u>82,767</u>	<u>33,862,812</u>
Total capital assets being depreciated, net	<u>55,429,153</u>	<u>(589,063)</u>	<u>74,624</u>	<u>54,765,466</u>
Total capital assets, net	<u>\$ 63,049,180</u>	<u>\$ 2,121,231</u>	<u>\$ 1,705,155</u>	<u>\$ 63,465,256</u>

4 - NOTE PAYABLE:

On May 22, 2007, the College issued \$5,745,000 in Certificates of Participation, Series 2007A. The certificates of participation were issued as part of the Oregon School Boards Association short-term borrowing program. The certificates of participation are payable on May 30, 2008 with interest at 3.8% per annum.

The College's ad valorem property taxes subject to the limits of Article XI, Sections 11 and 11b of the Oregon Constitution and the full faith and credit of the College and all legally available revenues of the College's general fund are irrevocably pledged to the punctual payment of principal and interest on the Note.

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2007

5 - LONG-TERM OBLIGATIONS:

Changes in the College's long-term obligations for the year ended June 30, 2007 are as follows:

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007	Due Within One Year	Interest Paid
Vacation payable	\$ 1,620,207	\$ 1,587,082	\$ 1,620,207	\$ 1,587,082	\$ 1,587,082	\$ -
Bonds payable	15,210,000	-	4,610,000	10,600,000	5,055,000	766,748
Debt obligations payable	1,655,000	-	355,000	1,300,000	260,000	73,052
Pension bonds payable	53,832,330	1,446,374	1,265,000	54,013,704	1,420,000	1,529,249
Total	<u>\$ 72,317,537</u>	<u>\$ 3,033,456</u>	<u>\$ 7,850,207</u>	<u>\$ 67,500,786</u>	<u>\$ 8,322,082</u>	<u>\$ 2,369,049</u>

Bonds Payable

The full faith and credit of the College is pledged for the Series 1995 General Obligation Bonds. The bonds were issued in the original amount of \$42,770,000 to provide funds for improvements to existing facilities, construct additional learning centers and purchase instructional equipment. The bonds are being retired from property taxes levied by the College. The bonds are due annually and interest is payable semi-annually, on June 1 and December 1, with interest rates ranging from 4.85% to 5.0%. Future bonded debt requirements are as follows:

	Principal	Interest	Total
2007-08	\$ 5,055,000	\$ 522,418	\$ 5,577,418
2008-09	5,545,000	277,250	5,822,250
Total	<u>\$10,600,000</u>	<u>\$ 799,668</u>	<u>\$11,399,668</u>

Debt Obligations Payable

During 2001-02, the College issued a Financing Agreement Note, Series 2001, in the amount of \$2,600,000. The note is payable in annual principal payments of \$260,000 and interest is payable semi-annually at a rate of 4.7% per annum. The full faith and credit of the College is pledged for the payment of this debt. Future obligations requirements are as follows:

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2007

5 - LONG-TERM OBLIGATIONS: (Contd)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007-08	\$ 260,000	\$ 54,990	\$ 314,990
2008-09	260,000	42,770	302,770
2009-10	260,000	30,550	290,550
2010-11	260,000	18,330	278,330
2011-12	<u>260,000</u>	<u>6,110</u>	<u>266,110</u>
Total	<u>\$ 1,300,000</u>	<u>\$ 152,750</u>	<u>\$ 1,452,750</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 2.73% to 6.25%. Future pension bonds requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007-08	\$ 1,420,000	\$ 1,529,250	\$ 2,949,250
2008-09	1,580,000	1,529,250	3,109,250
2009-10	1,750,000	1,529,250	3,279,250
2010-11	1,925,000	1,529,250	3,454,250
2011-12	2,105,000	1,529,250	3,634,250
2012-13	2,295,000	1,529,250	3,824,250
2013-14	2,495,000	1,529,250	4,024,250
2014-15	2,700,000	1,529,250	4,229,250
2015-16	2,915,000	1,529,250	4,444,250
2016-17	3,140,000	1,529,250	4,669,250
2017-18	3,375,000	1,529,250	4,904,250
2018-19	3,620,000	1,529,250	5,149,250
2019-20	3,875,000	1,529,250	5,404,250
2020-21	4,140,000	1,529,250	5,669,250
2021-22	4,420,000	1,529,250	5,949,250
2022-23	4,705,000	1,529,250	6,234,250
2023-24	5,010,000	1,529,250	6,539,250
2024-25	5,605,000	1,245,684	6,850,684
2025-26	6,250,000	927,880	7,177,880
2026-27	6,945,000	572,880	7,517,880
2027-28	<u>3,285,000</u>	<u>183,960</u>	<u>3,468,960</u>
Total	73,555,000	<u>\$ 28,927,654</u>	<u>\$ 102,482,654</u>
Less deferred interest	<u>(19,541,296)</u>		
Carrying amount	<u>\$ 54,013,704</u>		

5 - LONG-TERM OBLIGATIONS: (Contd)

Foundation Obligations under Split-Interest Agreements

The Foundation's obligations under split-interest agreements are recorded when incurred at the present value of the distributions to be made to the donor-designated beneficiaries. Distributions are paid over the lives of the beneficiaries or another specified period. Present values are determined using discount rates established by the Internal Revenue Service and actuarially determined expected lives. Obligations under the split-interest agreements are revalued annually at June 30 to reflect actual experience, but the discount rate is not changed. The net revaluations, together with any remaining recorded obligations after all trust obligations under terminated agreements have been met, are recorded as increases/decreases in contributions in the statement of activities. The net revaluation of split-interest agreements at June 30, 2007 was \$12,548.

6 - 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 4.18% of annual covered payroll for member employees of the State and Local Government Rate Pool. The current rate is 8.04% 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 for the years ending June 30, 2007, 2006 and 2005, totaled \$1,493,873, \$2,012,502 and \$1,092,142, respectively, equal to the required contributions.

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2007

6 - RETIREMENT PLANS: (Contd)

STATE OF OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM:

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 2006-07 fiscal year, changes in the pension asset were as follows:

Balance - July 1, 2006	\$ 72,085,476
Investment income	10,830,612
Contributions to cost sharing plan	<u>(4,895,502)</u>
Balance - June 30, 2007	<u>\$ 78,020,586</u>

EARLY RETIREMENT PLAN:

Plan Description

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

Funding Policy

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

Annual Pension Cost and Net Pension Obligation

The College's annual pension cost and net pension obligation to the plan for the year ended June 30, 2007, are as follows:

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2007

6 - RETIREMENT PLANS: (Contd)

EARLY RETIREMENT PLAN: (CONTD)

Annual required contribution	\$ 74,716
Interest on net pension obligation	(47,715)
Adjustment to annual required contribution	<u>191,164</u>
Annual pension cost	218,165
Contribution made	<u>(74,716)</u>
Increase-(decrease) in net pension obligation	143,449
Net pension obligation - July 1, 2006	<u>(1,192,866)</u>
Net pension obligation - June 30, 2007	<u><u>\$(1,049,417)</u></u>

The annual required contribution for the year was determined as part of the June 30, 2007 actuarial valuation using the aggregate actuarial cost method. The aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 4.5% compounded annually, and (b) 4.25% salary increases per annum for management employees, reflecting both inflation and seniority/merit adjustments.

Three-Year Trend Information

<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>
6-30-07	\$ 218,165	34%	\$ (1,049,417)
6-30-06	\$ 242,088	18%	\$ (1,192,866)
6-30-05	\$ 274,661	27%	\$ (1,391,797)

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 67 percent funded. The actuarial accrued liability for benefits was \$1,872,515, and the actuarial value of assets was \$1,248,514, resulting in an unfunded actuarial accrued liability (UAAL) of \$624,001. The anticipated covered payroll (annual payroll of active employees covered by the plan) was \$15,013,801, and the ratio of the UAAL to the anticipated covered payroll was 4.16%.

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.

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2007

6 - RETIREMENT PLANS: (Contd)

POST-Retirement BENEFITS PLAN:

Plan Description

The College maintains a single-employer defined benefit post-retirement 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 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 Post-Retirement Benefits 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 Post-Retirement Benefits Fund that is intended to be a constant dollar amount for each employee covered by the plan so that sufficient assets will be available to pay benefits when due.

Annual Pension Cost and Net Pension Obligation

The College's annual pension cost and net pension obligation to the plan for the year ended June 30, 2007, are as follows:

Annual required contribution	\$ 1,382,996
Interest on net pension obligation	(21,499)
Adjustment to annual required contribution	<u>86,133</u>
Annual pension cost	1,447,630
Contribution made	<u>(1,382,996)</u>
Increase-(decrease) in net pension obligation	64,634
Net pension obligation - July 1, 2006	<u>(537,469)</u>
Net pension obligation - June 30, 2007	<u><u>\$ (472,835)</u></u>

The annual required contribution for the year was determined as part of the June 30, 2007 actuarial valuation using the aggregate actuarial cost method. The aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 4.5% compounded annually, and (b) annual rate of increase in medical care costs of 9%, decreasing to 5% after 8 years.

