

LANE COUNTY, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2012



Lane County Government will work to create a prosperous community by providing collaborative leadership, fair and inclusive decision making and excellent sustainable local governmental services to our residents and guests.

COMPREHENSIVE ANNUAL FINANCIAL REPORT
LANE COUNTY, OREGON
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

REPORT PREPARED BY THE COUNTY
FINANCIAL SERVICES DIVISION

INTRODUCTORY SECTION

Lane County, Oregon
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012

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December 11, 2012



Citizens of Lane County
Members of the Board of County Commissioners
Liane Richardson, County Administrator

The Management Services Department, Financial Services Division of Lane County, Oregon is pleased to submit the County's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012, together with the report thereon of Lane County's independent auditors. This report is published to provide the Board of County Commissioners, our citizens, County staff, and other readers with detailed information about the financial position and results of operations of the County, and to demonstrate fiscal and operational accountability in the use of County resources. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with Lane County management. To provide a reasonable basis for making these representations, management has established an internal control structure designed to safeguard County assets against loss, theft, or misappropriation, and to compile sufficient, reliable information for the preparation of the County's financial statements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

THE REPORT

In accordance with Oregon law and Lane County Code, Moss Adams, LLP has audited the County's basic financial statements. The objective of the audit is to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2012, are free of material misstatement. The audit was conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and Minimum Standards for Audits of Oregon Municipal Corporations as prescribed by the Secretary of State, State of Oregon. The unqualified opinion rendered in this report indicates that the financial statements were prepared in accordance with generally accepted accounting principles (GAAP) accepted in the United States of America and meet the standards prescribed by the Secretary of State. The auditor's report on these financial statements is located in the Financial Section of this report.

The independent audit of the financial statements was part of a broader, federally mandated "Single Audit". The Single Audit standards require that the independent auditor report not only on the fair presentation of the basic financial statements, but also on the County's internal controls and legal requirements involving the administration of federal grant awards. Those reports are included in the Government Auditing Standards Section of this report.

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 MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditor on the basic financial statements.

PROFILE OF THE COUNTY

Lane County was established in 1851 and is geographically situated on the west side of Oregon, about midway down the state's coastline. The County encompasses 4,620 square miles and, in many ways, typifies Oregon. The County's lands are geographically a microcosm of the state—ranging from rugged glaciated mountains in the east, through a broad valley spreading across the Willamette River mid-county, to a beautiful and rugged coastline along the western edge. With a population of 353,155, Lane County is the fourth most populous county in Oregon and the third most populous metropolitan statistical area (MSA) in the state. Lane County's population continues to increase, with a growth rate of 9.0% since 2000.



The Lane County Home Rule Charter is the basic law under which the County operates, and can be amended only by a vote of the people. The Charter grants authority to a full-time compensated, five-person Board of County Commissioners to legislate and administer County government within the limits of that authority. Commissioners are individually elected for four-year terms by Lane County voters from specific geographic regions. The County operates under the provisions of the County Charter and the Lane County Code, as well as the Oregon Constitution and State law (Oregon Revised Statutes). Board action is effected by a simple majority vote of three of the five Board members.

As a general purpose government, the mission of Lane County is to effectively provide essential government services for all County citizens as authorized in its Charter. Lane County consists of service departments grouped into three categories: Support Services (which includes the Board of Commissioners, County Administration, County Counsel, Human Resources, Management Services, and Information Services), Public Services (which includes Health & Human Services, Public Works, Assessment and Taxation, Children and Families, County Clerk, Workforce Partnership, and the Lane Events Center), and Public Safety (which includes the Sheriff's Office, Justice Courts, the District Attorney, and Youth Services).

As the foundation of the County's annual financial planning and control, the budget is prepared and adopted for all County funds as required by Oregon Local Budget Law (ORS Chapters 294.305-294.565). The board order adopting the budget establishes appropriations for each fund which expenditures cannot legally exceed. Budgetary control is internally administered at a more restrictive level. Budget and Actual comparisons are presented in this report for each individual fund for which an

appropriated annual budget has been adopted. For the General Fund, Road Fund, Special Revenue / Services Fund, Health and Human Services Fund and LaneCare Fund, this comparison is presented in this report as Required Supplementary Information. For all other funds the Budget and Actual comparisons are presented as Other Supplementary Information. Additional information on the County's budgetary process can be found in Note II.A. of the Notes to Basic Financial Statements in this report.

For financial reporting purposes, the County is a primary government under the provisions of Governmental Accounting Standards Board Statement No. 14, as amended by GASB 61. This report also includes all organizations and activities for which the elected officials exercise financial control. The County reports one discretely presented component unit; the Housing and Community Services Agency of Lane County (HACSA). The financial information of this entity is included in this report as appropriate to its relationship to the County. More information on the reporting entity and its component unit can be found in Note I.A. of the Notes to Basic Financial Statements in this report.

