

**LANE COMMUNITY COLLEGE
EUGENE, OREGON**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2010**

**LANE COMMUNITY COLLEGE
EUGENE, OREGON**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2010**

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

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION:	
Letter of Transmittal	i to iv
Board of Education and Administration	v
Organizational Chart	vi
Certificate of Achievement for Excellence in Financial Reporting	vii
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 Early Retirement Plan And Postemployment Health Care Benefits 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 Value and Estimated Actual Value Of Taxable Property		46
Direct and Overlapping Property Tax Rates		47 to 48
Principal Taxpayers		49
Tuition Rates and Enrollment Statistics		50
Computation of Legal Debt Margin		51
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita		52
Overlapping Debt Schedule		53
Outstanding Debt		54
Demographic and Economic Statistics		55
Principal Employers for Lane County		56
Enrollment Statistic		57
Certificates and Degrees Granted		58
Average Number of Contracted Employees		59

**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* 60 to 61

Independent Auditor's Report on Compliance With Requirements
That Could Have a Direct and Material Effect on Each Major
Program and on the Internal Control Over Compliance in
Accordance With OMB Circular A-133 62 to 63

Schedule of Expenditures of Federal Awards 64 to 67

Schedule of Findings and Questioned Costs 68

INDEPENDENT AUDITOR'S COMMENTS:

Independent Auditor's Comments Required By Oregon State Regulations 69 to 70

(This page intentionally left blank)

INTRODUCTORY SECTION

(This page intentionally left blank)



December 8, 2010

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, 2010, 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, 2010, and for the year then ended.

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

College Description

Lane Community College is a comprehensive, two-year, public college founded in 1964. Lane serves a 4,600 square-mile area from the Cascade Mountains to the Pacific Ocean. The district has a population of approximately 351,000. In recent years, more than 38,000 people take one or more classes at Lane each year (unduplicated headcount). Congruent with its mission, Lane offers a broad range of educational programs leading to four associate degrees: associate of arts/Oregon transfer, associate of science, associate of general studies, and associate of applied science. All Lane educational programs are based on recognized fields of study and are approved by the Oregon Department of Community College and Workforce Development as sufficient in content and length. The College is the second largest of Oregon's seventeen community colleges.

College Mission

Lane is the community's college:

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

Programs

Lane Community College has five major areas of study:

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

Economy

Lane County is larger than Delaware and Rhode Island combined. Although 90 percent of Lane County is forestland, Eugene and Springfield combined are the second largest urban area in Oregon. The principal industries in Lane County are agriculture, higher education, high technology, forest products, recreation, health care, and tourism. Lane County is the home of the University of Oregon and several high tech companies, in addition to forest products companies such as Weyerhaeuser. According to the Oregon Office of Economic Analysis (OOEA) Oregon's per capita income is estimated at \$35,667 compared to the United States per capita income of \$38,500. Oregon's economic analysis for 2010 forecasts employment to grow slowly. Decreasing housing starts and further declines in home values nationally will likely continue to impact the Lane County building material's industries. Population growth is expected to be slightly higher than the U.S. average, but much slower than the growth experienced in the mid-1990's. Other financial and demographic information can be found in the Statistical Section of Lane Community College's CAFR and budget document.

Governing Bodies

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

Oregon State Board of Education

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

College Management

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

Accreditation

The Northwest 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 career-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 normally employs a full time internal auditor to coordinate internal control processes throughout the college. The position became vacant at the end of the fiscal year due to internal promotion but the college is pursuing options to fill the role until a replacement is found. The primary strategy to improve internal controls is education of staff on tools available to improve financial management and process improvement. Another strategy implemented recently is an ongoing program of data testing of records and transactions by audit software to efficiently identify items needing closer review.

Awards

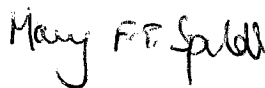
The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to Lane Community College for its comprehensive annual financial report for the fiscal year ended June 30, 2009. In order to be awarded a Certificate 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, 2009. Both awards have been received for five consecutive years in a row, an unprecedented achievement by an Oregon Community College for both awards in the same years.

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

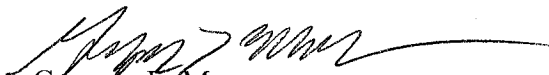
Acknowledgments

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

Sincerely,



Mary F. T. Spilde
President



Gregory L. Morgan
Chief Financial Officer

LANE COMMUNITY COLLEGE

June 30, 2010

Board of Education

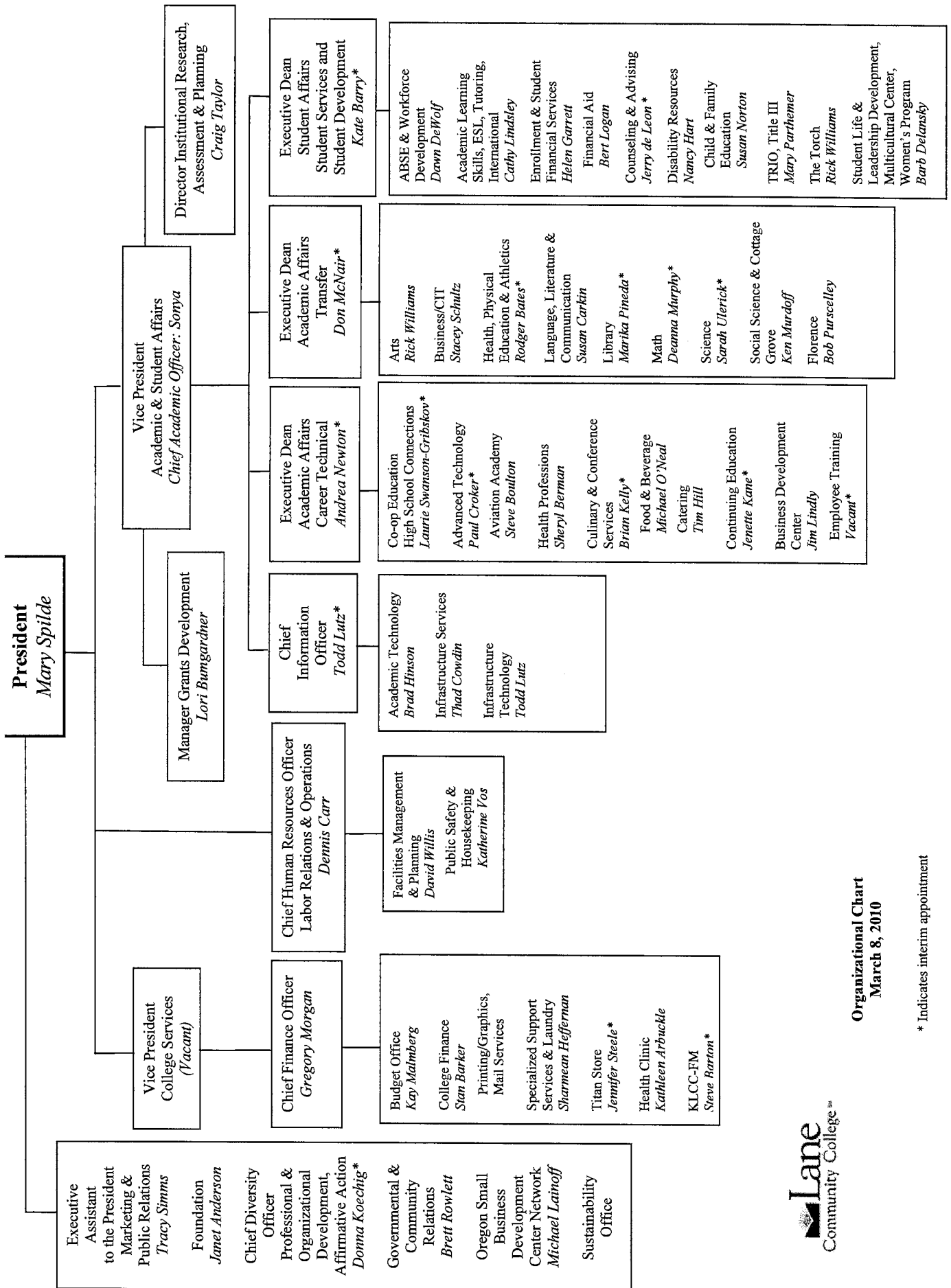
<u>Official</u>	<u>Address</u>	<u>Office</u>
Pat Albright	2712 Jackson Street Eugene, Oregon 97405	Chair
Tony McCown	666 Loan Oak Avenue Eugene, Oregon 97404	Vice Chair
Robert Ackerman	PO Box 41749 Eugene, Oregon 97404	Member
Roger C. Hall	3275 Bryceler Drive Eugene, Oregon 97405	Member
Susie Johnston	PO Box 915 Pleasant Hill, Oregon 97455	Member
Gary LeClair	3100 MLK Jr Parkway Springfield, Oregon 97477	Member
Sharon Stiles	642 35 th Court Florence Oregon 97439	Member

Administration

Mary F.T. Spilde President

Gregory L. Morgan Chief Financial Officer

Lane Community College 2009-2010



Organizational Chart
March 8, 2010

* Indicates interim appointment



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lane Community College
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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

(This page intentionally left blank)

FINANCIAL SECTION

(This page intentionally left blank)

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 19, 2010

Board of Education
Lane Community College
Eugene, Oregon

We have audited the statement of net assets of Lane Community College as of June 30, 2010, 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, 2010, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2010 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.

Management's discussion and analysis on pages 3 through 9 and the schedule of funding progress on page 30 are not a required part of the basic financial statements but are 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, statistical section, and schedule of expenditures of federal awards required by OMB Circular A-133 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information and schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are 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.

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

Management's Discussion and Analysis

(This page intentionally left blank)

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, 2010. This overview has been prepared by management, along with the financial statements and related note disclosures, and should be read in conjunction with them. The financial statements, notes to the financial statements and this discussion are the responsibility of management.

Overview of the Financial Statements

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

- *The Statement of Net Assets*, which presents the College's financial position at the end of the year and includes all assets and liabilities. The difference between total assets and total liabilities – Net Assets – is an indicator of the College's present financial condition. Over time, increases or decreases in the College's net assets show whether its financial health is improving or deteriorating. Assets and liabilities are generally measured using current values; capital assets are stated at historical cost, less an allowance for depreciation.
- *The Statement of Revenues, Expenses and Changes in Net Assets*, which presents the College's operating results for the year. Revenues and expenses are generally reported using the accrual method of accounting, which records transactions as soon as they occur, regardless of when cash is exchanged. Usage of capital assets is reported as depreciation expense, which amortizes the cost of assets over their estimated useful lives. Revenues and expenses are reported as either operating or non-operating. Operating revenues come primarily from tuition, auxiliary enterprises (such as the Bookstore), and 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, 2010 the College's assets exceeded its liabilities by \$113,721,925 (*Net Assets*). Of this amount, \$34,830,818 is classified as unrestricted net assets. These unrestricted net assets may be used to meet the College's ongoing obligations. The largest component (\$71,599,531) 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 55.56% increase from 2009. 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 pension asset experienced an \$8,485,672 gain due to market conditions.
- The College's net assets increased from the prior year.

Analysis of the Statement of Net Assets As of June 30, 2010

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:

	2010	2009	% Change
Assets			
Current assets	\$ 86,338,811	\$ 70,959,092	21.67%
Pension asset	53,594,844	50,674,766	5.76%
Capital assets, net	78,371,878	64,076,784	22.31%
Other noncurrent assets	9,527,724	17,979,490	-47.01%
Total assets	\$ 227,833,257	\$ 203,690,132	11.85%
Liabilities			
Current liabilities	\$ 24,216,576	\$ 22,342,351	8.39%
Noncurrent liabilities	89,894,756	95,195,667	-5.57%
Total liabilities	114,111,332	117,538,018	-2.92%
Net Assets			
Invested in capital assets, net of related debt	71,599,531	62,199,844	15.11%
Restricted	7,291,576	6,588,984	10.66%
Unrestricted	34,830,818	17,363,286	100.60%
Total net assets	113,721,925	86,152,114	32.00%
Total liabilities and net assets	\$ 227,833,257	\$ 203,690,132	11.85%

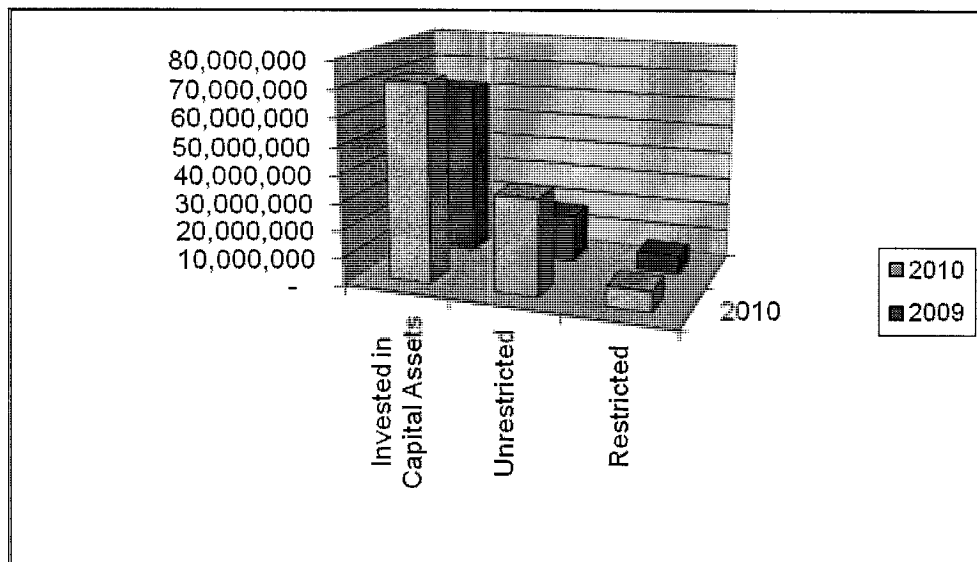
At June 30, 2010 the College's current assets of \$86.3 million was sufficient to cover current liabilities of \$24.2 million. This represents a current ratio of 3.6. Current assets consist primarily of cash and cash equivalents, investments, receivables from property taxes, student accounts and grants, plus bookstore inventory. The College's noncurrent asset of \$53.6 million is its pension

asset, created when the College paid into a PERS investment account used to cover a portion of the College’s unfunded actuarial liability. Also included in noncurrent assets is capital assets (land, buildings, machinery and equipment), net of accumulated depreciation, used to provide services to students.