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2007

6 - RETIREMENT PLANS: (Contd)

POST-RETIREMENT BENEFITS PLAN:

Three-Year Trend Information

<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6-30-07	\$ 1,447,630	96%	\$ (472,835)
6-30-06	\$ 1,536,315	52%	\$ (537,469)
6-30-05	\$ 949,903	81%	\$ (1,274,941)

PENSION TRUST FUND STATEMENTS:

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, 2007, in the following table:

	<u>Early Retirement Plan</u>	<u>Post-Retirement Benefits Plan</u>	<u>Total</u>
Statement of Plan Net Assets:			
Assets:			
Cash and investments	\$ 1,248,514	\$ 8,113,652	\$ 9,362,166
Liabilities:			
Accrued liabilities	-	9,482	9,482
Net assets:			
Reserved for employee benefits	<u>\$ 1,248,514</u>	<u>\$ 8,104,170</u>	<u>\$ 9,352,684</u>
Statement of Changes in Plan Net Assets:			
Additions:			
Employer contributions	\$ 74,716	\$ 1,382,996	\$ 1,457,712
Interest income	<u>71,947</u>	<u>370,349</u>	<u>442,296</u>
Total additions	146,663	1,753,345	1,900,008
Deductions:			
Benefits	<u>479,014</u>	<u>677,584</u>	<u>1,156,598</u>
Change in net assets	(332,351)	1,075,761	743,410
Net assets - beginning	<u>1,580,865</u>	<u>7,028,409</u>	<u>8,609,274</u>
Net assets - ending	<u>\$ 1,248,514</u>	<u>\$ 8,104,170</u>	<u>\$ 9,352,684</u>

LANE COMMUNITY COLLEGE

Notes to Financial Statements

Year Ended June 30, 2007

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 Oregon School Boards Association Property and Casualty Trust and pays an annual premium to the Trust for its property, crime, commercial general liability and automobile liability and physical damage coverages. The Trust 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 - CHANGE IN CAPITALIZATION THRESHOLD:

During the 2006-07 year, the College increased the capitalization threshold for all capital assets except library books from \$5,000 to \$10,000. The College changed the threshold in order to better meet the College's financial reporting needs. The change in capitalization threshold has been applied retroactively to capital asset acquisitions of prior years. The effect of the change was to decrease the change in net assets by \$823,147 for the 2006-07 year.

10 – NET ASSETS – RESTATED BEGINNING BALANCE:

During the 2006-07 year, the College identified some assets that were not reported in previous years and also identified some assets for which depreciation was incorrectly calculated. As a result, the College's net assets were understated by \$646,455 at July 1, 2006. Therefore, the College's beginning net assets have been restated as follows:

Net assets, as previously stated - July 1, 2006	\$81,257,973
Capital assets not previously reported	198,522
Correction of depreciation of capital assets	<u>447,933</u>
Net assets, as restated - July 1, 2006	<u><u>\$81,904,428</u></u>

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2007

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 College follows these procedures in establishing its budget:

1. In the spring of each year, the President of the College submits a proposed budget to the budget committee which consists of the Board of Education and an equal number of concerned citizens of the community. Estimated receipts and expenditures are budgeted by fund, department and major category.
2. The budget committee conducts public hearings for the purpose of obtaining taxpayer comments.
3. The budget committee proposes a budget to the Board of Education. The estimated expenditures for each fund may not be increased by more than 10 percent by the Board, and ad valorem taxes for all funds may not exceed the amount shown in the budget document unless the Board republishes the budget and holds additional public hearings.
4. 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.
5. The Board may change the budget throughout the year by appropriation transfers between levels of control and supplemental budgets as authorized by Oregon Revised Statutes. During the fiscal year ended June 30, 2007, the Board approved transfer resolutions as allowed by state law.

During the 2006-07 fiscal year, the College overexpended appropriations in the Capital Projects Fund transfers out by \$50,000.

Required Supplementary Information

LANE COMMUNITY COLLEGE

Schedule of Funding Progress for Lane Community College Early Retirement Plan

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (Entry Age)*</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Anticipated Covered Payroll</u>	<u>Unfunded Actuarial Acc Liability as Percentage of Anticipat Covered Payr</u>
6/30/2007	\$ 1,248,511	\$ 1,872,515	\$ 624,001	67%	\$ 15,013,801	4.16%

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

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 and pension bonds payable.

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

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

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

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
GENERAL FUND
Year Ended June 30, 2007

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 24,603,654	\$ 18,453,871	\$ (6,149,783)
Property taxes	13,940,346	13,597,864	(342,482)
Tuition and fees:			
Tuition	26,000,000	20,785,921	(5,214,079)
Instruction fees	2,550,528	2,297,604	(252,924)
Other sources:			
Sales of goods and services	550,000	523,431	(26,569)
Interest income	500,000	455,018	(44,982)
Fees	1,000,000	1,120,592	120,592
Other	1,555,572	1,412,621	(142,951)
 Total revenues	 <u>70,700,100</u>	 <u>58,646,922</u>	 <u>(12,053,178)</u>
Expenditures:			
Instruction:			
Personal services	36,201,438	34,772,713	1,428,725
Materials and services	2,458,681	2,021,201	437,480
 Total instruction	 <u>38,660,119</u>	 <u>36,793,914</u>	 <u>1,866,205</u>
Instructional support services:			
Personal services	3,482,564	2,976,704	505,860
Materials and services	765,816	359,553	406,263
Capital outlay	146,000	114,749	31,251
 Total instructional support services	 <u>4,394,380</u>	 <u>3,451,006</u>	 <u>943,374</u>
Student services:			
Personal services	7,500,000	7,005,305	494,695
Materials and services	884,504	524,670	359,834
 Total student services	 <u>8,384,504</u>	 <u>7,529,975</u>	 <u>854,529</u>
College support services:			
Personal services	8,000,000	6,948,325	1,051,675
Materials and services	5,069,616	2,658,900	2,410,716
Capital outlay	150,000	126,997	23,003
 Total college support services	 <u>13,219,616</u>	 <u>9,734,222</u>	 <u>3,485,394</u>

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
GENERAL FUND
Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures: (Contd)			
Plant operations and maintenance:			
Personal services	\$ 2,947,903	\$ 2,735,665	\$ 212,238
Materials and services	3,256,732	2,450,193	806,539
Capital outlay	17,120	17,120	-
Total plant operations and maintenance	<u>6,221,755</u>	<u>5,202,978</u>	<u>1,018,777</u>
Total expenditures	<u>70,880,374</u>	<u>62,712,095</u>	<u>8,168,279</u>
Revenues over-(under) expenditures	<u>(180,274)</u>	<u>(4,065,173)</u>	<u>(3,884,899)</u>
Other financing sources-(uses):			
Transfers in	258,000	137,013	(120,987)
Transfers out	<u>(4,197,726)</u>	<u>(4,037,726)</u>	<u>160,000</u>
Total other financing sources-(uses)	<u>(3,939,726)</u>	<u>(3,900,713)</u>	<u>39,013</u>
Changes in fund balance	(4,120,000)	(7,965,886)	(3,845,886)
Fund balance (deficit) - July 1, 2006	<u>4,120,000</u>	<u>(1,097,710)</u>	<u>(5,217,710)</u>
Fund balance (deficit) - June 30, 2007	<u>\$ -</u>	<u>\$ (9,063,596)</u>	<u>\$ (9,063,596)</u>

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
ADMINISTRATIVELY RESTRICTED FUND
Year Ended June 30, 2007

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 10,000	\$ 11,415	\$ 1,415
Tuition and fees:			
Tuition	652,000	431,969	(220,031)
Instruction fees	4,028,640	2,000,968	(2,027,672)
Other sources:			
Sales of goods and services	1,100,000	1,069,347	(30,653)
Interest income	13,000	19,231	6,231
Other	2,498,914	3,244,977	746,063
Total revenues	8,302,554	6,777,907	(1,524,647)
Expenditures:			
Instruction:			
Personal services	1,771,351	1,872,780	(101,429)
Materials and services	2,469,781	1,205,479	1,264,302
Capital outlay	30,000	27,116	2,884
Total instruction	4,271,132	3,105,375	1,165,757
Community services:			
Personal services	1,200,000	991,253	208,747
Materials and services	975,000	491,193	483,807
Capital outlay	505,424	158,094	347,330
Total community services	2,680,424	1,640,540	1,039,884
Instructional support services:			
Materials and services	375,000	284,964	90,036
Capital outlay	75,000	72,212	2,788
Total instructional support services	450,000	357,176	92,824
Student services:			
Personal services	1,300,000	1,103,264	196,736
Materials and services	1,000,000	698,071	301,929
Capital outlay	1,700	-	1,700
Total student services	2,301,700	1,801,335	500,365
College support services:			
Personal services	250,000	171,499	78,501
Materials and services	499,651	508,397	(8,746)
Total college support services	749,651	679,896	69,755

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
ADMINISTRATIVELY RESTRICTED FUND
Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Reserves:			
Contingency	\$ 3,210,088	\$ -	\$ 3,210,088
Total expenditures	<u>13,662,995</u>	<u>7,584,322</u>	<u>6,078,673</u>
Revenues over-(under) expenditures	<u>(5,360,441)</u>	<u>(806,415)</u>	<u>4,554,026</u>
Other financing sources-(uses):			
Transfers in	1,150,051	998,451	(151,600)
Transfers out	<u>(308,610)</u>	<u>(245,116)</u>	<u>63,494</u>
Total other financing sources-(uses)	<u>841,441</u>	<u>753,335</u>	<u>(88,106)</u>
Changes in fund balance	(4,519,000)	(53,080)	4,465,920
Fund balance - July 1, 2006	<u>4,519,000</u>	<u>4,269,937</u>	<u>(249,063)</u>
Fund balance - June 30, 2007	<u>\$ -</u>	<u>\$ 4,216,857</u>	<u>\$ 4,216,857</u>

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
SPECIAL REVENUE FUND
Year Ended June 30, 2007