FINANCIAL CONDITIONS AND OUTLOOK

Local Economy - For well over 100 years, Lane County's main industry had been lumber and wood-based products. When this industry went into decline in the late 1970s, Lane County, like most of the state, began to diversify into the services and retail industries. However, through the 1980s, Lane County's economy was still heavily tied to lumber and wood products, and suffered as a result. During the early 1990s, Lane County's manufacturing sector made a comeback when several high-technology manufacturing firms located here. At the same time, large gains in the stock markets accompanied by early retirements contributed to a tremendous growth in orders for luxury motor homes and the expansion of motor home manufacturing firms added a number of jobs in this sector.

This period of economic growth went into decline for Lane County and the rest of the State as the recession that began in 2001 forced several firms to either layoff employees or permanently shut down. The economy entered a period of slow-to-negative growth for a number of years, followed by a broad-based recovery that leveled off in late 2006 as evidenced by stable employment levels.

More recently, Lane County's economic conditions have mirrored the State of Oregon and the rest of the Country during the recession that began in late 2008. Initially, Lane County lagged behind the rest of the nation in terms of economic slowdown, but quickly caught up and experienced the same level of downturn in leading economic indicators such as home values and employment levels. The 2009 unemployment rate was the highest for the area since 1983 when Oregon was at the height of the early 1980's recession. According to local economists, Lane County's unemployment rate has likely begun a slow decline that will continue for a number of years. As evidence, the County's unemployment rate dropped to 8.8% in August 2011, down from 9.6% recorded a year earlier and 11.0% recorded two years earlier (not seasonally adjusted). This is still slightly higher than the statewide average of 8.7% and the nationwide average of 8.2% (also not seasonally adjusted).

Financial Outlook – For many years the County was the recipient of timber payments under federal legislation. These payments were made by the federal government in recognition of the fact that, with more than 50% of property in the County under federal ownership, the federal government generated significant costs for local governments, but paid no taxes to help cover the cost of services. The Secure Rural Schools and Community Self-determination Act (the Act) passed by the 2000 Congress provided a six-year guarantee of federal payments that expired in fiscal year 2007, followed by a one year extension that provided direct revenues of approximately \$40 million to the County, as well as an average of \$6.6 million to the County School Fund which passes through the County to the local Education Services District. However, failure to renew these programs for subsequent years required that Lane County significantly reduce General Fund programs and staffing levels at the end of fiscal year 2008.

In October of 2008, Secure Rural Schools funding was reinstated in a reduced, step-down form as part of the Emergency Economic Stabilization Act of 2008 approved by the US Congress. The County received approximately \$16.4 million in 2012 (including the County School Fund), and originally anticipated that receipts would decline to approximately \$2.4 million in 2013. On July 6, 2012, the Act was extended for an additional one-year, further step-down as part of Public Law 112-141. Lane County will receive an additional \$12 million (including the County School Fund) more than originally estimated. Unless another extension occurs, funding levels in 2014 will decline back to the estimated \$2.4 million level.

Long-term Financial Planning - The County makes use of two primary financial planning models. The first model is a multi-year forecast for the County's General Fund and the second is a similar model prepared for the Road Fund. In order to allow for more accurate study and evaluation of the financial future of Lane County, the Board of Commissioners and citizen members of the Budget Committee began working with the financial forecasting model of the General Fund in 1988. A similar model for the Road Fund was put into use in 1995. Both models are designed to predict over a multi-year horizon the outcome of certain policy choices, ranging from policy-driven expenditure reductions and revenue enhancements to externally-driven factors such as rising health care costs and fluctuating levels of timber receipts. While these financial models can be very helpful, they are not without limitations. The models are thoughtfully built on a series of assumptions that represent, at one point in time, the best judgments of information available to preparers of the model. Fluctuations of a mere 1-2% in certain assumptions can significantly alter the financial projections produced by the models.

As in past years, the County continues to face a financial "structural deficit" in regards to service delivery, with revenues increasing at a rate of around 3% annually, or below in recent years due to the economic downturn, while expenses continue to increase closer to 6%. Lane County's ability to increase revenues is severely constrained by the passage of Ballot Measures 5, 47 and 50 which placed statewide constitutional limitations on tax rate increases and tax ceilings.

Major Initiatives – In view of the step-down of Secure Rural Schools funding and the projected structural deficit, the County continues to evaluate options to provide stable service delivery which is sustainable for the future. County voters have turned down a multitude of various funding measures placed on the ballot prompting the Board of Commissioners to determine that service stabilization should be achieved with existing and known resources.