Current liabilities consisted primarily of payroll, interest and operating payables, plus the current portion (\$9,202,126) 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 \$71,599,531 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, 2010

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:

	2010	2009	Percent Change
Operating revenues:			
Student tuition and fees	\$ 45,582,278	\$ 34,986,270	30.29%
Grants and contracts	103,796,815	71,337,909	45.50%
Sales of goods and services	12,019,997	10,076,217	19.29%
Other operating revenue	6,918,513	5,997,134	15.36%
Total operating revenues	168,317,603	122,397,530	37.52%
Nonoperating revenues:			
State community college support	35,901,437	23,078,963	55.56%
Property taxes	21,662,536	20,936,965	3.47%
Investment income	9,093,894	708,929	1182.77%
Total revenues	234,975,470	167,122,387	40.60%
Operating expenses:			
Instruction	54,650,662	49,007,701	11.51%
Community services	5,086,857	5,846,678	-13.00%
Instructional support services	4,704,212	4,197,496	12.07%
Student services	22,526,789	19,246,710	17.04%
College support services	11,953,269	13,697,310	-12.73%
Plant operations and maintenance	18,775,624	10,520,521	78.47%
Financial aid	91,516,254	60,438,090	51.42%
Depreciation	2,741,972	2,634,292	4.09%
Total operating expenses	211,955,639	165,588,798	28.00%
Nonoperating expenses	4,747,810	19,549,273	-75.71%
Total expenses	216,703,449	185,138,071	17.05%
Income (loss) before contributions	18,272,021	(18,015,684)	201.42%
Capital contributions	9,297,790	3,168,405	193.45%
Change in net assets	\$ 27,569,811	\$ (14,847,279)	285.69%

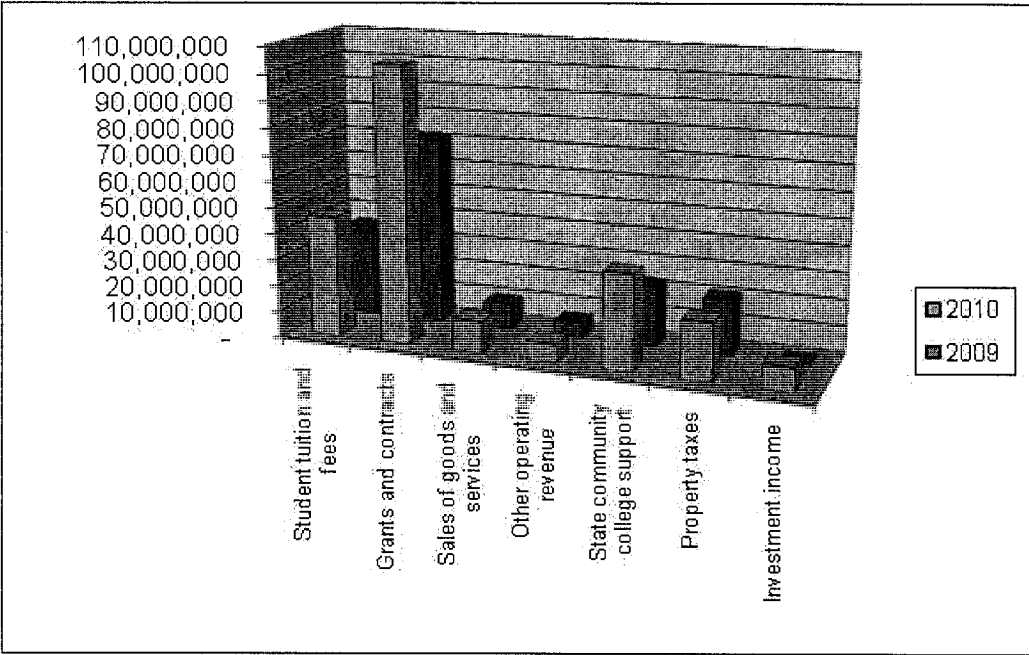
Revenues:

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.

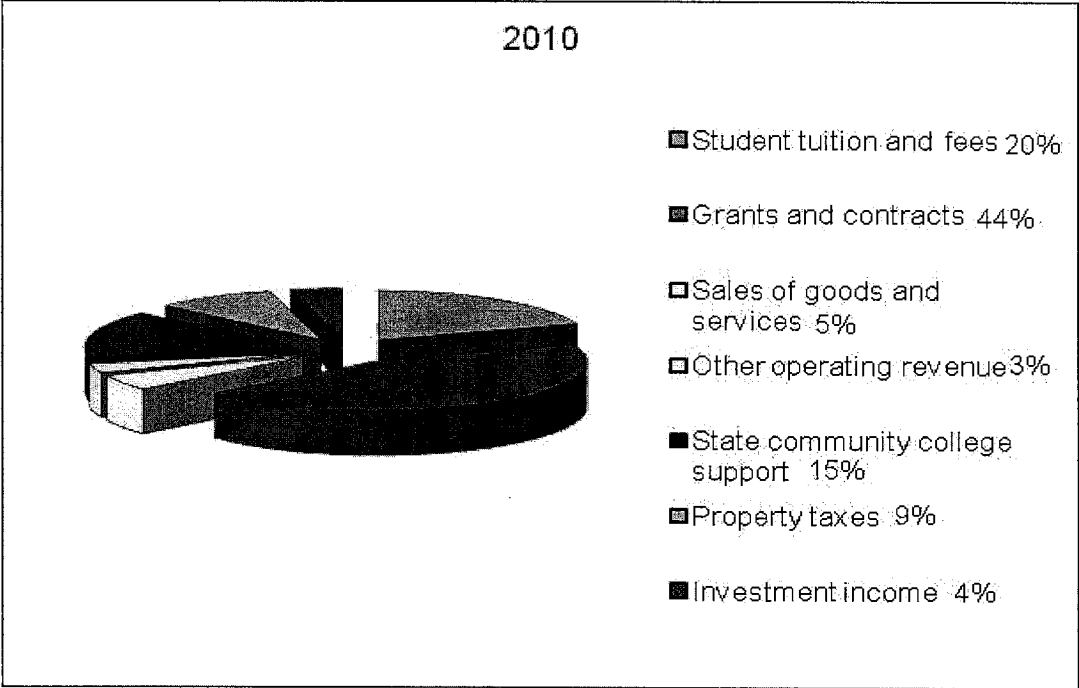
Appropriations from the State of Oregon constitute the largest share of non-operating revenue. The College received \$35,901,437 in State aid in this fiscal year, which represented a 55.56% increase from the prior year. The reason for this stems from the 2003 legislative session, in which the Oregon Legislature acted to defer their fourth quarterly payment from April until July in odd numbered years. The fourth quarterly payment for 2009 was shifted from April to July. This increased the College's revenue by \$7,809,684 in 2010 and thus shifted it from 2009. This

decreased the College's revenue in 2009 and increased it in 2010. This produces the large disparity in State aid between 2009 and 2010.

The following graph shows a comparison of revenue sources from 2009 to 2010:



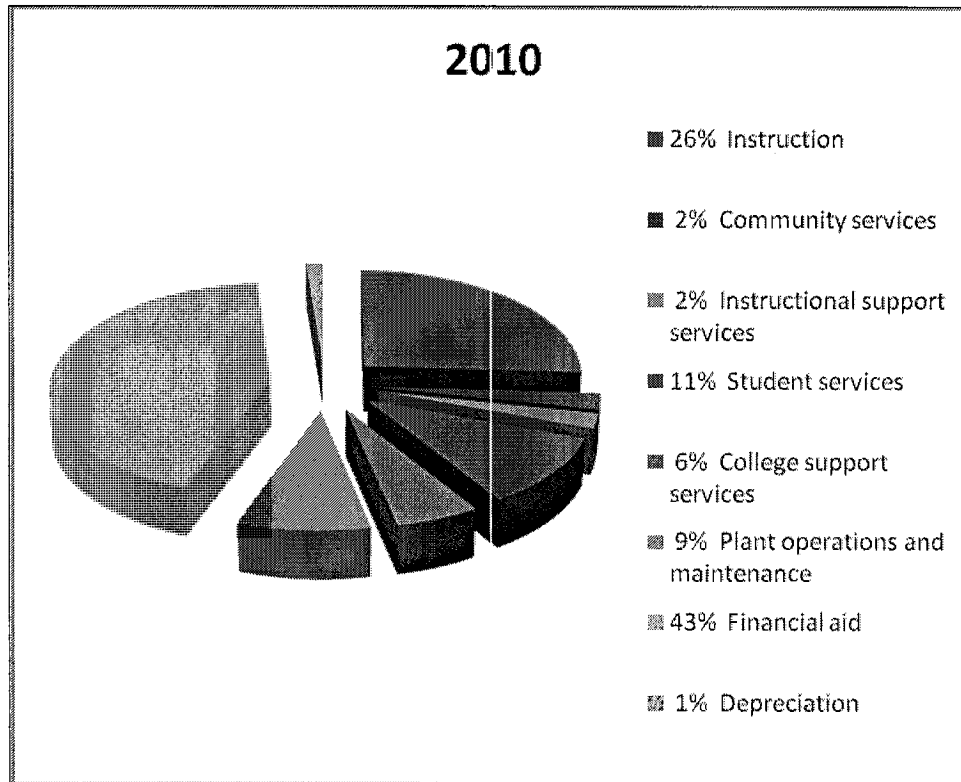
The following graph shows the percentage allocation of revenue sources for 2010:



Expenses:

The College expended \$211,955,639 on salaries and benefits, materials and services, utilities, scholarships and depreciation. Financial aid represents the largest percentage of total expenses.

The following graph shows the percentage allocation of operating expenses for 2010:



**Analysis of the Statement of Cash Flows
For the Year Ended June 30, 2010**

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:

	2010	2009	Percent Change
Cash provided by (used in)			
Operating activities	\$ (36,203,887)	\$ (31,689,843)	14.24%
Non-capital financing activities	54,136,736	40,720,862	32.95%
Capital financing activities	(15,978,995)	36,283,161	-144.04%
Investing activities	6,072,196	(33,608,377)	118.07%
Net increase (decrease) in cash	8,026,050	11,705,803	-31.44%
Cash - beginning of year	33,469,908	21,764,105	53.78%
Cash - end of year	<u>\$ 41,495,958</u>	<u>\$ 33,469,908</u>	23.98%

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 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, 2010 amounts to \$78.4 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, 2010 the College had total long-term obligations outstanding of \$97,728,528. Additional information pertaining to the College's long-term obligations is located in note 4 to these financial statements.

Contacting the College's Financial Management

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

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

(This page intentionally left blank)

Basic Financial Statements

LANE COMMUNITY COLLEGE

Statement of Net Assets
June 30, 2010

<u>Assets</u>	<u>College</u>	<u>Foundation (Component Unit)</u>
Current assets:		
Cash and cash equivalents	\$ 41,495,958	\$ 2,123,088
Investments	24,161,341	-
Receivables, net:		
Property taxes	1,426,862	-
Accounts	16,883,695	1,828,164
Loans and notes, current portion	450,000	12,224
Accrued interest	250,135	-
Prepayments	436,490	19,325
Inventories	1,234,330	-
Total current assets	<u>86,338,811</u>	<u>3,982,801</u>
Noncurrent assets:		
Receivables, net	3,652,468	1,667,574
Long term investments	4,439,856	7,921,215
Pension asset	53,594,844	-
Net pension obligation	736,359	-
Deferred charges	699,041	-
Investment in property, annuity trust	-	787,200
Capital assets:		
Land	5,695,521	-
Construction in progress	17,701,159	-
Buildings and improvements	83,678,122	-
Furniture and equipment	7,528,616	-
Library books	4,567,122	-
Less accumulated depreciation	<u>(40,798,662)</u>	<u>-</u>
Total noncurrent assets	<u>141,494,446</u>	<u>10,375,989</u>
Total assets	<u>227,833,257</u>	<u>14,358,790</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	5,697,936	344,977
Accrued liabilities	4,462,772	-
Accrued interest payable	63,109	-
Due to others	132,095	-
Unearned revenue	4,658,538	43,622
Current maturities of long-term obligations	<u>9,202,126</u>	<u>110,000</u>
Total current liabilities	<u>24,216,576</u>	<u>498,599</u>
Noncurrent liabilities:		
Long-term obligations, net of current maturities:		
Pension bonds payable	51,871,402	-
General obligation bonds payable	36,655,000	-
General obligation bonds premium	843,516	-
Net OPEB obligation	524,838	-
Obligations under split-interest agreements	<u>-</u>	<u>457,753</u>
Total noncurrent liabilities	<u>89,894,756</u>	<u>457,753</u>
Total liabilities	<u>114,111,332</u>	<u>956,352</u>
<u>Net Assets</u>		
Invested in capital assets, net of related debt	<u>71,599,531</u>	<u>-</u>
Restricted for debt service	1,534,232	-
Restricted for student financial aid	5,502,512	-
Restricted for grants and contracts	254,832	-
Restricted for permanent endowment	-	8,324,135
Restricted for temporary endowment and scholarships	<u>-</u>	<u>4,249,190</u>
Total restricted net assets	<u>7,291,576</u>	<u>12,573,325</u>
Unrestricted	34,830,818	829,113
Total net assets	<u>\$ 113,721,925</u>	<u>\$ 13,402,438</u>

The accompanying notes are an integral part of this statement.

LANE COMMUNITY COLLEGE

Statement of Revenues, Expenses and Changes in Net Assets
Year Ended June 30, 2010

	<u>College</u>	<u>Foundation (Component Unit)</u>
Operating revenues:		
Student tuition and fees	\$ 45,582,278	\$ -
Grants and contracts	103,796,815	-
Sales of goods and services	12,019,997	-
Other operating revenue	<u>6,918,513</u>	<u>3,371,740</u>
Total operating revenues	<u>168,317,603</u>	<u>3,371,740</u>
Operating expenses:		
Instruction	54,650,662	-
Community services	5,086,857	-
Instructional support services	4,704,212	-
Student services	22,526,789	-
College support services	11,953,269	-
Plant operations and maintenance	18,775,624	-
Financial aid	91,516,254	-
Foundation programs	-	6,054,986
Depreciation	<u>2,741,972</u>	<u>-</u>
Total operating expenses	<u>211,955,639</u>	<u>6,054,986</u>
Operating income-(loss)	<u>(43,638,036)</u>	<u>(2,683,246)</u>
Nonoperating revenues-(expenses):		
State community college support	35,901,437	-
Property taxes	21,662,536	-
Investment income	608,222	766,435
Investment income from pension asset	8,485,672	-
Interest expense	(4,718,909)	-
Loss on disposal of capital assets	<u>(28,901)</u>	<u>-</u>
Total nonoperating revenues-(expenses)	<u>61,910,057</u>	<u>766,435</u>
Income-(loss) before contributions	18,272,021	(1,916,811)
Capital contributions	<u>9,297,790</u>	<u>-</u>
Change in net assets	27,569,811	(1,916,811)
Net assets - July 1, 2009	<u>86,152,114</u>	<u>15,319,249</u>
Net assets - June 30, 2010	<u>\$ 113,721,925</u>	<u>\$ 13,402,438</u>

The accompanying notes are an integral part of this statement.