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 10,539,000	\$ 7,917,438	\$ (2,621,562)
Tuition and fees	87,000	86,305	(695)
Other sources:			
Grants and contracts	2,000,000	266,708	(1,733,292)
Other	1,265,000	98,414	(1,166,586)
Total revenues	13,891,000	8,368,865	(5,522,135)
Expenditures:			
Instruction:			
Personal services	5,000,000	2,815,895	2,184,105
Materials and services	993,000	913,021	79,979
Capital outlay	600,000	201,109	398,891
Total instruction	6,593,000	3,930,025	2,662,975
Community services:			
Personal services	2,500,000	1,604,374	895,626
Materials and services	2,010,800	2,623,177	(612,377)
Capital outlay	350,000	-	350,000
Total community services	4,860,800	4,227,551	633,249
Instructional support services:			
Personal services	103,000	-	103,000
Student services:			
Personal services	300,000	222,928	77,072
Materials and services	87,200	17,173	70,027
Total student services	387,200	240,101	147,099
College support services:			
Personal services	97,750	6,424	91,326
Materials and services	50,000	747	49,253
Total college support services	147,750	7,171	140,579

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
SPECIAL REVENUE FUND
Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures: (Contd)			
Reserves:			
Contingency	\$ 2,000,000	\$ -	\$ 2,000,000
Total expenditures	<u>14,091,750</u>	<u>8,404,848</u>	<u>5,686,902</u>
Revenues over-(under) expenditures	(200,750)	(35,983)	164,767
Other financing sources-(uses):			
Transfers in	4,750	4,750	-
Transfers out	<u>(4,000)</u>	<u>-</u>	<u>4,000</u>
Total other financing sources-(uses)	<u>750</u>	<u>4,750</u>	<u>4,000</u>
Changes in fund balance	(200,000)	(31,233)	168,767
Fund balance - July 1, 2006	<u>200,000</u>	<u>171,342</u>	<u>(28,658)</u>
Fund balance - June 30, 2007	<u>\$ -</u>	<u>\$ 140,109</u>	<u>\$ 140,109</u>

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
STUDENT FINANCIAL AID FUND
Year Ended June 30, 2007

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 42,603,000	\$ 33,778,713	\$ (8,824,287)
Tuition and fees	175,000	163,234	(11,766)
Other sources:			
Interest income	75,000	76,400	1,400
Other	3,870,626	2,210,570	(1,660,056)
Total revenues	<u>46,723,626</u>	<u>36,228,917</u>	<u>(10,494,709)</u>
Expenditures:			
Student services:			
Personal services	119,000	101,044	17,956
Materials and services	1,000	152	848
Total student services	<u>120,000</u>	<u>101,196</u>	<u>18,804</u>
Financial aid:			
Personal services	500,000	493,687	6,313
Materials and services	44,714,224	35,855,733	8,858,491
Total financial aid	<u>45,214,224</u>	<u>36,349,420</u>	<u>8,864,804</u>
Reserves:			
Contingency	2,000,000	-	2,000,000
Total expenditures	<u>47,334,224</u>	<u>36,450,616</u>	<u>10,883,608</u>
Revenues over-(under) expenditures	<u>(610,598)</u>	<u>(221,699)</u>	<u>388,899</u>
Other financing sources-(uses):			
Transfers in	452,717	268,081	(184,636)
Transfers out	(240,469)	(62,591)	177,878
Total other financing sources-(uses)	<u>212,248</u>	<u>205,490</u>	<u>(6,758)</u>
Changes in fund balance	(398,350)	(16,209)	382,141
Fund balance - July 1, 2006	<u>398,350</u>	<u>694,476</u>	<u>296,126</u>
Fund balance - June 30, 2007	<u>\$ -</u>	<u>\$ 678,267</u>	<u>\$ 678,267</u>

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
DEBT SERVICE FUND
Year Ended June 30, 2007

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Property taxes	\$ 4,877,747	\$ 5,066,789	\$ 189,042
Other sources:			
Interest income	250	82,992	82,742
Other	2,794,250	2,795,805	1,555
Total revenues	7,672,247	7,945,586	273,339
Expenditures:			
Debt service	9,300,300	8,601,301	698,999
Revenues over-(under) expenditures	(1,628,053)	(655,715)	972,338
Other financing sources:			
Transfers in	428,053	428,053	-
Changes in fund balance	(1,200,000)	(227,662)	972,338
Fund balance - July 1, 2006	1,200,000	1,649,198	449,198
Fund balance - June 30, 2007	\$ -	\$ 1,421,536	\$ 1,421,536

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
CAPITAL PROJECTS FUND
Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other sources:			
Interest income	\$ 50,000	\$ 111,938	\$ 61,938
Other	<u>1,902,703</u>	<u>173,433</u>	<u>(1,729,270)</u>
Total revenues	<u>1,952,703</u>	<u>285,371</u>	<u>(1,667,332)</u>
Expenditures:			
Plant additions:			
Personal services	250,000	200,886	49,114
Materials and services	3,369,961	2,346,593	1,023,368
Capital outlay	<u>1,500,000</u>	<u>976,242</u>	<u>523,758</u>
Total plant additions	<u>5,119,961</u>	<u>3,523,721</u>	<u>1,596,240</u>
Reserves:			
Contingency	<u>2,000,000</u>	-	<u>2,000,000</u>
Total expenditures	<u>7,119,961</u>	<u>3,523,721</u>	<u>3,596,240</u>
Revenues over-(under) expenditures	<u>(5,167,258)</u>	<u>(3,238,350)</u>	<u>1,928,908</u>
Other financing sources-(uses):			
Transfers in	2,162,258	1,823,108	(339,150)
Transfers out	<u>-</u>	<u>(50,000)</u>	<u>(50,000)</u>
Total other financing sources-(uses)	<u>2,162,258</u>	<u>1,773,108</u>	<u>(389,150)</u>
Changes in fund balance	(3,005,000)	(1,465,242)	1,539,758
Fund balance - July 1, 2006	<u>3,005,000</u>	<u>2,481,156</u>	<u>(523,844)</u>
Fund balance - June 30, 2007	<u>\$ -</u>	<u>\$ 1,015,914</u>	<u>\$ 1,015,914</u>

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
ENTERPRISE FUND
Year Ended June 30, 2007

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Sale of goods and services	\$ 8,013,211	\$ 7,787,821	\$ (225,390)
Interest income	-	6,640	6,640
Fees	600,000	458,174	(141,826)
Other	823,067	124,842	(698,225)
Total revenues	9,436,278	8,377,477	(1,058,801)
Expenditures:			
Instruction:			
Materials and services	22,000	9,642	12,358
Student services:			
Personal services	2,500,000	1,980,339	519,661
Materials and services	7,175,032	5,792,809	1,382,223
Capital outlay	585,000	18,462	566,538
Total student services	10,260,032	7,791,610	2,468,422
College support services:			
Personal services	275,000	199,979	75,021
Materials and services	75,124	45,396	29,728
Capital outlay	30,000	-	30,000
Total college support services	380,124	245,375	134,749
Total expenditures	10,662,156	8,046,627	2,615,529
Revenues over-(under) expenditures	(1,225,878)	330,850	1,556,728
Other financing sources-(uses):			
Transfers in	427,700	381,060	(46,640)
Transfers out	(21,822)	(20,822)	1,000
Total other financing sources-(uses)	405,878	360,238	(45,640)
Changes in fund balance	(820,000)	691,088	1,511,088
Fund balance - July 1, 2006	820,000	2,080,326	1,260,326
Fund balance - June 30, 2007	\$ -	\$ 2,771,414	\$ 2,771,414

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
INTERNAL SERVICE FUND
Year Ended June 30, 2007

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Sale of goods and services	\$ 2,338,972	\$ 1,022,199	\$(1,316,773)
Fees	84,500	57,555	(26,945)
Other sources	-	74,453	74,453
Total revenues	2,423,472	1,154,207	(1,269,265)
Expenditures:			
College support services:			
Personal services	800,000	697,936	102,064
Materials and services	1,079,711	782,130	297,581
Capital outlay	239,000	50,318	188,682
Total college support services	2,118,711	1,530,384	588,327
Reserves:			
Contingency	800,000	-	800,000
Total expenditures	2,918,711	1,530,384	1,388,327
Revenues over-(under) expenditures	(495,239)	(376,177)	119,062
Other financing sources-(uses):			
Transfers in	375,739	375,739	-
Transfers out	(4,500)	-	4,500
Total other financing sources-(uses)	371,239	375,739	4,500
Changes in fund balance	(124,000)	(438)	123,562
Fund balance - July 1, 2006	124,000	164,423	40,423
Fund balance - June 30, 2007	\$ -	\$ 163,985	\$ 163,985

LANE COMMUNITY COLLEGE

Schedule of Property Tax Transactions
ALL COUNTIES
Year Ended June 30, 2007

Tax Year	Uncollected Taxes 7/1/2006	2006-07 Levy	Discounts/ Adjustments	Collections	Uncollected Taxes 6/30/2007
2006-07	\$ -	\$ 19,017,200	\$ (527,554)	\$ 18,023,724	\$ 465,922
2005-06	454,421	-	(11,394)	261,965	181,062
2004-05	177,244	-	(6,729)	75,994	94,521
2003-04	99,912	-	(8,984)	46,810	44,118
2002-03	50,843	-	(5,131)	24,937	20,775
2001-02	21,271	-	(1,151)	3,217	16,903
2000-01	18,255	-	(812)	2,234	15,209
Prior	139,905	-	(794)	4,691	134,420
Totals	<u>\$ 961,851</u>	<u>\$ 19,017,200</u>	<u>\$ (562,549)</u>	18,443,572	<u>\$ 972,930</u>
				161,134	
				<u>59,947</u>	
				<u>\$ 18,664,653</u>	
				\$ 13,597,864	
				<u>5,066,789</u>	
				<u>\$ 18,664,653</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. The College implemented GASB Statement 35 in 2003; schedules presenting 'government-wide information' include information beginning that year.