Relevant Financial Policies – The County has adopted financial and budget policies to support the County's strategic goals, ensure stability in service delivery and promote the efficient use of public funds. It is Lane County's policy to establish reserve funds which can be used to reduce the impact of substantial revenue fluctuations, thus providing for a more stable delivery of services to Lane County citizens. Reserves can be observed as part of cash and cash equivalents, as well as fund balance.

AWARDS AND ACKNOWLEDGEMENTS

Certificate of Achievement – The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Lane County, Oregon for its comprehensive annual financial report for the fiscal year ended June 30, 2011. This was the ninth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition, the County also received the GFOA's Award for Distinguished Budget Presentation for its annual budget for the fiscal year beginning July 1, 2011. In order to qualify for the Award, the budget document was judged to be proficient in several categories as a policy document, financial plan, operations guide, and communications device.

Acknowledgements - The preparation of this CAFR would not have been possible without the dedicated services of the entire staff of the Financial Services Division. We extend our sincere appreciation to all of the Financial Services staff who contributed to this significant effort and also acknowledge the cooperation and assistance of other County staff who contributed to the information required for a fair presentation of the County's financial information.

We also want to acknowledge the professional and technical assistance provided by the municipal audit team from Moss Adams, LLP. Finally, appreciation is extended to the County Administrator, the members of the Finance & Audit Committee and the full Board of County Commissioners for their interest and support in managing the financial operations of Lane County.