LANE COMMUNITY COLLEGE

Statement of Cash Flows
Year Ended June 30, 2010

	<u>College</u>
Cash flows from operating activities:	
Tuition and fees	\$ 45,564,342
Grants and contracts	102,845,135
Sales of goods and services	12,203,602
Other cash receipts	7,311,180
Payments to employees for services	(78,803,664)
Payments to suppliers for goods and services	(34,705,668)
Payments for student scholarships and grants	<u>(90,618,814)</u>
Net cash used in operating activities	<u>(36,203,887)</u>
Cash flows from noncapital financing activities:	
Cash received from State community college support	35,901,437
Cash received from property taxes	21,514,548
Principal paid on pension bonds	(1,750,000)
Interest paid on pension bonds	<u>(1,529,249)</u>
Net cash provided by noncapital financing activities	<u>54,136,736</u>
Cash flows from capital and related financing activities:	
Capital grants received	6,337,405
Proceeds from sale of capital assets	2,298
Acquisition of capital assets	(15,925,699)
Principal paid on bonds and debt obligations	(4,765,000)
Interest paid on bonds and debt obligations	<u>(1,627,999)</u>
Net cash used in capital and related financing activities	<u>(15,978,995)</u>
Cash flows from investing activities:	
Sale of investments	5,647,231
Interest on investments	<u>424,965</u>
Net cash provided by investing activities	<u>6,072,196</u>
Net increase in cash and cash equivalents	8,026,050
Cash and cash equivalents - July 1, 2009	<u>33,469,908</u>
Cash and cash equivalents - June 30, 2010	<u>\$ 41,495,958</u>
Reconciliation of operating income-(loss) to net cash used in operating activities:	
Operating income-(loss)	<u>\$ (43,638,036)</u>
Adjustments to reconcile operating income-(loss) to net cash used in operating activities:	
Depreciation	2,741,972
Amortization	5,547,906
Decrease-(increase) in:	
Accounts receivable	(1,077,684)
Loans and notes receivable	(333,330)
Inventories	91,861
Prepaid expenses	(59,446)
Net pension obligation	108,665
Increase-(decrease) in:	
Accounts payable	(423,027)
Accrued liabilities	(270,383)
Vacation payable	82,525
Due to others	7,420
Unearned revenue	<u>1,017,670</u>
Total adjustments	<u>7,434,149</u>
Net cash used in operating activities	<u>\$ (36,203,887)</u>
Noncash Investing, Capital and Financing Activities:	
Investment income from pension asset	\$ 8,485,672
Pension asset	(8,485,672)
Book value of capital assets disposed	31,199
Loss on disposal of capital assets	<u>(31,199)</u>
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, 2010

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, 2010, the Foundation provided scholarships of \$631,560 for the benefit of the College. The College provided personnel and administrative contributions to the Foundation totaling \$237,434 during the year. Complete financial statements for the Foundation can be obtained at: 4000 East 30th Avenue, Eugene, Oregon 97405-0640.

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Contd)

(C) Basis of Accounting

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

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

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

(D) Use of Estimates

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

(E) Investments

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

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2010

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Contd)

(E) Investments (Contd)

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

(F) Property Taxes Receivable

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

(G) Accounts, Grants and Loans Receivable

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

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

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

(H) Inventories

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

(I) Capital Assets

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

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2010

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, 2010

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Contd)

(L) Retirement Plans

Other Postemployment Benefits

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

(M) Restricted Net Assets

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

2 - CASH AND INVESTMENTS:

The College's cash and investments are comprised of the following at June 30, 2010:

Cash on hand and other	\$ 79,416
Deposits with financial institutions	8,296,197
Investments	<u>62,079,668</u>
Total cash and investments	70,455,281
Less cash and investments in pension trust fund	<u>(358,126)</u>
Cash and investments, as reported in statement of net assets	<u><u>\$70,097,155</u></u>

Deposits

Deposits with financial institutions are bank demand deposits and certificates of deposit. The total bank balance, as shown on the banks' records at June 30, 2010, is \$9,708,926. Of these deposits, \$462,835 was covered by federal depository insurance.

Notes to Financial Statements
Year Ended June 30, 2010

2 - CASH AND INVESTMENTS: (Contd)

Effective July 1, 2008, the Oregon State Treasurer became responsible for monitoring public funds held by bank depositories in excess of FDIC insured amounts, and for assuring that public funds on deposit are collateralized to the extent required by Oregon Revised Statutes (ORS) Chapter 295. ORS Chapter 295 requires depository banks to place and maintain on deposit with a third-party custodian bank securities having a value of 10%, 25% or 110% of public funds on deposit depending primarily on the capitalization level of the depository bank.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the College's deposits may not be returned to it. The College does not have a policy for deposits custodial credit risk. Of the College's bank balance, \$9,246,091 was exposed to custodial credit risk as of June 30, 2010, because deposits in excess of FDIC insurance were uncollateralized and/or were collateralized but not held by the third-party custodian bank in the College's name.

Investments

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

	Fair Value	Percent	Maturities	
			0-1 Year	1-2 Years
U.S. Government agencies securities:				
Federal Home Loan Bank	\$ 4,007,500	6.5%	\$ 4,007,500	\$ -
Corporate Debt	11,803,497	19.0%	7,363,641	4,439,856
Bankers' Acceptances	7,783,583	12.5%	7,783,583	-
Investment in Oregon Local Government				
Investment Pool	38,485,088	62.0%	38,485,088	-
Total investments	<u>\$62,079,668</u>	<u>100.0%</u>	<u>\$ 57,639,812</u>	<u>\$4,439,856</u>

Investments in U.S Government agencies securities were rated AAA by Standard & Poor's and/or Aaa by Moody's. Investments in corporate debt were rated AA+ to A by Standard & Poor's and Aa3 to A1 by Moody's. The banker's acceptances are not rated.

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

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, 2010 were: 77% mature within 93 days, 8% mature from 94 days to one year, and 15% mature from one to three years.

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

Foundation Cash and Investments

The Foundation's cash and cash equivalents consist of demand deposits with financial institutions. At June 30, 2010, \$1,374,233 of these cash balances was not covered by federal depository insurance.

The Foundation's investments consist of funds that are managed by professional fund managers chosen by the Board of Trustees and are invested in U.S. Government and agency obligations, corporate bonds, equity securities, mortgage-backed securities, money market accounts and certificates of deposit. These investments are carried at market or appraised value, and unrealized gains and losses are reflected in the statement of activities. A summary of investments at June 30, 2010 is as follows:

Money market/cash management accounts	\$ 182,063
Equity securities	5,075,262
U.S. Government and agency obligations	637,739
Corporate bonds	<u>2,026,151</u>
Total investments	<u><u>\$ 7,921,215</u></u>

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2010

3 - CAPITAL ASSETS:

The College's capital assets activity for the year ended June 30, 2010 was as follows:

	Balance July 1, 2009	Increases	Decreases	Balance June 30, 2010
Capital assets not being depreciated:				
Land	\$ 5,695,521	\$ -	\$ -	\$ 5,695,521
Construction in progress	6,757,666	16,652,684	5,709,191	17,701,159
Total capital assets not being depreciated	<u>12,453,187</u>	<u>16,652,684</u>	<u>5,709,191</u>	<u>23,396,680</u>
Capital assets being depreciated:				
Buildings and improvements	77,968,931	5,709,191	-	83,678,122
Furniture and equipment	7,588,328	265,947	325,659	7,528,616
Library books	4,417,488	149,634	-	4,567,122
Total capital assets being depreciated	<u>89,974,747</u>	<u>6,124,772</u>	<u>325,659</u>	<u>95,773,860</u>
Less accumulated depreciation for:				
Buildings and improvements	30,191,185	2,092,252	-	32,283,437
Furniture and equipment	4,466,670	488,961	294,460	4,661,171
Library books	3,693,295	160,759	-	3,854,054
Total accumulated depreciation	<u>38,351,150</u>	<u>2,741,972</u>	<u>294,460</u>	<u>40,798,662</u>
Total capital assets being depreciated, net	<u>51,623,597</u>	<u>3,382,800</u>	<u>31,199</u>	<u>54,975,198</u>
Total capital assets, net	<u>\$ 64,076,784</u>	<u>\$ 20,035,484</u>	<u>\$ 5,740,390</u>	<u>\$ 78,371,878</u>

4 - LONG-TERM OBLIGATIONS:

Changes in the College's long-term obligations for the year ended June 30, 2010 are as follows:

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010	Due Within One Year	Interest Paid
Vacation payable	\$ 2,834,601	\$ 2,917,126	\$ 2,834,601	\$ 2,917,126	\$ 2,917,126	\$ -
Bonds payable	45,000,000	-	3,985,000	41,015,000	4,360,000	1,596,159
Debt obligations payable	780,000	-	780,000	-	-	31,840
Pension bonds payable	54,012,195	1,534,207	1,750,000	53,796,402	1,925,000	1,529,249
Total	<u>\$ 102,626,796</u>	<u>\$ 4,451,333</u>	<u>\$ 9,349,601</u>	<u>\$ 97,728,528</u>	<u>\$ 9,202,126</u>	<u>\$ 3,157,248</u>

LANE COMMUNITY COLLEGE

Notes to Financial Statements
 Year Ended June 30, 2010

4 - LONG-TERM OBLIGATIONS: (Contd)

Bonds Payable

On November 4, 2008, voters approved authority for the College to issue \$83 million in general obligation bonds to be used to renovate outdated infrastructure and instructional technology. In June 2009, the College issued Series 2009 General Obligation Bonds in the original amount of \$45,000,000 to finance the costs of capital construction and improvements to District facilities and to pay the costs of issuance of the Bonds. The bonds will be retired from property taxes levied by the College. The bonds are due annually and interest is payable semi-annually, on June 15 and December 15, with interest rates ranging from 1.25% to 5.0%. Future bonded debt requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010-11	\$ 4,360,000	\$ 1,514,612	\$ 5,874,612
2011-12	4,745,000	1,430,475	6,175,475
2012-13	3,480,000	1,281,075	4,761,075
2013-14	3,780,000	1,176,675	4,956,675
2014-15	1,935,000	1,053,075	2,988,075
2015-16	2,105,000	979,800	3,084,800
2016-17	2,295,000	889,600	3,184,600
2017-18	2,480,000	792,063	3,272,063
2018-19	1,205,000	687,862	1,892,862
2019-20	1,180,000	637,163	1,817,163
2020-21	2,250,000	587,462	2,837,462
2021-22	3,460,000	490,713	3,950,713
2022-23	3,725,000	348,300	4,073,300
2023-24	4,015,000	180,675	4,195,675
Totals	<u>\$41,015,000</u>	<u>\$12,049,550</u>	<u>\$53,064,550</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:

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2010

4 - LONG-TERM OBLIGATIONS: (Contd)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	3,285,000	183,960	3,468,960
	<u>68,805,000</u>	<u>\$ 24,339,904</u>	<u>\$ 93,144,904</u>
Total	68,805,000	\$ 24,339,904	\$ 93,144,904
Less deferred interest	<u>(15,008,598)</u>		
Carrying amount	<u>\$ 53,796,402</u>		

Foundation Obligations under Split-Interest Agreements

The Foundation's obligations under split-interest agreements are recorded when incurred at the present value of the distributions to be made to the donor-designated beneficiaries. Distributions are paid over the lives of the beneficiaries or another specified period. Present values are determined using discount rates established by the Internal Revenue Service and actuarially determined expected lives. Obligations under the split-interest agreements are revalued annually at June 30 to reflect actual experience, but the discount rate is not changed. The net revaluations, together with any remaining recorded obligations after all trust obligations under terminated agreements have been met, are recorded as increases/decreases in contributions in the statement of activities. The net revaluation of split-interest agreements at June 30, 2010 was \$(3,807).

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2010

5 - RETIREMENT PLANS:

STATE OF OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM:

Plan Description

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

Funding Policy

PERS members are required to contribute 6% of their annual covered salary. The College is required to contribute an actuarially determined rate. The current rate is 12.01% (including 11.72% contributed from the pension asset) of annual covered payroll for member employees of the State and Local Government Rate Pool. The current rate is 12.65% (including 12.46% contributed from the pension asset) of annual covered payroll for member employees of the Oregon Public Service Retirement Plan. The contribution requirements of plan members and the College are established and may be amended by the Public Employees Retirement Board. The College's contributions to PERS (including contributions from the pension asset) for the years ending June 30, 2010, 2009 and 2008, totaled \$5,727,290, \$6,564,287 and \$6,567,576, respectively, equal to the required contributions.

Pension Asset

The pension asset is the result of the transfer of the College's pension bond proceeds to PERS to cover a portion of the College's share of the cost sharing plan's unfunded actuarial liability. This pension asset is separately reported by PERS and is being used to pay a portion of the College's annual required contribution. During the 2009-10 fiscal year, changes in the pension asset were as follows:

Balance - July 1, 2009	\$ 50,674,766
Investment income	8,485,672
Contributions to cost sharing plan	<u>(5,565,594)</u>
Balance - June 30, 2010	<u>\$ 53,594,844</u>

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

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2010

5 - RETIREMENT PLANS: (Contd)

EARLY RETIREMENT PLAN:

Plan Description

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

Funding Policy

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

Annual Pension Cost and Net Pension Obligation

The College's annual pension cost and net pension obligation to the plan for the year ended June 30, 2010, are as follows:

Annual required contribution	\$ 87,507
Interest on net pension obligation	(36,670)
Adjustment to annual required contribution	<u>132,287</u>
Annual pension cost	183,124
Contribution made	<u>(104,593)</u>
Increase-(decrease) in net pension obligation	78,531
Net pension obligation - July 1, 2009	<u>(814,890)</u>
Net pension obligation - June 30, 2010	<u>\$ (736,359)</u>

5 - RETIREMENT PLANS: (Contd)

EARLY RETIREMENT PLAN: (CONTD)

The annual required contribution for the year was determined as part of the July 1, 2009 actuarial valuation using the aggregate actuarial cost method. The aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities. Information about funded status and funding progress is presented using the entry age actuarial cost method and is intended to serve as a surrogate for the funded status and funding progress of the plan. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 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 Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6-30-10	\$ 183,124	57%	\$ (736,359)
6-30-09	\$ 212,921	49%	\$ (814,890)
6-30-08	\$ 230,792	45%	\$ (923,218)

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 56 percent funded. The actuarial accrued liability for benefits was \$1,134,064, and the actuarial value of assets was \$633,346, resulting in an unfunded actuarial accrued liability (UAAL) of \$500,718. The anticipated covered payroll (annual payroll of active employees covered by the plan) was \$13,506,705, and the ratio of the UAAL to the anticipated covered payroll was 3.71%.