Financial Trends Information

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Net Assets by Component and
Changes in Net Assets
Last 5 Fiscal Years

	June 30,				
	2007	2006	2005	2004	2003
NET ASSETS BY COMPONENT					
Invested in capital assets, net of related debt	\$ 51,565,256	\$ 47,987,203	\$ 42,666,040	\$ 38,700,220	\$ 37,384,058
Net assets, restricted	29,822,485	24,520,311	19,363,962	5,598,883	4,666,052
Net assets, unrestricted	1,459,072	8,750,459	8,501,502	18,572,563	10,477,110
TOTAL NET ASSETS	\$ 82,846,813	\$ 81,257,973	\$ 70,531,504	\$ 62,871,666	\$ 52,527,220
	Years ended June 30,				
	2007	2006	2005	2004	2003
CHANGES IN NET ASSETS					
Operating revenues					
Student tuition and fees	\$ 26,334,730	\$ 24,738,713	\$ 23,995,084	\$ 24,271,741	\$ 20,888,674
Grants and contracts	41,975,634	40,516,420	39,881,385	40,861,592	36,188,800
Sale of goods and services	8,924,091	8,164,357	7,715,107	7,909,354	7,844,387
Other operating revenue	6,786,545	8,241,378	8,129,542	8,004,852	7,166,643
Total operating revenues	84,021,000	81,660,868	79,721,118	81,047,539	72,088,504
Operating expenses					
Instruction	44,966,427	46,786,387	42,897,001	40,388,797	38,590,488
Community services	5,640,256	6,228,143	4,628,001	4,341,655	4,566,641
Instructional support services	3,759,209	4,158,551	4,240,181	4,021,474	3,533,114
Student services	17,572,117	17,696,977	16,970,501	16,501,475	16,928,976
College support services	10,889,598	10,209,791	10,573,040	9,967,619	10,337,220
Plant operations and maintenance	6,227,768	7,392,183	7,000,488	8,200,617	9,700,529
Financial aid	35,469,459	35,000,075	34,340,095	34,984,430	29,443,255
Depreciation	2,577,474	2,688,425	2,615,716	2,673,187	2,647,499
Total operating expenses	127,102,308	130,160,532	123,265,023	121,079,254	115,747,722
Nonoperating revenues (expenses)					
State community college support	18,452,511	33,145,221	19,840,398	33,953,152	19,646,961
Property taxes	18,675,731	18,417,047	17,645,859	16,672,694	16,247,883
Investment income	11,576,191	10,726,048	17,867,687	4,512,905	462,034
Interest expense	(3,786,858)	(3,990,268)	(4,150,201)	(4,541,056)	(1,914,800)
Other nonoperating revenues (expenses)	(70,735)	2,542	-	(221,534)	(131,079)
Total nonoperating revenues (expenses)	44,846,840	58,300,590	51,203,743	50,376,161	34,310,999
Capital contributions	-	925,543	-	-	-
Cumulative effect of change in accounting policy	(823,147)	-	-	-	-
CHANGE IN NET ASSETS	\$ 942,385	\$ 10,726,469	\$ 7,659,838	\$ 10,344,446	\$ (9,348,219)

Source

Lane Community College Comprehensive Annual Financial Report

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 ^a	Percent of Levy Collected In First Year	Delinquent Tax Collections ^a	Total Tax Collections ^a	Percent of Total Tax Collections To Tax Levy	Uncollected Taxes	Percent of Delinquent Taxes To Tax Levy
2006-07	\$ 19,017,200	\$ 18,023,724	94.8 %	\$ 419,848	\$ 18,443,572	96.98 %	\$ 972,930	5.12 %
2005-06	18,777,789	17,771,627	94.6	463,822	18,235,449	97.11	961,851	5.12
2004-05	17,960,646	16,909,509	94.1	474,025	17,383,534	96.79	1,047,705	5.83
2003-04	16,996,180	16,019,015	94.3	545,153	16,564,168	97.46	1,101,585	6.48
2002-03	16,451,425	15,334,516	93.2	573,571	15,908,087	96.70	1,207,129	7.34
2001-02	15,406,431	14,196,436	92.1	525,863	14,722,299	95.56	1,250,590	8.12
2000-01	14,575,221	13,569,799	93.1	504,711	14,074,510	96.56	1,168,776	8.02
1999-00	13,800,777	12,867,510	93.2	465,505	13,333,015	96.61	1,109,195	8.04
1998-99	13,296,536	12,415,471	93.4	474,729	12,890,200	96.94	1,105,636	8.32
1997-98	12,154,692	11,329,564	93.2	491,343	11,820,907	97.25	1,135,641	9.34

Notes

a. Amounts include interest on deficiencies, discounts allowed for early payment, adjustments and collections made by County Assessors.

Source

Lane Community College Comprehensive Annual Financial Report

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Property Tax Collections by County
Last Five 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	
2006-07	\$ 18,373,381	98.5%	\$ 211,848	1.1%	\$ 72,439	0.4%	\$ 6,985	0.0%	\$ 18,664,653	100.0%
2005-06	18,219,593	98.5%	206,469	1.1%	69,959	0.4%	6,880	0.0%	18,502,901	100.0%
2004-05	17,381,013	98.5%	189,344	1.1%	68,813	0.4%	6,689	0.0%	17,645,859	100.0%
2003-04	16,425,971	98.5%	176,496	1.1%	63,837	0.4%	6,390	0.0%	16,672,694	100.0%
2002-03	16,003,792	98.5%	175,093	1.1%	62,659	0.4%	6,339	0.0%	16,247,883	100.0%

Source

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

Note

Above tax collections include forest sales and other taxes and interest on tax collections.

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Assessed Valuation
and True Cash Valuation
Lane County
Last Ten Fiscal Years

Fiscal Year	Assessed Valuation	Ratio of Assessed Valuation to True Cash Valuation	True Cash Valuation
2006-07	\$22,119,900,442	52.3 %	\$42,292,447,595
2005-06	21,095,062,435	69.5	30,357,084,748
2004-05	20,159,385,923	75.4	26,749,361,683
2003-04	19,191,256,460	79.1	24,256,098,187
2002-03	18,476,659,814	80.3	23,022,376,114
2001-02	18,045,909,262	79.0	22,846,616,910
2000-01	16,552,068,130	73.1	22,628,274,669
1999-00	15,470,169,278	74.6	20,744,172,758
1998-99	14,611,215,135	79.9	18,282,278,914
1997-98	13,951,289,444	78.7	17,724,168,650

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 Summary of Assessment and Tax Rolls

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Assessed Valuation
And True Cash Valuation
Linn, Benton and Douglas Counties
Last Two Fiscal Years

Linn County:

<u>Fiscal Year</u>	<u>Assessed Valuation</u>	<u>Ratio of Assessed Valuation to True Cash Valuation</u>	<u>True Cash Valuation</u>
2006-07	\$258,429,746	50.5 %	\$511,327,407
2005-06	239,574,287	53.7 %	446,206,097

Source

Linn County Assessors Office

Benton County:

<u>Fiscal Year</u>	<u>Assessed Valuation</u>	<u>Ratio of Assessed Valuation to True Cash Valuation</u>	<u>True Cash Valuation</u>
2006-07	\$88,017,939	59.2 %	\$148,671,704
2005-06	82,706,339	70.8 %	116,831,927

Source

Benton County Assessors Office

Douglas County:

<u>Fiscal Year</u>	<u>Assessed Valuation</u>	<u>Ratio of Assessed Valuation to True Cash Valuation</u>	<u>True Cash Valuation</u>
2006-07	\$8,543,324	56.9 %	\$15,013,161
2005-06	8,080,842	45.5 %	17,740,600

Source

Douglas County Assessors Office

Notes

Lane Community College District encompasses all of Lane County and smaller portions of Linn County, Benton County and Douglas County.

LANE COMMUNITY COLLEGE
EUGENE, OREGON

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

Taxing Entity	Fiscal Year Taxes are Payable ^b			
	1998 ^c	1999	2000	2001
<u>County Direct Rate</u>				
Lane County ^d	1.2569	1.2585	1.2546	1.2690
General Obligation Debt Service	<u>0.2710</u>	<u>0.1960</u>	<u>0.1914</u>	<u>0.1718</u>
	1.5279	1.4545	1.4460	1.4408
<u>Lane Community College</u>	0.8628	0.9031	0.8870	0.8739
<u>Lane Education Service District</u>	0.2234	0.2232	0.2232	0.2232
<u>Linn-Benton-Lincoln ESD</u>	0.3130	0.3129	0.3129	0.3049
<u>Schools</u>				
Alea	5.2813	5.3115	5.4250	5.1717
Bethel	7.9026	7.8989	7.8731	7.3701
Blachly	5.1064	5.1023	5.1023	5.1023
Creswell	5.3863	5.4379	5.4329	8.6846
Crow-Applegate	6.5520	6.4927	6.5320	6.9395
Eugene	6.2127	5.8714	5.9674	7.3674
Fern Ridge	4.8297	7.0727	7.2835	7.3062
Harrisburg	5.1242	5.1193	5.1193	7.2643
Harrisburg/Wyatt ^e	0.8640	0.8982	0.7066	0.6214
Junction City	6.2574	6.1220	6.0447	6.0407
Lincoln County	5.7509	5.7261	5.7337	5.7390
Lowell	5.9171	5.9617	5.7888	5.7296
Mapleton	4.8946	4.8917	4.8917	4.8917
Marcola	6.6257	6.5592	6.4896	6.2692
McKenzie	4.6972	7.3211	7.2200	6.9985
Monroe	5.9312	5.7380	5.6596	5.4829
Oakridge	4.8277	4.8223	6.5232	6.2171
Pleasant Hill	7.3320	6.3573	6.6510	6.8845
Siuslaw	4.3347	4.3055	5.5695	5.5607
South Lane	4.7584	4.7532	4.7532	6.9134
Springfield	6.0473	5.9699	5.8125	5.6705
<u>Cities</u>				
Coburg	4.0068	4.0048	3.7506	3.7506
Cottage Grove	7.2161	7.2087	7.2087	7.2087
Creswell	2.5183	2.6705	2.6704	2.6705
Eugene	7.6013	7.5452	7.8862	8.1918
Florence	4.1017	4.2215	4.0247	3.6929
Junction City	6.0525	6.0445	6.0445	6.0445
Lowell	2.5348	2.5178	2.3352	2.4239
Oakridge	8.1665	8.2035	7.8428	7.8163
Springfield	5.7757	5.5496	5.5063	5.1838
Veneta	6.2660	6.4869	6.4421	6.4129
Westfir	9.3185	9.3036	9.3036	9.3036
<u>Water Districts</u>				
Blue River	0.9440	0.9488	0.9433	0.9488
Glenwood	4.1490	4.1425	4.1425	2.8663
Heceta	0.4545	0.4231	0.4471	0.4048
Junction City	0.3564	0.3457	0.3367	0.3609
Marcola	0.4043	0.4037	0.4037	0.4037
McKenzie-Palisades	1.1032	1.0675	1.7450	1.6687
Rainbow Water & Fire	2.0655	2.0631	3.1903	3.1551
River Road	1.9707	1.9694	1.9681	1.9694
River Road Subdistrict #1	0.2795	0.2796	0.2793	0.2796

Fiscal Year Taxes and Payable ^b

2002	2003	2004	2005	2006	2007
1.2637	1.2712	1.2710	1.2763	1.2773	1.2781
<u>0.1754</u>	<u>0.1666</u>	<u>0.1554</u>	<u>0.1306</u>	<u>0.1297</u>	<u>0.1305</u>
1.4391	1.4378	1.4264	1.4069	1.4070	
0.8590	0.8848	0.8790	0.8850	0.8814	0.8496
0.2232	0.2232	0.2232	0.2232	0.2232	0.2232
0.3049	0.3049	0.3049	0.3049	0.3049	0.3049
5.3583	5.4155	5.2941	5.2232	5.0811	5.0811
7.2950	7.2583	7.0612	7.0725	6.8802	6.8494
5.1023	5.1023	5.1023	5.1023	5.1023	5.1023
8.3379	8.2003	8.6097	8.2889	7.1900	7.1185
7.8162	7.8422	6.4255	6.4255	6.4255	6.4255
6.9810	7.5571	7.2850	7.2819	7.6460	8.5330
7.3159	5.9498	7.5838	7.3979	7.2300	7.0595
7.0304	6.9592	6.9097	6.8023	6.2940	6.2797
0.7350	0.7066	-	-	-	-
6.0747	6.0418	6.1773	4.5604	4.5604	4.5604
5.7010	5.9321	5.8102	5.7579	5.7893	5.6715
5.7324	5.6540	5.6716	5.6514	5.0409	5.0409
4.8917	4.8917	4.8917	4.8917	4.8917	4.8917
6.0455	4.6887	4.6687	4.6687	4.6687	4.6687
7.0587	7.0227	6.5633	6.7114	6.7077	6.6651
5.5633	5.7285	5.5369	4.7740	4.6341	4.6341
6.2030	6.2731	6.2736	6.3333	6.0645	6.3211
6.8213	6.7918	6.8636	7.2862	7.4557	7.4033
5.4381	5.4296	5.3695	5.3728	5.2274	5.1293
6.8342	6.2689	6.6472	6.5484	6.4694	6.4217
5.6886	5.5210	5.5664	5.6143	5.4978	5.5181
3.7506	3.7506	3.7506	3.7506	3.7506	5.3830
7.2087	6.5907	6.1687	6.4687	7.2087	7.2087
2.6705	2.6705	2.6705	2.6705	2.6705	2.6705
8.1841	8.4130	9.0446	9.0866	9.0222	8.1407
3.6366	3.5261	3.4718	3.4453	3.4019	3.3723
6.0445	6.0445	6.0445	6.0445	6.0445	6.0445
2.3668	2.3348	2.3204	2.2569	2.2434	2.2858
7.7883	8.6504	7.7722	7.8283	7.9370	7.8872
5.1701	5.1514	6.1743	6.1473	6.1078	6.1191
6.3697	8.3047	6.2568	6.1732	6.1149	5.1020
9.3035	9.3035	9.3036	9.3036	9.3036	9.3036
0.9488	0.9488	0.9488	0.9488	0.9488	0.9488
4.1425	1.8983	3.1855	4.1425	4.1425	4.1425
0.4594	0.2202	0.3453	0.3200	0.2896	0.2656
0.3504	0.3239	0.3378	0.3200	0.2893	0.3111
0.4037	0.4037	0.4037	0.4037	0.4037	0.4037
0.9384	0.6969	0.6817	0.6695	0.6635	0.6482
3.1224	3.0955	3.2471	3.2122	3.1816	3.1485
1.9694	1.9694	1.9694	1.9694	1.9694	1.9694
0.2796	0.2796	0.2796	0.2796	0.2796	-

(Continues)

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			
	1998 ^c	1999	2000	2001
<u>Rural Fire Protection Districts</u>				
Bailey-Spencer	2.3759	2.3930	2.3714	2.3930
Coburg	1.4352	1.4381	1.4097	1.4048
Creswell ^f	1.0106	1.0180	1.0180	1.0180
Dexter	1.4420	1.4444	1.4279	1.4304
Eugene	2.5357	2.5417	2.5331	2.5417
Goshen	1.7161	1.7196	1.7183	1.7196
Hazeldell	-	-	-	-
Junction City	0.9841	0.9844	0.9831	0.9844
Lake Creek	3.1598	3.0887	2.9332	3.0757
Lane County District #1	1.9543	1.9848	1.9473	1.9848
Lane Rural	2.1078	2.1174	2.1035	2.1174
Lorane	2.2776	2.2952	2.2722	2.2952
Lowell	2.7327	2.7346	2.6686	2.6974
Mapleton	1.3494	1.3869	1.3641	1.3869
McKenzie	1.6729	1.6398	1.6312	2.3106
Mohawk Valley	1.8941	1.9126	2.8573	2.8308
Monroe	2.2398	2.4227	2.2257	2.2170
Pleasant Hill	1.1016	1.1031	1.1011	1.1031
Santa Clara	1.0453	1.0439	1.0439	1.0439
Siuslaw	1.5376	1.5417	1.5357	1.5417
South Lane ^e	-	-	-	-
Southern Lane ^e	1.0269	1.0476	1.0257	1.0476
Swisshome-Deadwood	1.8937	2.1452	1.8984	2.1452
Upper McKenzie	1.1942	1.1951	1.1941	1.1951
Willakenzie	3.0669	3.0669	1.7176	1.7242
Zumwalt	2.2111	2.3419	1.7894	2.1198
<u>Miscellaneous Districts</u>				
Fern Ridge Library	0.3614	0.3824	0.5396	0.5624
Lane Library	-	-	-	-
Metro Wastewater ^g	0.2464	0.2040	0.1843	0.0462
Port of Siuslaw	0.1393	0.1474	0.1384	0.1474
River Road Park & Recreation	3.6555	3.6215	3.6270	3.5311
Siuslaw Library	0.6367	0.6493	0.6349	0.6317
Western Lane Ambulance	0.3129	0.3198	0.3124	0.3198
Willamalane Park & Recreation	2.3086	2.2548	2.4786	2.4441

Notes

- a. *Overlapping rates are those of other local governments that apply to property owners within Lane County who are located within the other local government's boundaries.*
- b. *Rates may vary based on map code combination of taxing districts and application of Oregon Ballot Measure 5 limits.*
- c. *Beginning in FY1998, tax rates were adjusted under Oregon Ballot Measure 50.*
- d. *Lane County rate is shown net of timber offset*
- e. *Represents Wyatt school district bonds*
- f. *For 2004 Creswell Fire District merged with Southern Lane County FPD to form South Lane County Fire & Rescue.*
- g. *Bonds paid off in 2003.*

Source

Lane County Department of Assessment and Taxation

Fiscal Year Taxes and Payable ^b

2002	2003	2004	2005	2006	2007
2.3930	2.3930	2.3930	2.3930	2.3930	2.3930
1.3277	1.3277	1.7791	1.7750	1.7259	1.6498
1.0180	1.0180	-	-	-	-
1.4151	1.4151	1.6151	1.6151	1.6151	1.6151
2.5417	2.5417	2.5417	1.7199	2.5417	2.5417
1.7196	1.7196	1.7196	1.7196	1.7196	1.7196
-	-	2.7115	2.7115	2.7115	2.7115
0.9844	0.9844	0.9844	0.9844	1.6694	1.6118
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
2.2952	2.2952	2.8587	2.9589	2.9159	2.8211
3.7558	3.5903	3.6349	3.4430	3.3938	3.3046
1.3869	1.3869	1.3869	1.3869	1.3869	1.3869
2.3106	2.3106	2.3106	2.3106	2.3106	2.3106
2.8932	2.6784	2.5642	2.5126	2.5451	2.4784
2.1759	2.2554	2.1732	1.7298	1.6854	1.6854
1.1031	1.1031	1.1031	1.1031	1.1031	1.1031
1.0439	1.0439	1.0439	1.0439	1.0439	1.0439
1.5417	1.5417	1.5417	1.5417	1.5417	1.5417
-	-	1.0335	1.0335	1.0335	1.0335
1.0476	1.0476	-	-	-	-
2.1452	2.1452	2.1452	2.1452	2.1452	2.1452
1.1951	1.1951	1.1951	1.1951	1.1951	0.7077
2.8391	1.8796	3.0669	3.0669	3.0669	3.0669
2.3419	2.3419	2.3419	2.3419	2.3419	2.3419
0.5624	0.4212	0.3824	0.3824	0.6324	0.6324
-	-	-	-	0.5900	0.5900
0.0462	-	-	-	-	-
0.1474	0.1474	0.1474	0.1474	0.1474	0.1474
3.5322	3.5176	3.4794	3.5123	3.5010	3.4814
0.6268	0.6228	0.6175	0.6118	0.6060	0.5993
0.3198	0.3198	0.3198	0.3198	0.4198	0.4198
2.3775	2.4203	2.3491	2.3344	2.3255	2.1836