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

PENSION TRUST FUND STATEMENTS:

A separate, audited report is not available for the plan. Information regarding the pension trust funds, which are not included in the basic financial statements, is detailed, as of and for the year ended June 30, 2010, in the following table:

LANE COMMUNITY COLLEGE

Notes to Financial Statements
 Year Ended June 30, 2010

5 - RETIREMENT PLANS: (Contd)

EARLY RETIREMENT PLAN: (CONTD)

Statement of Plan Net Assets:

Assets:	
Cash and investments	\$ 358,126
<hr/>	
Net assets:	
Reserved for employee benefits	\$ 358,126
<hr/>	

Statement of Changes in Plan Net Assets:

Additions:	
Employer contributions	\$ 104,593
Interest income	3,324
<hr/>	
Total additions	107,917
Deductions:	
Benefits	383,137
<hr/>	
Change in net assets	(275,220)
Net assets - beginning	633,346
<hr/>	
Net assets - ending	\$ 358,126
<hr/>	

6 – POSTEMPLOYMENT HEALTH CARE BENEFITS:

Plan Description

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

Funding Policy

The College contributes to the premiums for eligible retirees up to the employer paid maximum at the time of retirement. If the insurance premium exceeds the College maximum, the balance is paid by the retiree. There is no obligation on the part of the College to fund these benefits in advance. Funding is on a pay-as-you-go basis. The College made \$1,055,013 in contributions to the plan for payment of benefits in 2009-10.

6 – POSTEMPLOYMENT HEALTH CARE BENEFITS: (Contd)

Annual OPEB Cost and Net OPEB Obligation

The College's annual pension cost and net pension obligation to the plan for the year ended June 30, 2010, are as follows:

Annual required contribution	\$ 1,113,624
Interest on net OPEB obligation	22,173
Adjustment to annual required contribution	<u>(50,650)</u>
Annual OPEB cost	1,085,147
Contribution made	<u>(1,055,013)</u>
Increase in net OPEB obligation	30,134
Net OPEB obligation - July 1, 2009	<u>494,704</u>
Net OPEB obligation - June 30, 2010	<u><u>\$ 524,838</u></u>

The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ending June 30, 2010 and 2009, were as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2010	\$ 1,085,147	97.2%	\$ 524,838
6/30/2009	\$ 1,596,238	69.0%	\$ 494,704

Funded Status and Funding Progress

As of July 1, 2009, the actuarial accrued liability for benefits was \$7,526,096 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$7,526,096. The covered payroll (annual payroll of active employees covered by the plan) was \$13,506,705 and the ratio of the UAAL to the covered payroll was 55.72%.

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

6 – POSTEMPLOYMENT HEALTH CARE BENEFITS: (Contd)

Actuarial Methods and Assumptions

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

In the actuarial valuation conducted as of July 1, 2009, the projected unit credit actuarial cost method was used. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 4.5% compounded annually, and (b) annual rate of increase in medical care costs of 8.5%, decreasing to 4.5% after 20 years. The UAAL is being amortized as a level dollar over an open thirteen year period.

7 - CONTINGENCIES:

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

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

8 - RISK MANAGEMENT:

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

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

LANE COMMUNITY COLLEGE

Notes to Financial Statements
Year Ended June 30, 2010

9 – 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, 2010, the Board approved transfer resolutions as allowed by state law.

During the 2009-10 fiscal year, the College overexpended an appropriation in the Debt Service Fund by \$121,146.

(This page intentionally left blank)

Required Supplementary Information

LANE COMMUNITY COLLEGE

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Anticipated Covered Payroll</u>	<u>Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll</u>
Early Retirement Plan:						
7/1/2009	\$ 633,346	\$ 1,134,064	\$ 500,718	56%	\$ 13,506,705	3.71%
7/1/2007	\$ 1,248,514	\$ 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. The College receives an actuarial valuation every two years.

Postemployment Health Care Benefits Plan:

7/1/2009	\$ -	\$ 7,526,096	\$ 7,526,096	0%	\$ 13,506,705	55.72%
7/1/2007	\$ -	\$ 10,755,055	\$ 10,755,055	0%	\$ 15,013,801	71.63%

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

Other Supplementary Information

Description of Budgeted College Funds

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, 2010

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$28,092,180	\$35,901,437	\$ 7,809,257
Property taxes	14,000,000	15,635,210	1,635,210
Tuition and fees:			
Tuition	32,385,562	33,092,719	707,157
Instruction fees	3,820,715	4,538,337	717,622
Other sources:			
Sales of goods and services	421,800	281,976	(139,824)
Interest income	350,000	141,452	(208,548)
Fees	385,928	411,547	25,619
Other	2,177,517	1,000,398	(1,177,119)
Total revenues	81,633,702	91,003,076	9,369,374
Expenditures:			
Instruction:			
Personal services	44,000,000	41,791,834	2,208,166
Materials and services	2,845,735	2,499,954	345,781
Capital outlay	150,000	99,764	50,236
Total instruction	46,995,735	44,391,552	2,604,183
Instructional support services:			
Personal services	3,500,000	3,231,818	268,182
Materials and services	550,000	480,538	69,462
Capital outlay	126,000	119,697	6,303
Total instructional support services	4,176,000	3,832,053	343,947
Student services:			
Personal services	7,400,000	6,741,197	658,803
Materials and services	690,000	635,298	54,702
Capital outlay	100,000	-	100,000
Total student services	8,190,000	7,376,495	813,505
College support services:			
Personal services	8,500,000	4,941,550	3,558,450
Materials and services	4,150,000	4,608,232	(458,232)
Capital outlay	350,000	343,270	6,730
Total college support services	13,000,000	9,893,052	3,106,948

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
GENERAL FUND
Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures: (Contd)			
Plant operations and maintenance:			
Personal services	\$ 3,250,000	\$ 2,979,346	\$ 270,654
Materials and services	<u>3,000,000</u>	<u>2,652,284</u>	<u>347,716</u>
Total plant operations and maintenance	<u>6,250,000</u>	<u>5,631,630</u>	<u>618,370</u>
Total expenditures	<u>78,611,735</u>	<u>71,124,782</u>	<u>7,486,953</u>
Revenues over-(under) expenditures	<u>3,021,967</u>	<u>19,878,294</u>	<u>16,856,327</u>
Other financing sources-(uses):			
Transfers in	215,460	207,918	(7,542)
Transfers out	<u>(6,843,189)</u>	<u>(6,843,146)</u>	<u>43</u>
Total other financing sources-(uses)	<u>(6,627,729)</u>	<u>(6,635,228)</u>	<u>(7,499)</u>
Changes in fund balance	(3,605,762)	13,243,066	16,848,828
Fund balance - July 1, 2009	<u>3,605,762</u>	<u>327,270</u>	<u>(3,278,492)</u>
Fund balance - June 30, 2010	<u>\$ -</u>	<u>\$13,570,336</u>	<u>\$13,570,336</u>

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
ADMINISTRATIVELY RESTRICTED FUND
Year Ended June 30, 2010

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 25,000	\$ 30,258	\$ 5,258
Tuition and fees:			
Tuition	600,000	489,506	(110,494)
Instruction fees	6,182,235	4,616,818	(1,565,417)
Other sources:			
Sales of goods and services	1,079,499	1,167,435	87,936
Interest income	7,500	4,043	(3,457)
Other	1,846,897	3,258,026	1,411,129
Total revenues	<u>9,741,131</u>	<u>9,566,086</u>	<u>(175,045)</u>
Expenditures:			
Instruction:			
Personal services	2,400,000	2,395,974	4,026
Materials and services	1,632,954	1,091,367	541,587
Total instruction	<u>4,032,954</u>	<u>3,487,341</u>	<u>545,613</u>
Community services:			
Personal services	1,015,620	999,522	16,098
Materials and services	915,122	427,055	488,067
Capital outlay	38,207	7,445	30,762
Total community services	<u>1,968,949</u>	<u>1,434,022</u>	<u>534,927</u>
Instructional support services:			
Personal services	562,811	508,211	54,600
Materials and services	379,939	327,270	52,669
Capital outlay	40,000	39,884	116
Total instructional support services	<u>982,750</u>	<u>875,365</u>	<u>107,385</u>
Student services:			
Personal services	1,860,512	1,856,024	4,488
Materials and services	1,221,061	1,123,129	97,932
Capital outlay	1,700	-	1,700
Total student services	<u>3,083,273</u>	<u>2,979,153</u>	<u>104,120</u>
College support services:			
Personal services	231,080	158,558	72,522
Materials and services	1,430,310	1,300,919	129,391
Total college support services	<u>1,661,390</u>	<u>1,459,477</u>	<u>201,913</u>

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
ADMINISTRATIVELY RESTRICTED FUND
Year Ended June 30, 2010

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Total expenditures	<u>\$ 11,729,316</u>	<u>\$ 10,235,358</u>	<u>\$ 1,493,958</u>
Revenues over-(under) expenditures	<u>(1,988,185)</u>	<u>(669,272)</u>	<u>1,318,913</u>
Other financing sources-(uses):			
Transfers in	1,442,497	3,450,497	2,008,000
Transfers out	<u>(373,568)</u>	<u>(352,102)</u>	<u>21,466</u>
Total other financing sources-(uses)	<u>1,068,929</u>	<u>3,098,395</u>	<u>2,029,466</u>
Changes in fund balance	(919,256)	2,429,123	3,348,379
Fund balance - July 1, 2009	<u>919,256</u>	<u>4,894,612</u>	<u>3,975,356</u>
Fund balance - June 30, 2010	<u>\$ -</u>	<u>\$ 7,323,735</u>	<u>\$ 7,323,735</u>

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
SPECIAL REVENUE FUND
Year Ended June 30, 2010

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 7,968,000	\$9,541,324	\$ 1,573,324
Tuition and fees	235,000	118,271	(116,729)
Other sources:			
Grants and contracts	3,936,814	387,865	(3,548,949)
Other	663,000	50,980	(612,020)
Total revenues	12,802,814	10,098,440	(2,704,374)
Expenditures:			
Instruction:			
Personal services	3,600,000	3,687,183	(87,183)
Materials and services	3,500,000	1,680,886	1,819,114
Capital outlay	250,000	101,750	148,250
Total instruction	7,350,000	5,469,819	1,880,181
Community services:			
Personal services	1,600,000	1,282,836	317,164
Materials and services	2,162,500	2,393,859	(231,359)
Capital outlay	50,000	7,958	42,042
Total community services	3,812,500	3,684,653	127,847
Instructional support services:			
Personal services	50,000	-	50,000
Materials and services	3,000	-	3,000
Total instructional support services	53,000	-	53,000
Student services:			
Personal services	750,000	550,863	199,137
Materials and services	1,018,000	441,524	576,476
Capital outlay	7,500	7,493	7
Total student services	1,775,500	999,880	775,620

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
SPECIAL REVENUE FUND
Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures: (Contd)			
College support services:			
Personal services	\$ 50,000	\$ 5,729	\$ 44,271
Materials and services	<u>50,000</u>	<u>1,066</u>	<u>48,934</u>
Total college support services	<u>100,000</u>	<u>6,795</u>	<u>93,205</u>
Total expenditures	<u>13,091,000</u>	<u>10,161,147</u>	<u>2,929,853</u>
Revenues over-(under) expenditures	(288,186)	(62,707)	225,479
Other financing sources-(uses):			
Transfers in	<u>63,186</u>	<u>63,186</u>	<u>-</u>
Changes in fund balance	(225,000)	479	225,479
Fund balance - July 1, 2009	<u>225,000</u>	<u>254,353</u>	<u>29,353</u>
Fund balance - June 30, 2010	<u>\$ -</u>	<u>\$ 254,832</u>	<u>\$ 254,832</u>

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
STUDENT FINANCIAL AID FUND
Year Ended June 30, 2010

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 89,907,507	\$ 89,292,863	\$ (614,644)
Tuition and fees	325,000	104	(324,896)
Other sources:			
Interest income	75,000	51,661	(23,339)
Other	2,317,751	2,423,895	106,144
Total revenues	<u>92,625,258</u>	<u>91,768,523</u>	<u>(856,735)</u>
Expenditures:			
Student services:			
Personal services	<u>381,237</u>	<u>307,397</u>	<u>73,840</u>
Financial aid:			
Personal services	500,000	432,690	67,310
Materials and services	<u>93,523,218</u>	<u>91,583,005</u>	<u>1,940,213</u>
Total financial aid	<u>94,023,218</u>	<u>92,015,695</u>	<u>2,007,523</u>
Total expenditures	<u>94,404,455</u>	<u>92,323,092</u>	<u>2,081,363</u>
Revenues over-(under) expenditures	(1,779,197)	(554,569)	1,224,628
Other financing sources-(uses):			
Transfers in	<u>359,300</u>	<u>616,938</u>	<u>257,638</u>
Changes in fund balance	(1,419,897)	62,369	1,482,266
Fund balance - July 1, 2009	<u>1,419,897</u>	<u>1,337,675</u>	<u>(82,222)</u>
Fund balance - June 30, 2010	<u>\$ -</u>	<u>\$ 1,400,044</u>	<u>\$ 1,400,044</u>

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
DEBT SERVICE FUND
Year Ended June 30, 2010

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Property taxes	\$ 5,581,302	\$ 5,879,338	\$ 298,036
Other sources:			
Interest income	250	2,618	2,368
Other	3,279,000	3,279,000	-
Total revenues	8,860,552	9,160,956	300,404
Expenditures:			
Debt service	9,551,102	9,672,248	(121,146)
Revenues over-(under) expenditures	(690,550)	(511,292)	179,258
Other financing sources-(uses):			
Transfers in	690,550	799,620	109,070
Changes in fund balance	-	288,328	288,328
Fund balance - July 1, 2009	-	905,726	905,726
Fund balance - June 30, 2010	\$ -	\$ 1,194,054	\$ 1,194,054