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Principal Taxpayers
Year Ended June 30, 2007

LANE COUNTY

<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Total Assessed Value</u>	<u>Percentage Of Total Assessed Value</u>	<u>Taxes</u>
Hynix Semiconductor MFG	Electronics	\$ 614,685,640	2.79 %	\$ 6,448,537
Weyerhaeuser Co	Wood Products	430,326,650	1.95	5,622,119
Peacehealth	Medical Group	95,089,952	0.43	996,015
Valley River Center LLC	Shopping Mall	84,629,867	0.38	1,627,094
Qwest Corporation	Utility	138,625,700	0.63	2,086,619
Northwest Natural Gas Co.	Utility	79,885,400	0.36	1,177,921
Gateway Mall Partners	Shopping Mall	46,080,897	0.21	752,197
Symantec Corporation	Electronics	41,380,987	0.19	269,652
Chase Village LLC	Real Estate	29,670,669	0.14	570,448
Metropolitan Life Ins Co	Insurance	29,148,968	0.13	523,003
Subtotal - ten of the largest taxpayers		1,589,524,730	7.21	
All other taxpayers in Lane County		<u>20,530,375,712</u>	<u>92.47</u>	
Total Lane County Taxpayers		<u><u>\$ 22,119,900,442</u></u>	<u><u>99.68 %</u></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

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>
2006-07	69.50	11,189.10	35,666
2005-06	67.00	10,738.00	36,089
2004-05	64.50	10,465.00	29,868
2003-04	63.00	11,022.00	29,743
2002-03	49.00	12,364.30	34,394
2001-02	38.00	13,265.10	40,099
2000-01	38.00	12,760.10	43,223
1999-00	36.00	12,449.40	41,766
1998-99	36.00	11,968.30	40,113
1997-98	34.00	12,148.80	37,954

Source

¹ Per Lane Community College Institutional Research and Planning

Debt Capacity Information

LANE COMMUNITY COLLEGE
EUGENE, OREGON

COMPUTATION OF LEGAL DEBT MARGIN
Last Four Fiscal Years.

	2007	2006	2005	2004
Total Real Market Value of Taxable Property a	<u>\$ 42,292,447,595</u>	<u>\$ 30,804,920,860</u>	<u>\$ 26,749,361,683</u>	<u>\$ 24,256,098,187</u>
Debt Limitation (1.5% of Real Market Value)	\$ 634,386,714	\$ 462,073,813	\$ 401,240,425	\$ 363,841,473
Debt Subject to Limitation	10,600,000	15,210,000	19,400,000	23,200,000
Legal Debt Margin	<u>\$ 623,786,714</u>	<u>\$ 446,863,813</u>	<u>\$ 381,840,425</u>	<u>\$ 340,641,473</u>
Legal Debt Margin as a Percentage of the Debt Limitation	98.33%	96.71%	95.16%	93.62%

Notes

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

Source

a. Lane County Summary of Assessment and Tax Rolls

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 ^c	Net Bonded Debt	Ratio of Net	
						Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2006-07	339,740	\$ 22,119,900,442	\$ 60,509,510	\$ 1,610,445	\$ 58,899,065	0.27%	173
2005-06	336,085	21,095,062,435	66,576,172	1,804,776	64,771,396	0.31%	193
2004-05	333,350	20,159,385,923	72,138,882	1,522,492	70,616,390	0.35%	212
2003-04	329,400	19,191,256,460	76,982,192	1,186,199	75,795,993	0.39%	230
2002-03	328,150	18,476,659,814	81,135,951	811,711	80,324,240	0.43%	245
2001-02	325,900	18,045,909,262	32,742,002	604,913	32,137,089	0.18%	99
2000-01	323,950	16,552,068,130	32,942,001	555,374	32,386,627	0.20%	100
1999-00	320,970	15,470,169,278	35,422,000	474,419	34,947,581	0.23%	109
1998-99	318,730	14,611,215,135	37,676,999	409,783	37,267,216	0.26%	117
1997-98	315,790	13,951,289,444	39,401,998	358,986	39,043,012	0.28%	124

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, 2007

Overlapping District	Real Market Valuation	Percent Overlap	Overlapping	
			Gross Property-tax Backed Debt	Net Property-tax Backed Debt
BENTON COUNTY	\$ 8,432,112,831	1.6749%	\$ 293,873	\$ -
BENTON CITY SD 1J (MONROE)	279,248,170	54.8078%	928,341	-
CITY OF MONROE	44,140,722	100.0000%	545,584	-
LANE COUNTY	37,080,135,503	99.7526%	105,298,308	19,312,103
RIVER ROAD PARK & REC DISTRICT	657,168,848	100.0000%	1,110,000	1,110,000
WILLAMALANE PARK & RECREATION DISTRICT	5,460,743,774	100.0000%	2,865,000	1,110,000
HECETA WATER DISTRICT	692,744,972	100.0000%	670,000	670,000
JUNCTION CITY WATER CONTROL DISTRICT	873,152,141	99.9312%	318,681	318,681
FLORENCE EVENTS CENTER	1,187,635,016	100.0000%	1,165,000	-
SIUSLAW PUBLIC LIBRARY DIST	2,592,368,702	100.0000%	195,000	195,000
COBURG RFPD	433,733,960	100.0000%	850,000	850,000
JUNCTION CITY RFPD	811,943,489	100.0000%	2,130,000	2,130,000
MOHAWK VALLEY RFPD	358,139,887	99.9740%	230,940	230,940
SIUSLAW RFPD 1	1,150,445,868	100.0000%	1,250,000	-
LORANE FRPD	72,045,564	100.0000%	185,000	185,000
LANE CITY FIRE DISTRICT #1	1,473,754,248	100.0000%	930,000	-
LANE CITY SD 1 (PLEASANT HILL)	653,350,154	100.0000%	7,680,000	7,680,000
LANE CTY SD 4J (EUGENE)	17,644,689,246	100.0000%	200,073,929	146,638,929
LANE CTY SD 19 (SPRINGFIELD)	6,287,361,414	100.0000%	125,174,824	63,024,824
LANE CTY SD 28J (FERN RIDGE)	1,025,566,987	99.7086%	20,485,121	14,118,738
LANE CTY SD 40 (CRESWELL)	740,191,961	100.0000%	25,345,000	25,345,000
LANE CTY SD 45J3 (SOUTH LANE)	1,653,882,323	100.0000%	47,454,902	26,220,000
LANE CTY SD 52 (BETHEL)	3,567,784,890	100.0000%	37,365,000	37,365,000
LANE CTY SD 68 (MCKENZIE)	459,942,127	100.0000%	5,075,000	5,075,000
LANE DTY SD 76 (OAKRIDGE)	277,878,376	100.0000%	2,400,000	2,400,000
LANE CTY SD 97J (SIUSLAW)	2,527,416,634	100.0000%	24,030,000	14,015,000
CITY OF COTTAGE GROVE	685,790,671	100.0000%	1,815,993	-
CITY OF EUGENE	17,189,321,075	99.8777%	120,828,454	45,054,830
CITY OF FLORENCE	1,187,635,016	100.0000%	5,895,000	2,075,000
CITY OF LOWELL	72,659,499	100.0000%	5,698	5,698
CITY OF OAKRIDGE	153,438,779	100.0000%	390,000	390,000
CITY OF SPRINGFIELD	5,056,267,367	100.0000%	35,520,000	35,520,000
CITY OF VENETA	295,314,872	100.0000%	603,900	603,900
LINN COUNTY	9,161,949,169	4.2524%	46,564	46,564
BROWNSVILLE RFPD 2	250,899,185	0.2146%	5,451	5,451
HARRISBURG RFPD 6	384,824,817	98.7185%	187,565	187,565
LINN CTY SD 7J (HARRISBURG)	418,584,297	100.0000%	4,345,000	4,345,000
CITY OF HARRISBURG	209,832,326	100.0000%	1,343,342	144,178
NORTH DOUGLAS FIRE & EMS DISTRICT	328,918,866	0.8164%	1,426	245
Totals:	Overlapping Issuer Count: 39		<u>\$ 785,037,896</u>	<u>\$ 456,372,646</u>
Net Property-tax Backed Debt of Subject Issuer is:	\$ 10,600,000		Ratio of Net Property-tax Backed Debt to Real Market Value is:	0.03%
Net Property-tax Backed Debt of Overlapping Issuers is:	<u>456,372,645</u>		Ratio of Total Net Property-tax Backed Debt to Real Market Value is:	1.24%
Total Net Property-tax Backed Debt of Subject issuer and Overlapping Issuers is:	<u>\$ 466,972,645</u>			
Real Market Value of Subject Issuer is:	<u>\$37,531,426,186</u>	As of: 01/01/2006		

Source

State of Oregon - Office of the Treasurer

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Outstanding Debt
Last 10 fiscal Years