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
CAPITAL PROJECTS FUND
Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 10,750,000	\$10,673,295	\$ (76,705)
Other sources:			
Interest income	50,000	581,176	531,176
Other	<u>7,882,312</u>	<u>3,288,709</u>	<u>(4,593,603)</u>
Total revenues	<u>18,682,312</u>	<u>14,543,180</u>	<u>(4,139,132)</u>
Expenditures:			
Plant additions:			
Personal services	2,649,593	3,160,073	(510,480)
Materials and services	23,452,767	14,011,798	9,440,969
Capital outlay	<u>13,520,640</u>	<u>12,445,185</u>	<u>1,075,455</u>
Total expenditures	<u>39,623,000</u>	<u>29,617,056</u>	<u>10,005,944</u>
Revenues over-(under) expenditures	(20,940,688)	(15,073,876)	5,866,812
Other financing sources-(uses):			
Transfers in	<u>1,726,126</u>	<u>1,726,126</u>	<u>-</u>
Changes in fund balance	(19,214,562)	(13,347,750)	5,866,812
Fund balance - July 1, 2009	<u>19,214,562</u>	<u>47,589,447</u>	<u>28,374,885</u>
Fund balance - June 30, 2010	<u>\$ -</u>	<u>\$34,241,697</u>	<u>\$34,241,697</u>

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
ENTERPRISE FUND
Year Ended June 30, 2010

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Sale of goods and services	\$ 11,886,907	\$ 11,842,799	\$ (44,108)
Fees	1,327,127	1,785,845	458,718
Other	170,000	147,468	(22,532)
Total revenues	13,384,034	13,776,112	392,078
Expenditures:			
Instruction:			
Personal services	\$ 3,000	\$ 1,200	\$ 1,800
Materials and services	9,561	152	9,409
Total plant operations and maintenance	12,561	1,352	11,209
Student services:			
Personal services	3,000,000	2,606,770	393,230
Materials and services	10,765,555	8,858,271	1,907,284
Capital outlay	35,000	-	35,000
Contingency	190,000	-	190,000
Total student services	13,990,555	11,465,041	2,525,514
College support services:			
Personal services	300,000	227,390	72,610
Materials and services	83,368	27,880	55,488
Capital outlay	20,000	-	20,000
Total college support services	403,368	255,270	148,098
Total expenditures	14,406,484	11,721,663	2,684,821
Revenues over-(under) expenditures	(1,022,450)	2,054,449	3,076,899
Other financing sources-(uses):			
Transfers in	195,566	195,566	-
Transfers out	(148,116)	(147,116)	1,000
Total other financing sources-(uses)	47,450	48,450	1,000
Changes in fund balance	(975,000)	2,102,899	3,077,899
Fund balance - July 1, 2009	975,000	3,873,028	2,898,028
Fund balance - June 30, 2010	\$ -	\$ 5,975,927	\$ 5,975,927

LANE COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
INTERNAL SERVICE FUND
Year Ended June 30, 2010

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Sale of goods and services	\$ 1,084,955	\$ 1,098,179	\$ 13,224
Fees	44,500	63,678	19,178
Other sources	78,534	61,496	(17,038)
Total revenues	1,207,989	1,223,353	15,364
Expenditures:			
College support services:			
Personal services	675,000	667,116	7,884
Materials and services	942,705	719,572	223,133
Capital outlay	50,000	-	50,000
Total expenditures	1,667,705	1,386,688	281,017
Revenues over-(under) expenditures	(459,716)	(163,335)	296,381
Other financing sources-(uses):			
Transfers in	261,216	286,216	25,000
Transfers out	(4,500)	-	4,500
Total other financing sources-(uses)	256,716	286,216	29,500
Changes in fund balance	(203,000)	122,881	325,881
Fund balance - July 1, 2009	203,000	377,119	174,119
Fund balance - June 30, 2010	\$ -	\$ 500,000	\$ 500,000

LANE COMMUNITY COLLEGE

Schedule of Property Tax Transactions
ALL COUNTIES
Year Ended June 30, 2010

<u>Tax Year</u>	<u>Uncollected Taxes 7/1/2009</u>	<u>2009-10 Levy</u>	<u>Discounts/ Adjustments</u>	<u>Collections</u>	<u>Uncollected Taxes 6/30/2010</u>
2009-10	\$ -	\$ 22,169,481	\$ (669,081)	\$ 20,766,615	\$ 733,785
2008-09	679,402	-	(20,961)	339,149	319,292
2007-08	249,613	-	(5,961)	106,929	136,723
2006-07	109,986	-	(3,517)	60,054	46,415
2005-06	43,945	-	(2,907)	23,698	17,340
2004-05	18,143	-	(2,474)	1,329	14,340
2003-04	14,165	-	(1,859)	87	12,219
Prior	163,620	-	(14,455)	2,417	146,748
Totals	<u>\$ 1,278,874</u>	<u>\$ 22,169,481</u>	<u>\$ (721,215)</u>	21,300,278	<u>\$ 1,426,862</u>
		Interest and other taxes		<u>214,270</u>	
		Total turnovers by counties		<u>\$ 21,514,548</u>	
		Allocation by fund:			
		General Fund		\$ 15,635,210	
		Debt Service Fund		<u>5,879,338</u>	
		Total allocations		<u>\$ 21,514,548</u>	

(This page intentionally left blank)

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.

(This page intentionally left blank)

Financial Trends Information

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Net Assets by Component and
Changes in Net Assets
Last 8 Fiscal Years

	June 30,			
	2010	2009	2008	2007
NET ASSETS BY COMPONENT				
Invested in capital assets, net of related debt	\$ 71,599,531	\$ 62,199,844	\$ 55,955,863	\$ 51,565,256
Net assets, restricted	7,291,576	6,588,984	23,296,176	29,822,485
Net assets, unrestricted	34,830,818	17,363,286	21,747,354	1,459,072
TOTAL NET ASSETS	\$ 113,721,925	\$ 86,152,114	\$ 100,999,393	\$ 82,846,813
	Years ended June 30,			
	2010	2009	2,008	2007
CHANGES IN NET ASSETS				
Operating revenues				
Student tuition and fees	\$ 45,582,278	\$ 34,986,270	\$ 29,297,111	\$ 26,334,730
Grants and contracts	103,796,815	71,337,909	46,272,910	41,975,634
Sale of goods and services	12,019,997	10,076,217	9,032,167	8,924,091
Other operating revenue	6,918,513	5,997,134	6,141,068	6,786,545
Total operating revenues	168,317,603	122,397,530	90,743,256	84,021,000
Operating expenses				
Instruction	54,650,662	49,007,701	45,476,077	44,966,427
Community services	5,086,857	5,846,678	5,226,699	5,640,256
Instructional support services	4,704,212	4,197,496	3,840,765	3,759,209
Student services	22,526,789	19,246,710	18,069,265	17,572,117
College support services	11,953,269	13,697,310	9,841,113	10,889,598
Plant operations and maintenance	18,775,624	10,520,521	6,062,482	6,227,768
Financial aid	91,516,254	60,438,090	40,334,458	35,469,459
Depreciation	2,741,972	2,634,292	2,605,782	2,577,474
Total operating expenses	211,955,639	165,588,798	131,456,641	127,102,308
Nonoperating revenues (expenses)				
State community college support	35,901,437	23,078,963	35,988,864	18,452,511
Property taxes	21,662,536	20,936,965	18,861,085	18,675,731
Investment income	9,093,894	(15,448,802)	(139,417)	11,576,191
Interest expense	(4,718,909)	(3,358,846)	(3,558,839)	(3,786,858)
Other nonoperating revenues (expenses)	(28,901)	(32,696)	(124,643)	(70,735)
Total nonoperating revenues (expenses)	61,910,057	25,175,584	51,027,050	44,846,840
Capital contributions	9,297,790	3,168,405	-	-
Cumulative effect of change in accounting policy			7,838,915	(823,147)
TOTAL INCREASE IN NET ASSETS	\$ 27,569,811	\$ (14,847,279)	\$ 18,152,580	\$ 942,385

Source

Lane Community College Comprehensive Annual Financial Report

June 30,			
2006	2005	2004	2003
\$ 46,360,872	\$ 39,977,408	\$ 36,011,588	\$ 34,695,426
24,520,311	19,363,962	5,598,883	4,666,052
<u>10,376,790</u>	<u>8,501,502</u>	<u>18,572,563</u>	<u>10,477,110</u>
<u>\$ 34,897,101</u>	<u>\$ 67,842,872</u>	<u>\$ 60,183,034</u>	<u>\$ 49,838,588</u>

Years ended June 30,			
2006	2005	2004	2003
\$ 24,738,713	\$ 23,995,084	\$ 24,271,741	\$ 20,888,674
40,516,420	39,881,385	40,861,592	36,188,800
8,164,357	7,715,107	7,909,354	7,844,387
<u>9,123,625</u>	<u>8,129,542</u>	<u>8,004,852</u>	<u>7,166,643</u>
<u>82,543,115</u>	<u>79,721,118</u>	<u>81,047,539</u>	<u>72,088,504</u>

46,786,387	42,897,001	40,388,797	38,590,488
6,271,872	4,628,001	4,341,655	4,566,641
4,158,551	4,240,181	4,021,474	3,533,114
18,539,224	16,970,501	16,501,475	16,928,976
10,209,791	10,573,040	9,967,619	10,337,220
7,392,183	7,000,488	8,200,617	9,700,529
35,000,075	34,340,095	34,984,430	29,443,255
<u>2,688,425</u>	<u>2,615,716</u>	<u>2,673,187</u>	<u>2,647,499</u>
<u>131,046,508</u>	<u>123,265,023</u>	<u>121,079,254</u>	<u>115,747,722</u>

33,145,221	19,840,398	33,953,152	19,646,961
18,417,047	17,645,859	16,672,694	16,247,883
10,729,777	17,867,687	4,512,905	462,034
(3,990,268)	(4,150,201)	(4,541,056)	(1,914,800)
<u>2,542</u>		<u>(221,534)</u>	<u>(131,079)</u>
<u>58,304,319</u>	<u>51,203,743</u>	<u>50,376,161</u>	<u>34,310,999</u>
<u>925,543</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 10,726,469</u>	<u>\$ 7,659,838</u>	<u>\$ 10,344,446</u>	<u>\$ (9,348,219)</u>

(This page intentionally left blank)

Revenue Capacity Information

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Property Tax Levies and Collections
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Tax Collections In First Year^a</u>	<u>Percent of Levy Collected In First Year</u>	<u>Delinquent Tax Collections^a</u>	<u>Total Tax Collections^a</u>	<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Uncollected Taxes</u>	<u>Percent of Delinquent Taxes To Tax Levy</u>
2009-10	22,169,481	20,766,615	93.7 %	533,663	\$ 21,300,278	96.08 %	1,426,862	6.44 %
2008-09	21,352,330	20,066,039	94.0	445,930	20,511,969	96.06	1,278,874	5.99
2007-08	19,644,259	18,425,199	93.8	255,486	18,680,685	95.09	1,093,058	5.56
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	1,241,186	8.52

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 Eight 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
2009-10	\$21,183,682 98.5%	\$ 241,456 1.1%	\$ 82,365 0.4%	\$ 7,045 0.0%	\$21,514,548 100.0%
2008-09	20,428,518 98.5%	231,219 1.1%	80,178 0.4%	7,655 0.0%	20,747,570 100.0%
2007-08	18,446,121 98.4%	217,703 1.2%	73,665 0.4%	7,046 0.0%	18,744,535 100.0%
2006-07	18,373,381 98.4%	211,848 1.1%	72,439 0.4%	6,985 0.0%	18,664,653 100.0%
2005-06	18,133,739 98.5%	206,469 1.1%	69,959 0.4%	6,880 0.0%	18,417,047 100.0%
2004-05	17,381,013 98.5%	189,344 1.1%	68,813 0.4%	6,689 0.0%	17,645,859 100.0%
2003-04	16,425,971 98.5%	176,496 1.1%	63,837 0.4%	6,390 0.0%	16,672,694 100.0%
2002-03	16,003,792 98.5%	175,093 1.1%	62,659 0.4%	6,339 0.0%	16,247,883 100.0%

Source

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

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

Property Class	Fiscal Year			
	2001	2002	2003	2004
Residential	\$ -	\$ 8,550,008,385	\$ 8,955,117,306	\$ 9,522,959,872
Commercial	-	1,971,929,031	2,103,738,367	2,185,533,393
Industrial	-	1,885,423,872	1,854,390,409	1,919,557,441
Tract	-	2,009,731,350	2,103,491,893	2,161,911,275
Farm and Range	-	392,245,526	394,294,409	414,253,706
Forest	-	508,671,830	533,563,049	568,973,019
Multiple Housing	-	703,971,875	732,656,705	758,745,092
Recreation	-	334,939,491	370,344,717	378,899,180
Small Tract Forestland	-	28,643,583	28,807,941	-
Miscellaneous	-	33,880,587	32,525,469	5,217,328
Personal	-	626,719,256	618,865,151	623,347,004
Manufactured Structures	-	405,138,793	376,116,986	317,905,282
Utilities	-	587,501,885	586,197,304	555,389,096
	16,744,937,718	18,038,805,464	18,690,109,706	19,412,691,688
Other				
Plus Nonprofit Housing		7,103,798	7,316,912	7,536,419
Less Urban Renewal Excess	(192,869,588)	(208,347,403)	(220,766,804)	(228,971,647)
Total Taxable Assessed Value	\$ 16,552,068,130	\$ 17,837,561,859	\$ 18,476,659,814	\$ 19,191,256,460
Total Direct Tax Rate	1.4408	1.4391	1.4378	1.4264
Estimated Actual Value of Property	\$ 22,628,274,669	\$ 22,850,101,193	\$ 23,022,376,114	\$ 24,256,098,187
Actual Value of Property per Capita	69,851	70,114	70,158	73,637
Total Assessed Value to Estimated Actual Value of Taxable Property	73.15%	78.06%	80.26%	79.12%

Notes

- a. Assessments are limited to an increase of 3% not to exceed real market value. However, property is subject to reassessment if improved, partitioned, subdivided, rezoned, previously omitted, or disqualified from exemption.
- b. Taxable assessed values are reported net of tax exempt property.
- c. Total Direct Tax Rate is per \$1,000 of value.
- d. Detail by property class is not available for fiscal year 2001
- e. Detail not available