Fiscal Year	Tax Bonded Debt	Other Governmental Non Tax Bonded Debt			Total Outstanding Debt
	General Obligation Bonds	Full Faith and Credit Debt Obligations	Financing Agreement Note	Pension Bonds Payable	
2007	\$ 10,600,000	\$ -	\$ 1,300,000	\$ 54,013,704	\$ 65,915,711
2006	15,210,000	95,000	1,560,000	53,832,330	70,699,336
2005	19,400,000	185,000	1,820,000	53,547,069	74,954,074
2004	23,200,000	270,000	2,080,000	52,934,820	78,486,824
2003	26,640,000	350,000	2,340,000	51,803,948	81,135,951
2002	29,715,000	425,000	2,600,000	-	32,742,002
2001	32,445,000	495,000	-	-	32,942,001
2000	34,860,000	560,000	-	-	35,422,000
1999	36,985,000	690,000	-	-	37,676,999
1998	38,370,000	1,030,000	-	-	39,401,998

Source

Lane Community College Comprehensive Annual Financial Report

Demographic and Economic Information

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Demographic and Economic Statistics
Last 10 fiscal Years

Fiscal Year	Population ^d	Personal Income (in thousands) ^{b, e}	Per Capita Income ^c	Unemployment Rate ^e
2007	339,740	\$ 10,138,181	\$ 29,841	5.5%
2006	336,085	10,029,112	29,841	6.1%
2005	333,350	9,981,276	29,841	7.4%
2004	329,400	9,213,725	27,788	8.0%
2003	328,150	8,698,081	26,344	7.1%
2002	325,900	8,491,421	25,966	6.9%
2001	323,950	8,420,557	25,948	5.4%
2000	320,970	8,247,544	25,500	5.3%
1999	318,730	7,825,023	24,318	5.7%
1998	315,790	7,544,064	23,601	5.5%

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 2006 and 2007 personal income was not available and has been estimated by multiplying population by per capita income.
- c. The 2006 and 2007 per capita income was not available and has been estimated to be the same as 2005.

Source

- d. Population Research Center, Portland State University. Estimates are for July 1 of the fiscal year.
- e. Bureau of Economic Analysis, U.S. Department of Commerce.

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Principal Employers for Lane County
Current Year and Nine Years Ago

Employer	2007			1998		
	Employees b	Rank	Percentage of County Employment	Employees b	Rank	Percentage of County Employment
Peacehealth	4,300	1	2.55%	3,200	2	2.09%
University of Oregon	3,676	2	2.18%	3,132	3	2.05%
Lane Community College	2,531	3	1.50%	1,984	4	1.30%
Eugene School District	2,025	4	1.20%	1,949	5	1.27%
U.S. Government	1,800	5	1.07%	3,650	1	2.39%
Lane County	1,786	6	1.06%	1,984	8	1.30%
City of Eugene	1,452	7	0.86%	1,200	9	0.78%
Springfield School District	1,162	8	0.69%	1,198	10	0.78%
State of Oregon	1,100	9	0.65%	1,301	7	0.85%
McKenzie-Willamette Medical Center	750	10	0.44%	-		
Weyerhaeuser	-			1,350	6	0.88%
	<u>20,582</u>		<u>12.20%</u>	<u>20,948</u>		<u>13.69%</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

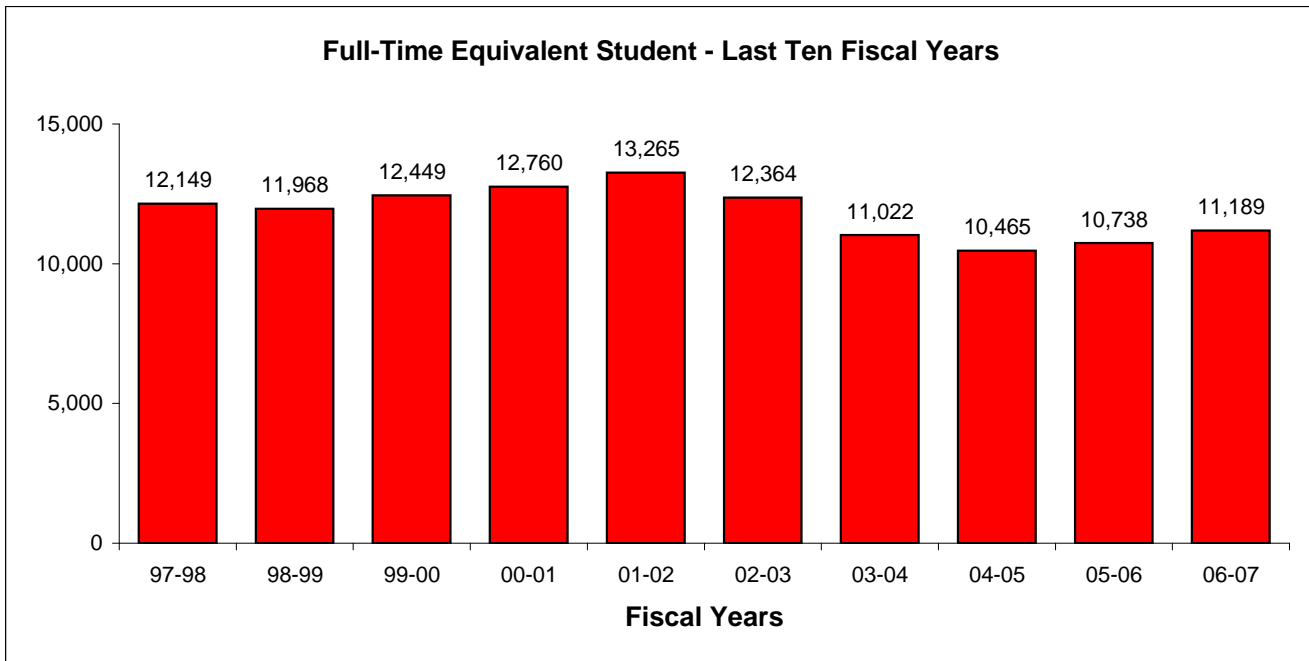
Eugene Chamber of Commerce

Operating Information

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Enrollment Statistic
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	Ratio of Student FTE Per Employee
2006-07	127,102,308	339,740	11,189	35,666	10.50%	NA	737	6.59
2005-06	131,046,508	336,085	10,738	36,089	10.74%	\$ 8,367	786	7.32
2004-05	123,265,023	333,350	10,465	29,868	8.96%	8,263	779	7.44
2003-04	121,079,254	329,400	11,022	29,743	9.03%	7,365	744	6.75
2002-03	115,747,722	328,150	12,364	34,394	10.48%	6,587	828	6.70
2001-02		325,900	13,265	40,099	12.30%	6,223	827	6.23
2000-01		323,950	12,760	43,223	13.34%	5,976	804	6.30
1999-00		320,970	12,449	41,766	13.01%	4,869	790	6.35
1998-99		318,730	11,968	40,113	12.59%		774	6.47
1997-98		315,790	12,149	37,954	12.02%		774	6.37



Notes

NA Not available

Source

a. Oregon Community College Profile

LANE COMMUNITY COLLEGE
EUGENE, OREGON

CERTIFICATES AND DEGREES GRANTED
Last Six Fiscal Years

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Lower Division Transfer						
AAOT/ASOT	302	294	356	400	320	276
Associate of General Studies	48	27	40	38	37	44
Associate of Science	21	12	23	27	11	16
Total Transfer Awards	<u>371</u>	<u>333</u>	<u>419</u>	<u>465</u>	<u>368</u>	<u>336</u>
Technical						
Associate of Applied Science	307	316	351	355	408	380
Certificate	170	141	183	163	192	171
Apprentice: Assoc. of Applied Science	0	0	1	0	3	1
Total Technical Awards	<u>477</u>	<u>457</u>	<u>535</u>	<u>518</u>	<u>603</u>	<u>552</u>
Total Awards	<u>848</u>	<u>790</u>	<u>954</u>	<u>983</u>	<u>971</u>	<u>888</u>
% of Degree-Seeking Students	<u>10.0%</u>	<u>9.2%</u>	<u>10.9%</u>	<u>10.4%</u>	<u>9.9%</u>	<u>8.6%</u>

Source

Per Lane Community College Institutional Research and Planning

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Average Number of Contracted Employees
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Faculty</u>	<u>Classified</u>	<u>Exempt</u>	<u>Total</u>
2006-07	251	416	70	737
2005-06	269	449	68	786
2004-05	260	454	65	779
2003-04	248	437	59	744
2002-03	277	483	68	828
2001-02	289	467	71	827
2000-01	284	447	73	804
1999-00	277	439	74	790
1998-99	275	426	73	774
1997-98	271	422	81	774

Source

Per Lane Community College Institutional Research and Planning

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

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

INDEPENDENT AUDITOR'S REPORT 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 20, 2007

Board of Education
Lane Community College
Eugene, Oregon

We have audited the financial statements of Lane Community College as of and for the year ended June 30, 2007, and have issued our report thereon dated November 20, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

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

A handwritten signature in cursive script that reads "Kenneth Kuhns & Co." The signature is written in black ink and is positioned above the printed name of the firm.

Kenneth Kuhns & Co.

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON THE INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133

November 20, 2007

Board of Education
Lane Community College
Eugene, Oregon

Compliance

We have audited the compliance of Lane Community College with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. Lane Community College's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Lane Community College's management. Our responsibility is to express an opinion on Lane Community College's compliance based on our audit.