Source

Lane County Department of Assessment and Taxation

Fiscal Year						
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	
\$ 9,989,431,512	\$ 10,502,688,478	\$ 11,090,299,584	\$ 11,669,538,072	\$ 12,238,252,806	\$ 12,738,935,537	
2,302,417,337	2,449,674,221	2,566,299,522	2,648,462,926	2,741,402,996	2,952,788,580	
1,957,339,447	2,032,880,568	2,149,473,463	2,293,935,760	2,144,226,025	2,193,056,565	
2,308,999,165	2,425,269,060	2,546,657,884	2,700,717,402	2,872,632,830	3,320,335,139	
440,370,096	468,602,706	489,415,814	515,361,179	548,688,937	554,752,761	
542,464,517	563,131,668	595,563,995	622,589,415	642,533,655	659,628,419	
778,798,291	820,527,442	850,025,101	1,025,875,403	1,131,366,250	1,139,612,646	
405,885,969	424,572,910	443,672,771	466,972,883	486,392,156	194,649,646	
81,123,446	85,315,051	90,899,787	93,510,612	96,112,182	99,675,432	
3,054,968	2,717,555	3,178,931	2,181,525	1,994,500	1,841,079	
629,866,384	699,049,095	682,280,293	737,126,581	764,432,164	742,435,555	
326,733,010	343,158,137	353,034,694	348,267,868	349,767,857	327,511,572	
<u>604,715,749</u>	<u>522,590,588</u>	<u>513,314,800</u>	<u>549,141,809</u>	<u>545,274,620</u>	<u>694,125,923</u>	
20,371,199,891	21,340,177,479	22,374,116,639	23,673,681,435	24,563,076,978	25,619,348,854	
7,762,512	7,995,387	8,235,249	8,289,461	8,538,145	N/A	
<u>(219,576,480)</u>	<u>(209,003,975)</u>	<u>(216,778,574)</u>	<u>(245,618,775)</u>	<u>(273,863,735)</u>	<u>N/A</u>	
\$ 20,159,385,923	\$ 21,139,168,891	\$ 22,165,573,314	\$ 23,436,352,121	\$ 24,297,751,388	\$ 25,619,348,854	
1.4069	1.4070	1.4086	1.4020	1.4007	N/A	
\$ 26,749,361,683	\$ 30,422,495,849	\$ 36,563,388,894	\$ 41,729,282,436	\$ 43,631,332,946	N/A	
80,244	90,520	107,622	121,610	126,146	N/A	
75.36%	69.49%	60.62%	56.16%	55.69%	N/A	

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			
	2001	2002	2003	2004
<u>County Direct Rate</u>				
Lane County ^d	1.2690	1.2637	1.2712	1.2710
General Obligation Debt Service	<u>0.1718</u>	<u>0.1754</u>	<u>0.1666</u>	<u>0.1554</u>
	1.4408	1.4391	1.4378	1.4264
<u>Lane Community College</u>	0.8739	0.8590	0.8848	0.8790
<u>Lane Education Service District</u>	0.2232	0.2232	0.2232	0.2232
<u>Linn-Benton-Lincoln ESD</u>	0.3049	0.3049	0.3049	0.3049
<u>Schools</u>				
Alsea	5.1717	5.3583	5.4155	5.2941
Bethel	7.3701	7.2950	7.2583	7.0612
Blachly	5.1023	5.1023	5.1023	5.1023
Creswell	8.6846	8.3379	8.2003	8.6097
Crow-Applegate	6.9395	7.8162	7.8422	6.4255
Eugene	7.3674	6.9810	7.5571	7.2850
Fern Ridge	7.3062	7.3159	5.9498	7.5838
Harrisburg	7.2643	7.0304	6.9592	6.9097
Harrisburg/Wyatt ^e	0.6214	0.7350	0.7066	-
Junction City	6.0407	6.0747	6.0418	6.1773
Lincoln County	5.7390	5.7010	5.9321	5.8102
Lowell	5.7296	5.7324	5.6540	5.6716
Mapleton	4.8917	4.8917	4.8917	4.8917
Marcola	6.2692	6.0455	4.6887	4.6687
McKenzie	6.9985	7.0587	7.0227	6.5633
Monroe	5.4829	5.5633	5.7285	5.5369
Oakridge	6.2171	6.2030	6.2731	6.2736
Pleasant Hill	6.8845	6.8213	6.7918	6.8636
Siuslaw	5.5607	5.4381	5.4296	5.3695
South Lane	6.9134	6.8342	6.2689	6.6472
Springfield	5.6705	5.6886	5.5210	5.5664
<u>Cities</u>				
Coburg	3.7506	3.7506	3.7506	3.7506
Cottage Grove	7.2087	7.2087	6.5907	6.1687
Creswell	2.6705	2.6705	2.6705	2.6705
Eugene	8.1918	8.1841	8.4130	9.0446
Florence	3.6929	3.6366	3.5261	3.4718
Junction City	6.0445	6.0445	6.0445	6.0445
Lowell	2.4239	2.3668	2.3348	2.3204
Oakridge	7.8163	7.7883	8.6504	7.7722
Springfield	5.1838	5.1701	5.1514	6.1743
Veneta	6.4129	6.3697	8.3047	6.2568
Westfir	9.3036	9.3035	9.3035	9.3036
<u>Water Districts</u>				
Blue River	0.9488	0.9488	0.9488	0.9488
Glenwood	2.8663	4.1425	1.8983	3.1855
Heceta	0.4048	0.4594	0.2202	0.3453
Junction City	0.3609	0.3504	0.3239	0.3378
Marcola	0.4037	0.4037	0.4037	0.4037
McKenzie-Palisades	1.6687	0.9384	0.6969	0.6817
Rainbow Water & Fire	3.1551	3.1224	3.0955	3.2471
River Road	1.9694	1.9694	1.9694	1.9694
River Road Subdistrict #1	0.2796	0.2796	0.2796	0.2796

Fiscal Year Taxes are Payable^b

2005	2006	2007	2008	2009	2010
1.2763	1.2773	1.2781	1.2793	1.2793	1.2793
<u>0.1306</u>	<u>0.1297</u>	<u>0.1305</u>	<u>0.1227</u>	<u>0.1214</u>	<u>0.1178</u>
1.4069	1.4070	1.4086	1.4020	1.4007	1.3971
0.8850	0.8814	0.8496	0.8306	0.8705	0.8534
0.2232	0.2232	0.2232	0.2232	0.2232	0.2232
0.3049	0.3049	0.3049	0.3049	0.3049	0.3049
5.2232	5.0811	5.0811	5.0811	5.0811	5.0811
7.0725	6.8802	6.8494	6.8041	7.1555	6.8780
5.1023	5.1023	5.1023	5.1023	5.1023	5.1023
8.2889	7.1900	7.1185	8.5743	8.7008	8.3737
6.4255	6.4255	6.4255	6.4255	6.4255	6.4255
7.2819	7.6460	8.5330	7.5889	7.6242	7.6414
7.3979	7.2300	7.0595	6.6965	6.7856	6.8415
6.8023	6.2940	6.2797	6.2815	6.3056	6.1016
-	-	-	-	-	-
4.5604	4.5604	4.5604	4.5604	4.5604	4.5604
5.7579	5.7893	5.6715	5.6203	5.6348	5.6986
5.6514	5.0409	5.0409	5.0409	5.0409	5.0409
4.8917	4.8917	4.8917	4.8917	4.8917	4.8917
4.6687	4.6687	4.6687	4.6687	4.6687	4.6687
6.7114	6.7077	6.6651	6.7239	6.6563	6.6893
4.7740	4.6341	4.6341	4.6341	4.6341	4.6341
6.3333	6.0645	6.3211	6.4086	6.7461	6.5203
7.2862	7.4557	7.4033	7.0455	6.8934	7.2296
5.3728	5.2274	5.1293	5.0460	5.0849	5.7716
6.5484	6.4694	6.4217	6.3615	6.3478	6.4016
5.6143	5.4978	5.5181	5.5456	5.3920	5.5868
3.7506	3.7506	5.3830	5.4907	5.4845	3.1918
6.4687	7.2087	7.2087	7.2087	7.2087	7.2087
2.6705	2.6705	2.6705	2.6705	2.6705	2.6705
9.0866	9.0222	8.1407	8.1547	10.3051	8.5617
3.4453	3.4019	3.3723	3.3503	3.2297	3.1827
6.0445	6.0445	6.0445	6.0445	6.0445	6.0445
2.2569	2.2434	2.2858	2.1613	2.1613	2.1613
7.8283	7.9370	7.8872	7.8231	7.7599	7.7166
6.1473	6.1078	6.1191	6.5391	7.1869	7.4824
6.1732	6.1149	5.1020	5.0852	5.0355	7.4556
9.3036	9.3036	9.3036	9.3036	9.3036	9.3036
0.9488	0.9488	0.9488	0.9488	0.9488	0.9488
4.1425	4.1425	4.1425	3.8949	3.8473	3.8509
0.3200	0.2896	0.2656	0.2708	0.2573	0.2525
0.3200	0.2893	0.3111	0.3115	0.2965	0.2859
0.4037	0.4037	0.4037	0.4037	0.4037	0.4037
0.6695	0.6635	0.6482	0.3620	0.3620	0.3620
3.2122	3.1816	3.1485	3.7303	3.6749	3.6241
1.9694	1.9694	1.9694	1.9694	1.9694	1.9694
0.2796	0.2796	-	0.2796	0.2796	0.2796

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Direct and Overlapping ^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			
	2001	2002	2003	2004
Rural Fire Protection Districts				
Bailey-Spencer	2.3930	2.3930	2.3930	2.3930
Coburg	1.4048	1.3277	1.3277	1.7791
Creswell ^f	1.0180	1.0180	1.0180	-
Dexter	1.4304	1.4151	1.4151	1.6151
Eugene	2.5417	2.5417	2.5417	2.5417
Goshen	1.7196	1.7196	1.7196	1.7196
Hazeldell	-	-	-	2.7115
Junction City	0.9844	0.9844	0.9844	0.9844
Lake Creek	3.0757	3.0757	3.0757	3.0757
Lane County District #1	1.9848	1.9848	1.9848	1.9848
Lane Rural	2.1174	2.1174	2.1174	2.1174
Lorane	2.2952	2.2952	2.2952	2.8587
Lowell	2.6974	3.7558	3.5903	3.6349
Mapleton	1.3869	1.3869	1.3869	1.3869
McKenzie	2.3106	2.3106	2.3106	2.3106
Mohawk Valley	2.8308	2.8932	2.6784	2.5642
Monroe	2.2170	2.1759	2.2554	2.1732
Pleasant Hill	1.1031	1.1031	1.1031	1.1031
Santa Clara	1.0439	1.0439	1.0439	1.0439
Siuslaw	1.5417	1.5417	1.5417	1.5417
South Lane ^e	-	-	-	1.0335
Southern Lane ^e	1.0476	1.0476	1.0476	-
Swishome-Deadwood	2.1452	2.1452	2.1452	2.1452
Upper McKenzie	1.1951	1.1951	1.1951	1.1951
Willakenzie	1.7242	2.8391	1.8796	3.0669
Zumwalt	2.1198	2.3419	2.3419	2.3419
Miscellaneous Districts				
Fern Ridge Library	0.5624	0.5624	0.4212	0.3824
Lane Library	-	-	-	-
Metro Wastewater ^g	0.0462	0.0462	-	-
Port of Siuslaw	0.1474	0.1474	0.1474	0.1474
River Road Park & Recreation	3.5311	3.5322	3.5176	3.4794
Siuslaw Library	0.6317	0.6268	0.6228	0.6175
Western Lane Ambulance	0.3198	0.3198	0.3198	0.3198
Willamalane Park & Recreation	2.4441	2.3775	2.4203	2.3491

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 are Payable ^b

2005	2006	2007	2008	2009	2010
2.3930	2.3930	2.3930	2.3930	2.3930	2.3930
1.7750	1.7259	1.6498	1.6353	2.9685	1.6090
-	-	-	-	-	-
1.6151	1.6151	1.6151	2.4151	2.4151	2.4151
1.7199	2.5417	2.5417	2.5417	2.0000	2.0000
1.7196	1.7196	1.7196	1.7196	1.7196	1.7196
2.7115	2.7115	2.7115	2.7115	2.7115	2.7115
0.9844	1.6694	1.6118	1.6575	1.4661	1.4717
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
2.9589	2.9159	2.8211	2.7770	2.7458	2.9186
3.4430	3.3938	3.3046	3.2265	3.1681	3.1059
1.3869	1.3869	1.3869	2.0869	2.0869	2.0869
2.3106	2.3106	2.3106	2.3106	2.3106	2.3106
2.5126	2.5451	2.4784	2.4095	2.4133	1.9126
1.7298	1.6854	1.6854	1.6854	1.6854	1.6854
1.1031	1.1031	1.1031	1.1031	1.1031	1.1031
1.0439	1.0439	1.0439	1.0439	1.0439	1.6439
1.5417	1.5417	1.5417	1.5417	1.5417	1.5417
1.0335	1.0335	1.0335	1.0335	1.0335	1.0335
-	-	-	-	-	-
2.1452	2.1452	2.1452	2.1452	2.1452	2.1452
1.1951	1.1951	0.7077	1.1951	1.1951	1.1951
3.0669	3.0669	3.0669	3.0669	3.0669	3.0669
2.3419	2.3419	2.3419	2.3419	2.3419	2.3419
0.3824	0.6324	0.6324	0.6324	0.7046	0.6324
-	0.5900	0.5900	0.5900	0.5900	0.5900
-	-	-	-	-	-
0.1474	0.1474	0.1474	0.1474	0.1474	0.1474
3.5123	3.5010	3.4814	3.4789	3.4631	3.5259
0.6118	0.6060	0.5993	0.5928	0.5885	0.5163
0.3198	0.4198	0.4198	0.4198	0.5698	0.5698
2.3344	2.3255	2.1836	2.1457	2.1487	2.0074

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Principal Taxpayers
Year Ended June 30, 2010

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	\$ 258,542,806	1.02 %	\$ 9,721,008
IP Eat Three LLC	Wood Products	196,225,121	0.78 %	3,300,026
Comcast Corporation	Telecommunications	127,670,100	0.50 %	2,116,790
Peacehealth	Medical Group	452,573,671	1.79 %	1,897,276
Valley River Center LLC	Retail/Commercial	99,460,548	0.39 %	1,844,078
Qwest Corporation	Utility	116,430,400	0.46 %	1,779,277
Northwest Natural Gas Co.	Utility	95,797,200	0.38 %	1,473,854
Symantec Corporation	Electronics	77,524,843	0.31 %	1,351,033
Weyerhaeuser Co	Wood Products	124,547,370	0.49 %	1,094,769
Gateway Mall Partners	Retail/Commercial	<u>57,854,704</u>	<u>0.23 %</u>	999,180
Subtotal - ten of the largest taxpayers		1,606,626,763	6.35 %	
All other taxpayers in Lane County		<u>23,683,652,307</u>	<u>93.65 %</u>	
Total Lane County Taxpayers		<u>\$ 25,290,279,070</u>	<u>100.00 %</u>	

Notes

Lane Community College District encompasses all of Lane County and smaller portions of Benton County, Douglas County and Linn County. These statistics are just for Lane County. Information on the Principal Taxpayers for June 30, 2001 is not available.

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>
2009-10	81.00	14,957.70	37,783
2008-09	75.50	12,823.00	36,899
2007-08	73.00	11,065.00	34,508
2006-07	69.50	11,189.10	35,666
2005-06	67.00	10,738.00	36,089
2004-05	64.50	10,465.00	29,868
2003-04	63.00	11,022.00	29,743
2002-03	49.00	12,364.30	34,394
2001-02	38.00	13,265.10	40,099
2000-01	38.00	12,760.10	43,223

Source

¹ Per Lane Community College Institutional Research and Planning

(This page intentionally left blank)

Debt Capacity Information

LANE COMMUNITY COLLEGE
EUGENE, OREGON

COMPUTATION OF LEGAL DEBT MARGIN
Last Seven Fiscal Years.

	2010	2009	2008
Total Real Market Value of Taxable Property ^a	\$ 48,652,787,224	\$ 50,553,660,475	\$ 48,466,065,870
Debt Limitation (1.5% of Real Market Value)	\$ 729,791,808	\$ 758,304,907	\$ 726,990,988
Debt Subject to Limitation	41,015,000	45,000,000	5,545,000
Legal Debt Margin	\$ 688,776,808	\$ 713,304,907	\$ 721,445,988
Legal Debt Margin as a Percentage of the Debt Limitation	94.38%	94.07%	99.24%

Notes

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

Source

a. Lane County Summary of Assessment and Tax Rolls

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>\$ 42,292,447,595</u>	<u>\$ 30,357,084,748</u>	<u>\$ 26,749,361,683</u>	<u>\$ 24,256,098,187</u>
\$ 634,386,714	\$ 455,356,271	\$ 401,240,425	\$ 363,841,473
10,600,000	15,210,000	19,400,000	23,200,000
<u>\$ 623,786,714</u>	<u>\$ 440,146,271</u>	<u>\$ 381,840,425</u>	<u>\$ 340,641,473</u>
98.33%	96.66%	95.16%	93.62%

LANE COMMUNITY COLLEGE
EUGENE, OREGON

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

Fiscal Year	Population ^a	Assessed Value ^b	Gross Bonded Debt ^c	Debt Service Monies Available	Net Bonded Debt	Ratio of Net	
						Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2009-10	351,109	\$ 25,290,279,070	\$ 94,811,402	\$ 1,194,054	\$ 93,617,348	0.37%	267
2008-09	346,560	\$ 24,297,751,388	\$ 99,012,195	\$ 905,726	\$ 98,106,469	0.40%	283
2007-08	337,870	\$ 23,436,352,121	\$ 59,622,858	\$ 724,659	\$ 54,090,840	0.23%	160
2006-07	339,740	\$ 22,119,900,442	\$ 60,509,510	\$ 1,421,536	\$ 59,087,974	0.27%	174
2005-06	336,085	21,095,062,435	66,576,172	1,649,198	64,926,974	0.31%	193
2004-05	333,350	20,159,385,923	72,138,882	1,522,492	70,616,390	0.35%	212
2003-04	329,400	19,191,256,460	76,982,192	1,186,199	75,795,993	0.39%	230
2002-03	328,150	18,476,659,814	81,135,951	811,711	80,324,240	0.43%	245
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

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, 2010

Overlapping District	Real Market Valuation	Percent Overlap	Overlapping	
			Gross Property-tax Backed Debt	Net Property-tax Backed Debt
BENTON COUNTY	9,888,538,348	1.7384%	298,065	-
BENTON CITY SD 1J (MONROE)	338,186,756	55.1514%	896,950	896,950
CITY OF MONROE	48,886,723	100.0000%	2,064,565	1,540,000
LANE COUNTY	42,087,353,809	99.7904%	109,422,388	40,784,336
RIVER ROAD PARK & REC DISTRICT	647,844,164	100.0000%	725,000	725,000
WILLAMALANE PARK & RECREATION DISTRICT	7,068,849,404	100.0000%	1,455,000	-
HECETA WATER DISTRICT	708,668,390	100.0000%	510,000	510,000
JUNCTION CITY WATER CONTROL DISTRICT	1,088,694,160	99.9379%	263,058	263,058
SIUSLAW PUBLIC LIBRARY DIST	2,731,841,002	100.0000%	300,000	300,000
COBURG RFPD	494,873,422	100.0000%	453,333	453,333
JUNCTION CITY RFPD	943,790,447	100.0000%	1,395,000	1,395,000
SIUSLAW VALLEY FIRE AND RESCUE	1,098,892,150	100.0000%	965,000	-
MAPLETON FIRE DISTRICT	85,901,177	100.0000%	155,000	155,000
LORANE FRPD	63,504,825	100.0000%	140,000	140,000
LANE CITY FIRE DISTRICT #1	1,662,307,401	100.0000%	170,000	-
LANE CITY SD 1 (PLEASANT HILL)	739,366,021	100.0000%	5,180,000	5,180,000
LANE CTY SD 4J (EUGENE)	20,140,136,624	100.0000%	174,105,000	121,695,000
LANE CTY SD 19 (SPRINGFIELD)	7,166,378,483	100.0000%	116,275,218	55,705,218
LANE CTY SD 28J (FERN RIDGE)	1,200,788,875	99.6903%	18,498,964	12,391,504
LANE CTY SD 40 (CRESWELL)	856,713,066	100.0000%	26,935,000	27,434,999
LANE CTY SD 45J3 (SOUTH LANE)	1,793,861,051	100.0000%	43,873,835	24,250,000
LANE CTY SD 52 (BETHEL)	4,106,577,893	100.0000%	24,270,000	24,270,000
LANE CTY SD 68 (MCKENZIE)	529,513,151	100.0000%	3,945,000	3,945,000
LANE DTY SD 76 (OAKRIDGE)	321,411,409	100.0000%	1,905,000	1,905,000
LANE CTY SD 97J (SIUSLAW)	2,655,543,476	100.0000%	20,790,000	10,830,000
CITY OF COTTAGE GROVE	788,435,131	100.0000%	1,759,238	-
CITY OF EUGENE	18,919,062,368	99.8995%	99,468,638	34,670,121
CITY OF FLORENCE	1,288,579,197	100.0000%	4,295,000	1,375,000
CITY OF OAKRIDGE	193,760,493	100.0000%	265,000	265,000
CITY OF SPRINGFIELD	6,635,983,952	100.0000%	29,975,000	29,975,000
CITY OF VENETA	377,105,109	100.0000%	1,359,987	1,359,987
BROWNSVILLE RFPD 2	296,018,730	0.2082%	4,747	4,747
HARRISBURG RFPD 6	437,164,554	98.6824%	197,365	197,365
LINN CTY SD 7J (HARRISBURG)	472,792,828	100.0000%	3,445,000	3,445,000
CITY OF HARRISBURG	234,294,491	100.0000%	1,128,964	67,722
LANE ESD	41,972,026,250	99.9911%	7,889,298	7,889,298
NORTH DOUGLAS FIRE & EMS DISTRICT	405,734,878	0.5489%	1,756	1,756

Totals: Overlapping Issuer Count: 37

704,781,369 414,020,394

Net Property-tax Backed Debt of Subject Issuer is: 41,015,000

Ratio of Net Property-tax Backed Debt to Real Market Value is: 0.10%

Net Property-tax Backed Debt of Overlapping Issuers is: 414,020,396

Ratio of Total Net Property-tax Backed Debt to Real Market Value is: 1.07%

Total Net Property-tax Backed Debt of Subject issuer and Overlapping Issuers is: 455,035,396

Real Market Value of Subject Issuer is: 42,627,614,339 **As of: 01/01/2009**

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	Total Outstanding Debt as a % of Personal Income	Total Outstanding Debt per Capita
	General Obligation Bonds	Other Debt Obligations	Pension Bonds Payable			
2010	41,015,000	-	53,796,402	94,811,402	0.8%	266
2009	45,000,000	780,000	54,012,195	99,792,195	0.9%	288
2008	5,545,000	1,040,000	54,077,858	60,662,858	0.5%	177
2007	10,600,000	1,300,000	54,013,704	65,913,704	0.6%	194
2006	15,210,000	1,655,000	53,832,330	70,697,330	0.7%	210
2005	19,400,000	2,005,000	53,547,069	74,952,069	0.8%	225
2004	23,200,000	2,350,000	52,934,820	78,484,820	0.9%	238
2003	26,640,000	2,690,000	51,803,948	81,133,948	0.9%	247
2002	29,715,000	3,025,000	-	32,740,000	0.4%	100
2001	32,445,000	495,000	-	32,940,000	0.4%	102

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
2010	347,690	11,655,264	33,522	11.9%
2009	345,880	11,594,589	33,522	6.6%
2008	343,140	11,679,994	33,522	5.3%
2007	339,740	11,269,508	32,877	5.5%
2006	336,085	10,483,145	30,825	6.1%
2005	333,350	9,981,276	29,841	7.4%
2004	329,400	9,213,725	27,788	8.0%
2003	328,150	8,698,081	26,344	7.1%
2002	325,900	8,491,421	25,966	6.9%
2001	323,950	8,420,557	25,948	5.4%

Notes

- a. Lane Community College District encompasses all of Lane County and smaller portions of Benton County, Douglas County and Linn County. These statistics are just for Lane County.
- b. The 2009 and 2010 personal income was not available and has been estimated by multiplying population by per capita income.
- c. The 2009 and 2010 per capita income was not available and has been estimated to be the same as 2008.

Source

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

LANE COMMUNITY COLLEGE
EUGENE, OREGON

Principal Employers for Lane County
Current Year and Nine Years Ago

Employer	2010			2001		
	Employees ^b	Rank	Percentage of County Employment	Employees ^b	Rank	Percentage of County Employment
PeaceHealth	4,893	1	3.07%	3,561	2	2.25%
University of Oregon	4,038	2	2.54%	3,507	3	2.21%
Eugene School District	2,794	3	1.76%	1,929	5	1.22%
State of Oregon	2,205	4	1.39%	1,301	10	0.82%
Lane County	2,000	5	1.26%	1,632	7	1.03%
City of Eugene	1,797	7	1.13%	1,378	9	0.87%
US Government	1,777	7	1.12%	3,600	1	2.27%
Springfield School District	1,500	8	0.94%	1,500	8	0.95%
Lane Community College	1,118	9	0.70%	2,000	4	1.26%
Wal-Mart	1,100	10	0.69%	-	-	-
Weyerhaeuser	-	-	-	1,670	6	1.05%
	<u>23,222</u>		<u>14.60%</u>	<u>22,078</u>		<u>13.93%</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

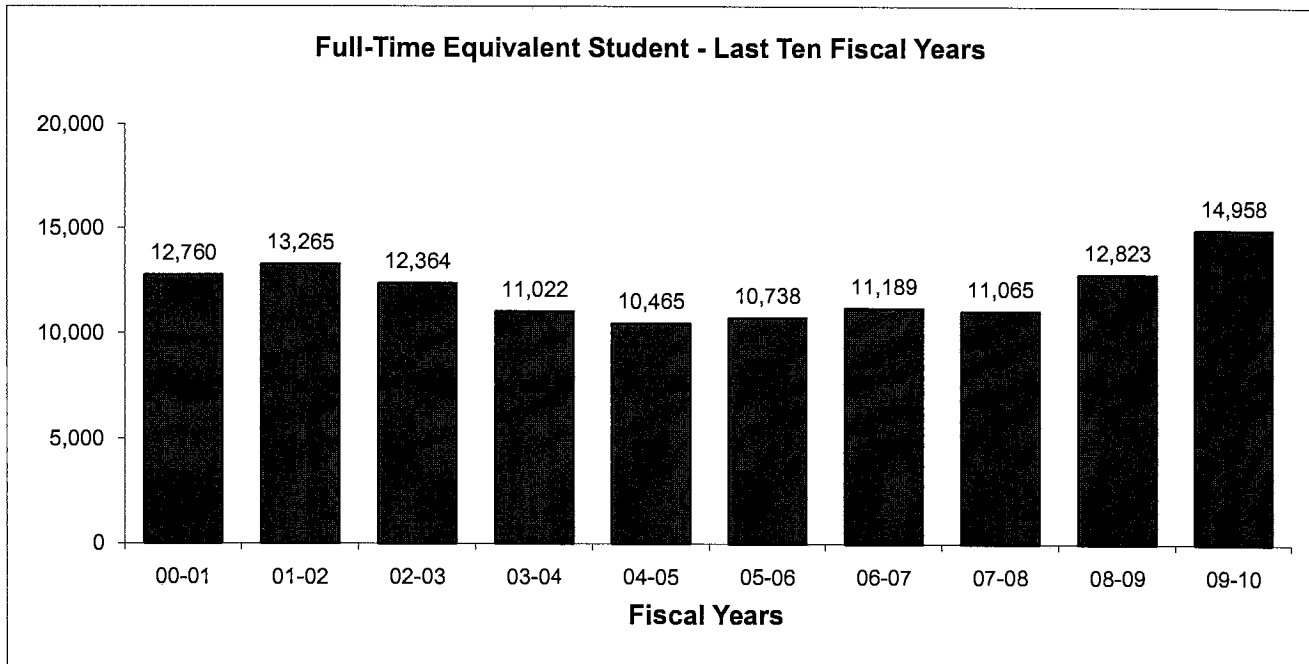
(This page intentionally left blank)

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
2009-10	211,955,639	351,109	14,958	37,783	10.76%	3,507	733	4.90
2008-09	165,588,798	346,560	12,823	36,899	10.65%	3,436	714	5.57
2007-08	131,456,641	337,870	11,065	34,508	10.21%	3,792	710	6.42
2006-07	127,102,308	339,740	11,189	35,666	10.50%	7,636	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	NA	325,900	13,265	40,099	12.30%	6,223	827	6.23
2000-01	NA	323,950	12,760	43,223	13.34%	5,976	804	6.30



Notes

NA Not available

Source

- Data for years 2000-2001 through 2006-2007 is from the Oregon Community College Profile. The method used to calculate cost per FTE changed significantly with the 2009-2010 report. The CpFTE was calculated for two prior years using this same methodology.
- Population Research Center, Portland State University. Estimates are for July 1 of the fiscal year.