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

In our opinion, Lane Community College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of Lane Community College is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Lane Community College's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of Lane Community College as of and for the year ended June 30, 2007, and have issued our report thereon dated November 20, 2007. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

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

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

LANE COMMUNITY COLLEGE

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2007

	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue July 1, 2006	Receipts	Expenditures	Accrued (Deferred) Revenue June 30, 2007
<u>U.S. DEPARTMENT OF EDUCATION:</u>							
Direct programs:							
Student Financial Aid:							
Supplemental Educational Opportunity Grants	84.007		\$ 659,810	\$ -	\$ 659,810	\$ 659,810	\$ -
College Work Study	84.033		543,686	-	234,493	543,686	309,193
Pell Grant	84.063		9,477,068	45,588	9,516,388	9,477,068	6,268
Federal Direct Student Loan	84.268		20,441,157	191,912	20,605,405	20,441,157	27,664
SSS - TRIO 8-06	84.042	P042A010806-05	256,614	25,151	60,392	35,241	-
SSS - TRIO 8-07	84.042	P042A060722	244,735	-	184,241	204,860	20,619
FIPSE 8-07	84.116	P116B031282-05	194,155	13,042	91,381	83,620	5,281
Passed Through Oregon Department of Community Colleges and Workforce Development:							
Comprehensive Services 6-06	84.002	EE5613 BG	251,164	79,948	79,948	-	-
Comprehensive Services 6-07	84.002	EE6713 BG	247,592	-	148,017	247,572	99,555
EL/Civics 6-06	84.002	EE5613 EG	59,500	22,939	22,939	-	-
EL/Civics 6-07	84.002	EE6713 EG	53,235	-	34,804	53,181	18,377
Corrections 6-06	84.002	EE5613 CG	35,700	17,826	17,826	-	-
Corrections 6-07	84.002	EE6713 CG	38,478	-	26,202	38,400	12,198
Outreach Tutoring 6-06	84.002	EE5613 TG	13,200	4,203	4,203	-	-
Outreach Tutoring 6-07	84.002	EE6713 TG	16,009	-	593	2,757	2,164
Set-Aside/Accountability 6-06	84.002	EE5613 AG	32,500	4,045	4,045	-	-
Set-Aside/Accountability 6-07	84.002	EE6713 AG	50,615	-	33,681	50,611	16,930
Set-Aside/PIP 6-06	84.002	EE5613 PG	8,100	2,035	2,035	-	-
Set-Aside/PIP 6-07	84.002	EE6713 PG	10,805	-	7,167	10,762	3,595
Passed Through Oregon Department of Education:							
Carl Perkins Grant 9-06	84.048	5454	923,307	157,624	284,280	126,656	-
Carl Perkins Grant 9-07	84.048	7068	862,190	-	603,198	792,805	189,607
Passed Through Oregon Department of Human Services:							
Occ Skills/DHS 6-07	84.126	113900	168,579	18,329	83,639	93,624	28,314
Passed Through Lane Education Service District:							
Tech Prep 6-06	84.243		46,590	45,559	45,559	-	-
Tech Prep 6-07	84.243		52,600	-	-	52,591	52,591

LANE COMMUNITY COLLEGE

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2007

	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue July 1, 2006	Receipts	Expenditures	Accrued (Deferred) Revenue June 30, 2007
Passed Through Oregon University System - University of Oregon:							
College Awareness N-A/Gear Up 12-06	84.334	56-25023	\$ 3,350	\$ -	\$ 1,933	\$ 1,933	\$ -
College Awareness H-L/Gear Up 9-06	84.334	56-25024	5,000	3,443	3,443	-	-
College Awareness Latino/Gear Up 6-07	84.334	SG-2006-006	4,250	-	-	3,821	3,821
Total U.S. Department of Education				631,644	32,755,622	32,920,155	796,177
<u>NATIONAL ARCHIVES AND RECORDS ADMINISTRATION:</u>							
Passed Through Whitworth College:							
NW Archives Processing 6-07	89.003	2005-061 WA	20,303	4,052	10,292	7,171	931
<u>NATIONAL SCIENCE FOUNDATION:</u>							
Direct program - NSF/Maps GIS 6-07	47.076	DUE-0603492	280,620	-	135,634	262,663	127,029
<u>U. S. DEPARTMENT OF COMMERCE:</u>							
<u>SMALL BUSINESS ADMINISTRATION:</u>							
Direct programs:							
OSBDCN/SBA 12-06	59.037	6-603001-Z-0039-23	942,054	384,543	867,283	482,740	-
OSBDCN/SBA 12-07	59.037	7-603001-Z-0039-24	942,054	-	92,880	442,652	349,772
Total U.S. Department of Commerce				384,543	960,163	925,392	349,772
<u>CORPORATION FOR NATIONAL & COMMUNITY SERVICE:</u>							
Direct programs:							
Senior Companion 6-06	94.016	04SCPOR002	313,973	88,488	88,488	-	-
Senior Companion 6-07	94.016	04SCPOR002-2	318,871	-	197,142	288,300	91,158
Total Corporation for National & Community Service				88,488	285,630	288,300	91,158
<u>U. S. DEPARTMENT OF LABOR:</u>							
Direct program - DOL DH-Expansion 12-09	17.269	CB-15980-07-60-A-41	1,969,923	-	57,830	64,130	6,300
Passed Through Oregon Department of Community Colleges and Workforce Development:							
OCCWD Pathways 2-07	17.267	IGA06315	72,470	9,315	72,456	63,141	-
OCCWD Pathways Round 3 1-08	17.267	IGA06368	50,000	-	15,568	37,387	21,819

LANE COMMUNITY COLLEGE

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2007

	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue July 1, 2006	Receipts	Expenditures	Accrued (Deferred) Revenue June 30, 2007
Passed Through Linn-Benton Community College:							
Pathways Alliance 12-06	17.260	GRNT06111	\$ 25,000	\$ -	\$ 24,686	\$ 24,686	\$ -
Passed Through Lane Workforce Partnership:							
LWP/WIA 6-06	17.260	25201	434,061	72,115	72,115	-	-
LWP/WIA 6-06	17.258	25201	163,216	30,642	30,642	-	-
LWP/WIA 6-07	17.260	26201 (Mod 4)	304,547	-	269,387	296,004	26,617
LWP/WIA 6-07	17.258	26201 (Mod 4)	260,587	-	229,477	252,151	22,674
Total U.S. Department of Labor				112,072	772,161	737,499	77,410
<u>U. S. DEPARTMENT OF HEALTH & HUMAN SERVICES:</u>							
Passed Through Oregon Childcare Resource & Referral Network:							
LFC/CCD Network 6-07	93.575	CCD05-07RR06-01	351,676	45,015	191,829	200,375	53,561
LFC/DHS-ICCP 6-07	93.575	DHS05-07RR06	164,155	20,859	84,132	85,578	22,305
Passed Through Oregon Department of Human Services:							
LFC/DHS-JOBS 6-08	93.558	114184	49,000	9,638	27,745	24,327	6,220
Progress 6-07	93.558	113812	195,862	14,931	69,011	82,484	28,404
Passed Through HIV Alliance:							
HIVA Dental Clinic 8-07	93.928	H97HA07526-01-00	201,856	-	-	32,544	32,544
Passed Through Lane Workforce Partnership:							
Jobs/WTW 6-06	93.558	25303	94,850	12,651	12,651	-	-
Jobs/WTW 6-07	93.558	26302	94,850	-	81,391	88,905	7,514
Passed Through Lane County Commission on Children and Families:							
LFC/CCF 6-07	93.575		99,760	13,435	52,762	55,808	16,481
Passed Through Lane County:							
LFC/SIG 6-06	93.243	220361 Amend #1	73,944	20,808	20,808	-	-
LFC/SIG 12-06	93.243	220361 Amend #2	56,269	-	56,268	56,268	-
Total U.S. Department of Health & Human Services				137,337	596,597	626,289	167,029
Total all programs				\$ 1,358,136	\$ 35,516,099	\$ 35,767,469	\$ 1,609,506

Note To Schedule of Expenditures of Federal Awards:

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

LANE COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007

A - SUMMARY OF AUDIT RESULTS:

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

<u>Program Name</u>	<u>CFDA Number</u>
Student Financial Aid Cluster:	
Supplemental Educational Opportunity Grants	84.007
College Work Study	84.033
Perkins Loans	84.038
Pell Grant	84.063
Federal Direct Student Loan	84.268
Workforce Investment Act	17.258 to 17.260

8. The threshold for distinguishing Type A programs from Type B programs was \$458,000.
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

Internal Control

Our report on the College's internal control over financial reporting is presented on pages 61 and 62 of this audit report.

Other Comments and Disclosures

In connection with our audit, nothing came to our attention that caused us to believe the College was not substantially in compliance with:

- ORS Chapter 295 regarding collateral securing depository balances,
- ORS 294.035 regarding the investment of surplus public funds,
- the legal requirements relating to debt,
- ORS 294.305 to 294.565 in the preparation and adoption of its budget for the fiscal years ending June 30, 2007 and June 30, 2008, and the execution of its budget for the fiscal year ended June 30, 2007,
- ORS Chapter 279 in the awarding of public contracts and the construction of public improvements,
- the appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies,

except as follows:

- As discussed in Note 11 to the financial statements, the College overexpended an appropriation in one fund.

However, it should be noted that our audit was not directed primarily toward obtaining knowledge of noncompliance with such requirements.

Additionally, we make the following comments:

- The accounting records are generally adequate for the needs of the College.
- We have reviewed the College's insurance and fidelity bond coverage for compliance with legal requirements. Since we are not experts in insurance matters, we make no representation as to the adequacy of such coverage.

COMMENDATION

The courteous assistance and cooperation extended to us by employees and officials of the College during the course of the audit are sincerely appreciated.