LANE COMMUNITY COLLEGE
EUGENE, OREGON

CERTIFICATES AND DEGREES GRANTED
Last Eight Fiscal Years

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Lower Division Transfer								
AAOT/ASOT	407	319	291	302	294	356	400	320
Associate of General Studies	42	42	40	48	27	40	38	37
Associate of Science	47	38	18	21	12	23	27	11
Total Transfer Awards	<u>496</u>	<u>399</u>	<u>349</u>	<u>371</u>	<u>333</u>	<u>419</u>	<u>465</u>	<u>368</u>
Technical								
Associate of Applied Science	320	307	287	307	316	351	355	408
Certificate	243	158	102	170	141	183	163	192
Apprentice: Assoc. of Applied Science	0	1	0	0	0	1	0	3
Total Technical Awards	<u>563</u>	<u>466</u>	<u>389</u>	<u>477</u>	<u>457</u>	<u>535</u>	<u>518</u>	<u>603</u>
Total Awards	<u>1059</u>	<u>865</u>	<u>738</u>	<u>848</u>	<u>790</u>	<u>954</u>	<u>983</u>	<u>971</u>
% of Degree-Seeking Students	<u>NA</u>	<u>9.1%</u>	<u>9.5%</u>	<u>10.7%</u>	<u>10.2%</u>	<u>12.6%</u>	<u>13.1%</u>	<u>7.1%</u>

Source

Per Lane Community College Institutional Research and Planning
NA Not available at the time of this audit

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>
2009-10	250	416	67	733
2008-09	241	416	57	714
2007-08	244	400	66	710
2006-07	251	416	70	737
2005-06	269	449	68	786
2004-05	260	454	65	779
2003-04	248	437	59	744
2002-03	277	483	68	828
2001-02	289	467	71	827
2000-01	284	447	73	804

Source

Per Lane Community College Institutional Research Assessment and Planning

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

(This page intentionally left blank)

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 19, 2010

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, 2010, and have issued our report thereon dated November 19, 2010. 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

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

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

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

November 19, 2010

Board of Education
Lane Community College
Eugene, Oregon

Compliance

We have audited Lane Community College's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Lane Community College's major federal programs for the year ended June 30, 2010. 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. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lane Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Lane Community College's compliance with those requirements.

In our opinion, Lane Community College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

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

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

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

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

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

LANE COMMUNITY COLLEGE

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue July 1, 2009	Receipts	Expenditures	Accrued (Deferred) Revenue June 30, 2010
84.007		\$ 582,063	\$ 31,029	\$ 613,092	\$ 582,063	\$ -
84.033		423,086	283,722	314,973	423,086	391,835
84.033		114,809	-	114,809	114,809	-
84.063		26,903,136	1,484	26,791,270	26,903,136	113,350
84.268		53,066,312	-	52,892,722	53,066,312	173,590
84.375		110,194	-	105,352	110,194	4,842
84.042	P042A060722-08	265,553	20,645	59,777	39,132	-
84.042	P042A060722-09	302,300	-	227,701	249,743	22,042
84.031	P031A080262	400,000	12,714	75,628	62,914	-
84.031	P031A080262-09	412,335	-	319,644	323,987	4,343
84.333	P33A080082708	340,402	101,821	182,634	80,813	-
84.116	ASONO0266-LCC	13,721	-	-	12,330	12,330
84.335	P335A090144	106,963	-	63,198	92,304	29,106
84.333	P333A080082-09	474,706	-	214,070	261,533	47,463
Passed Through Oregon Department of Community Colleges and Workforce Development:						
84.002	EE8913 BG	207,677	81,821	81,821	-	-
84.002	EE91013 BG	204,339	-	89,014	204,338	115,324
84.002	EE8913 EG	45,370	15,417	15,417	-	-
84.002	EE91013 EG	37,178	-	19,667	37,175	17,508
84.002	EE8913 CG	38,985	4,523	4,523	-	-
84.002	EE91013 CG	34,111	-	-	34,110	34,110
84.002	EE8913 TG	15,690	3,925	3,925	-	-
84.002	EE91013 TG	13,200	-	4,304	12,700	8,396
84.002	EE8913 AG	56,268	25,597	25,597	-	-
84.002	EE91013 AG	56,268	-	23,793	54,972	31,179
84.002	EE8913 PG	10,910	4,842	4,842	-	-
84.002	EE91013 PG	7,570	-	3,412	7,490	4,078
84.002	IGRA 0190	34,995	4,657	7,987	20,548	17,218
84.002	IGRA 0282	11,687	-	4,297	10,624	6,327
84.002	IGRA 0225	16,296	4,682	14,888	10,206	-

U.S. DEPARTMENT OF EDUCATION:

Direct programs:

Student Financial Aid:

84.007	Supplemental Educational Opportunity Grants	\$ 582,063	\$ 31,029	\$ 613,092	\$ 582,063	\$ -
84.033	College Work Study	423,086	283,722	314,973	423,086	391,835
84.033	ARRA - College Work Study	114,809	-	114,809	114,809	-
84.063	Pell Grant	26,903,136	1,484	26,791,270	26,903,136	113,350
84.268	Federal Direct Student Loan	53,066,312	-	52,892,722	53,066,312	173,590
84.375	Academic Competitive Grant	110,194	-	105,352	110,194	4,842
84.042	SSS - TRIO 8-09	265,553	20,645	59,777	39,132	-
84.042	SSS - TRIO 8-10	302,300	-	227,701	249,743	22,042
84.031	T3-Engaging Students 9-09	400,000	12,714	75,628	62,914	-
84.031	T3-Engaging Students 9-10	412,335	-	319,644	323,987	4,343
84.333	Project Shift 9-09	340,402	101,821	182,634	80,813	-
84.116	Oregon Health Sciences University	13,721	-	-	12,330	12,330
84.335	CCAMPIS/CAL 9-10	106,963	-	63,198	92,304	29,106
84.333	DOE:Project Shift 9-10	474,706	-	214,070	261,533	47,463

Passed Through Oregon Department of Community Colleges
and Workforce Development:

84.002	Comprehensive Services 6-09	207,677	81,821	81,821	-	-
84.002	Comprehensive Services 6-10	204,339	-	89,014	204,338	115,324
84.002	EL/Civics 6-09	45,370	15,417	15,417	-	-
84.002	EL/Civics 6-10	37,178	-	19,667	37,175	17,508
84.002	Corrections 6-09	38,985	4,523	4,523	-	-
84.002	Corrections 6-10	34,111	-	-	34,110	34,110
84.002	Outreach Tutoring 6-09	15,690	3,925	3,925	-	-
84.002	Outreach Tutoring 6-10	13,200	-	4,304	12,700	8,396
84.002	Accountability Set-Aside 6-09	56,268	25,597	25,597	-	-
84.002	Accountability Set-Aside 6-10	56,268	-	23,793	54,972	31,179
84.002	Program Improvement Set-Aside 6-09	10,910	4,842	4,842	-	-
84.002	Program Improvement 6-10	7,570	-	3,412	7,490	4,078
84.002	ABSE Pathways 08-10	34,995	4,657	7,987	20,548	17,218
84.002	Learning Standards Pilot Phase 3 6-10	11,687	-	4,297	10,624	6,327
84.002	Development of Content Standards 9-09	16,296	4,682	14,888	10,206	-

LANE COMMUNITY COLLEGE

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue July 1, 2009	Receipts	Expenditures	Accrued (Deferred) Revenue June 30, 2010
Passed Through Oregon Department of Education:						
84.048	12336	\$ 788,737	\$ 118,405	\$ 188,581	\$ 70,176	\$ -
84.243	12336	97,452	14,634	23,308	8,674	-
84.048	14801	5,000	3,208	4,073	865	-
84.048	15339	779,801	-	456,345	660,654	204,309
84.243	15339	96,268	-	96,268	96,268	-
Passed Through Lane Education Service District:						
84.243	12368	45,545	36,025	45,235	9,210	-
84.243	15371	48,396	-	-	31,256	31,256
Passed Through Oregon University System - University of Oregon:						
84.334	SG-2009-18	3,413	3,349	3,349	-	-
84.334	SG-2009-23	6,000	-	5,488	5,488	-
Total U.S. Department of Education			772,500	83,101,004	83,597,110	1,268,606
<u>NATIONAL SCIENCE FOUNDATION:</u>						
Direct programs:						
47.076	DUE-0603492-03	241,087	73,632	73,632	-	-
47.076	DUE-802580	449,912	97,312	221,295	212,718	88,735
47.076	DUE-0903330	319,991	-	142,290	225,645	83,355
47.076	DUE-0903330	810,312	-	10,748	46,695	35,947
			170,944	447,965	485,058	208,037
<u>U. S. ENVIRONMENTAL PROTECTION AGENCY:</u>						
66.951	NE-96069201-0	14,673	8,747	13,517	4,770	-
Total U.S. Environmental Protection Agency			8,747	13,517	4,770	-
<u>SMALL BUSINESS ADMINISTRATION:</u>						
Direct programs:						
59.037	OSBDCN/SBA 12-09	1,183,487	430,603	443,825	752,883	739,661
59.037	OSBDCN/SBA 12-10	1,183,487	-	-	550,552	550,552
59.037	SBA/Portability 7-10	100,000	-	-	40,813	40,813
Total Small Business Administration			430,603	443,825	1,344,248	1,331,026

LANE COMMUNITY COLLEGE

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue July 1, 2009	Receipts	Expenditures	Accrued (Deferred) Revenue June 30, 2010
<u>U. S. DEPARTMENT OF AGRICULTURE:</u>						
Direct program:						
10.769		\$ 99,999	\$ -	\$ -	\$ 94,477	\$ 94,477
USDA RBEG 9-10						
<u>U. S. DEPARTMENT OF DEFENSE:</u>						
Passed through Organizations for Economic Initiatives, Inc.:						
12.002		14,000	-	12,810	12,810	-
GCAP 1-10						
<u>CORPORATION FOR NATIONAL & COMMUNITY SERVICE:</u>						
Direct programs:						
94.016	07SCPOR001-04	264,761	86,386	86,386	-	-
94.016	07SCPOR001-05	286,780	-	198,321	286,780	88,459
Total Corporation for National & Community Service						
<u>U. S. DEPARTMENT OF LABOR:</u>						
17.269	CB-15980-07-60-A-41	1,950,244	65,311	783,521	718,210	-
Direct program - DOL DH-Expansion 12-09						
Passed Through Oregon Department of Community Colleges and Workforce Development:						
17.267	IG00079	142,064	28,884	28,884	-	-
17.260	IGA0124	33,333	2,154	3,577	2,672	1,249
17.259	IGRA0282	17,531	-	6,446	15,937	9,491
17.260	IGRA0244	11,779	4,279	11,768	7,489	-
Passed Through Lane Workforce Partnership:						
17.260	28201	236,830	42,750	42,750	-	-
17.258	28201	176,015	32,250	32,250	-	-
17.260	29201	254,144	-	211,273	251,919	40,646
17.258	29201	176,016	-	146,817	175,063	28,246
17.260	28212	294,685	-	137,546	189,242	51,696
17.258	28212	594,685	-	279,259	384,218	104,959
17.260	28211	225,000	827	217,768	223,823	6,882
17.259	28417-01	198,793	4,714	167,561	162,847	-
17.275	29212	159,547	-	-	8,834	8,834
17.275	IGA0330	96,558	-	-	2,003	2,003
Total U.S. Department of Labor						
			181,169	2,069,420	2,142,257	254,006

LANE COMMUNITY COLLEGE

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue July 1, 2009	Receipts	Expenditures	Accrued (Deferred) Revenue June 30, 2010
U. S. DEPARTMENT OF HEALTH & HUMAN SERVICES:						
Direct programs:						
93.924	T22HA16766	\$ 67,842	\$ -	\$ 67,832	\$ 67,832	\$ -
HRSA 2-10						
Passed Through Oregon Childcare Resource & Referral Network:						
93.575	CCD05-07RRR06-06	783,623	98,357	98,357	-	-
93.575	DHS07-09RRR06-01	129,488	27,768	27,768	-	-
93.575	09-11RRR06	534,944	-	194,673	269,308	74,635
93.575	DH509-11RRR06	312,533	-	108,780	150,535	41,755
Passed Through HIV Alliance:						
93.928	H97HA07526-01-00	146,771	49,414	84,906	35,492	-
93.928		130,616	-	42,245	83,189	40,944
Passed Through Lane Workforce Partnership:						
93.558	28303	80,680	13,712	13,712	-	-
93.558	29303	83,462	-	74,136	81,842	7,706
Passed Through Lane County Commission on Children and Families:						
93.575		245,368	48,547	48,547	-	-
93.575	ARRA09-10RRR06	122,684	-	81,040	112,313	31,273
Total U.S. Department of Health & Human Services						
			237,798	841,996	800,511	196,313
Total all programs			\$ 1,888,147	\$ 87,215,244	\$ 88,768,021	\$ 3,440,924

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, 2010

A - SUMMARY OF AUDIT RESULTS:

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

Program Name	CFDA Number
Student Financial Aid Cluster:	
Federal Supplemental Educational Opportunity Grants	84.007
Federal Direct Student Loans	84.268
Perkins Loans	84.038
Federal Work-Study Program (including ARRA)	84.033
Federal Pell Grant Program	84.063
Federal Academic Competitiveness Grant	84.375
WIA Cluster:	
WIA Adult Program (including ARRA)	17.258
WIA Youth Activities (including ARRA)	17.259
WIA Dislocated Workers (including ARRA)	17.260

8. The threshold for distinguishing Type A programs from Type B programs was \$1,071,000.
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.

(This page intentionally left blank)

INDEPENDENT AUDITOR'S COMMENTS

(This page intentionally left blank)

INDEPENDENT AUDITOR'S COMMENTS
REQUIRED BY OREGON STATE REGULATIONS

November 19, 2010

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, 2010, and have issued our report thereon dated November 19, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control

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

Compliance

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

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

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

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

- As discussed in Note 9 to the financial statements, the College overexpended an appropriation in one fund during the year. ORS 294.435(4) provides that no greater amount be expended than appropriated except as specifically provided by law.

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

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.