Respectfully submitted,

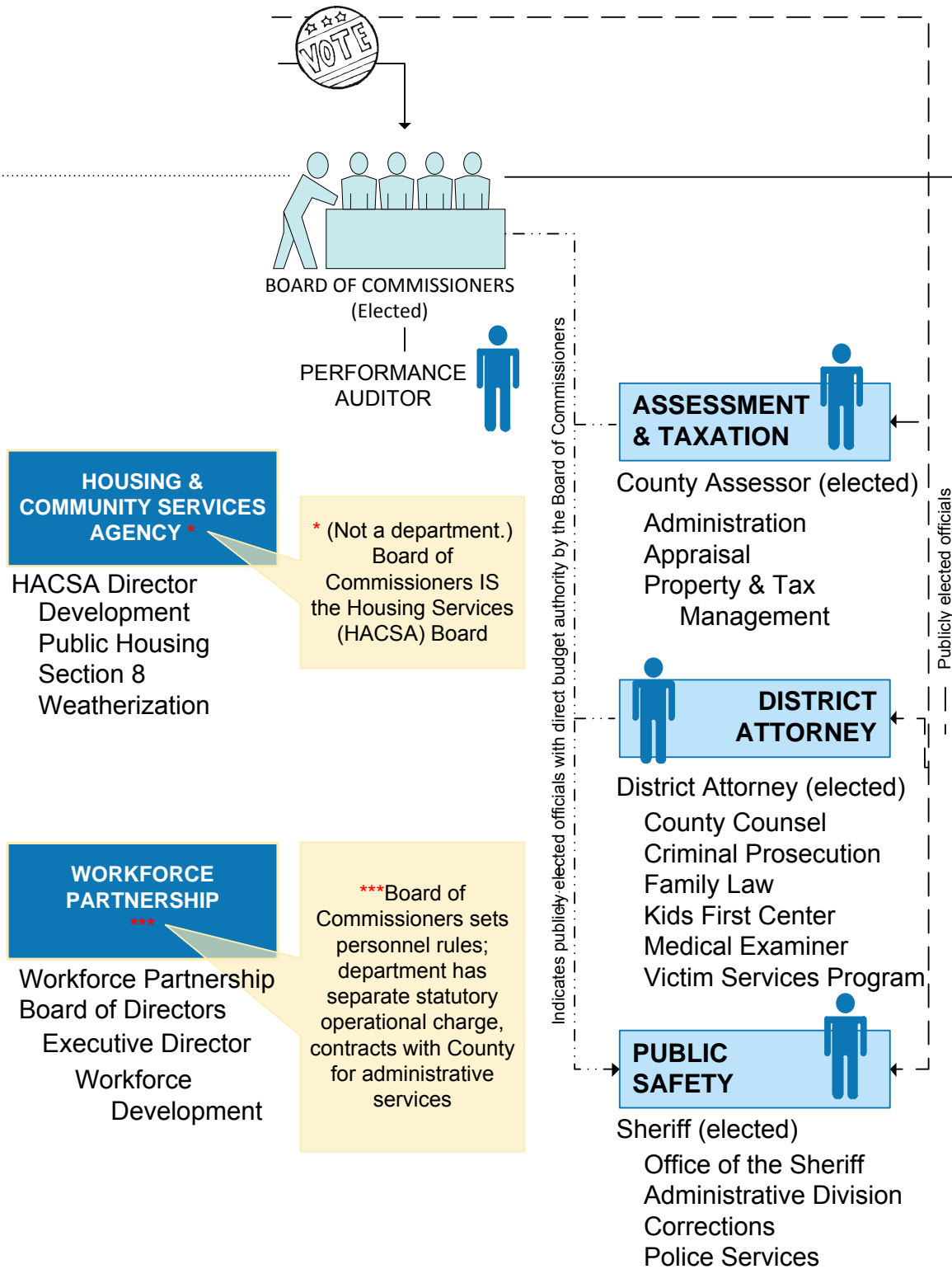


David S. Suchart
Director of Management Services

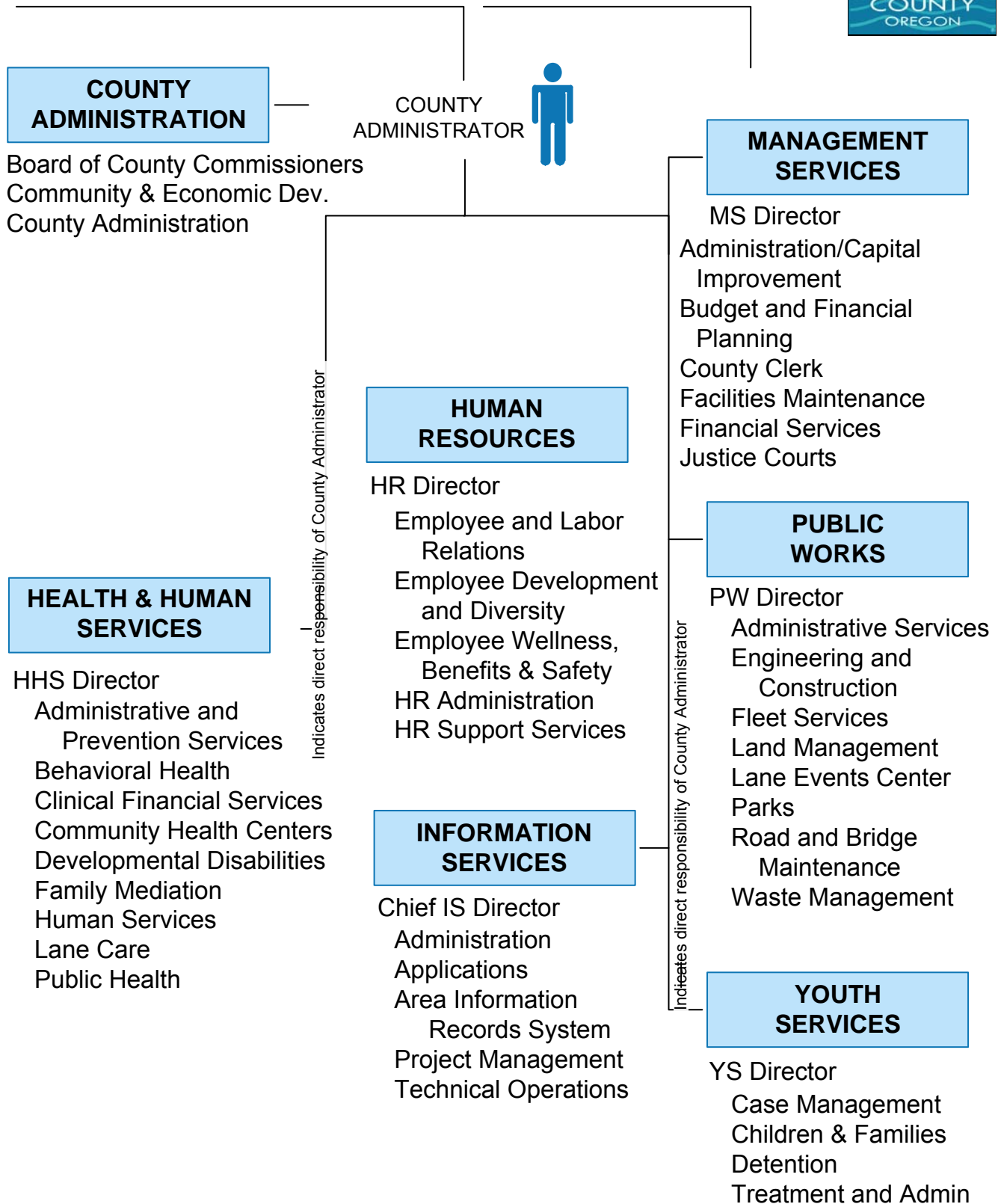


Michael J. Barnhart
Financial Services Manager

Indicates partial responsibility to the Commissioners (see **asterisk** notations)



Lane County Organizational Chart 2012



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lane County
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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.



Linda C. Davidson

President

Jeffrey R. Emer

Executive Director

Lane County, Oregon
Listing of Principal Officials
As of June 30, 2012

Principal County Officials
125 East 8th Avenue
Eugene, Oregon 97401
Telephone: (541) 682-4203

Board of County Commissioners

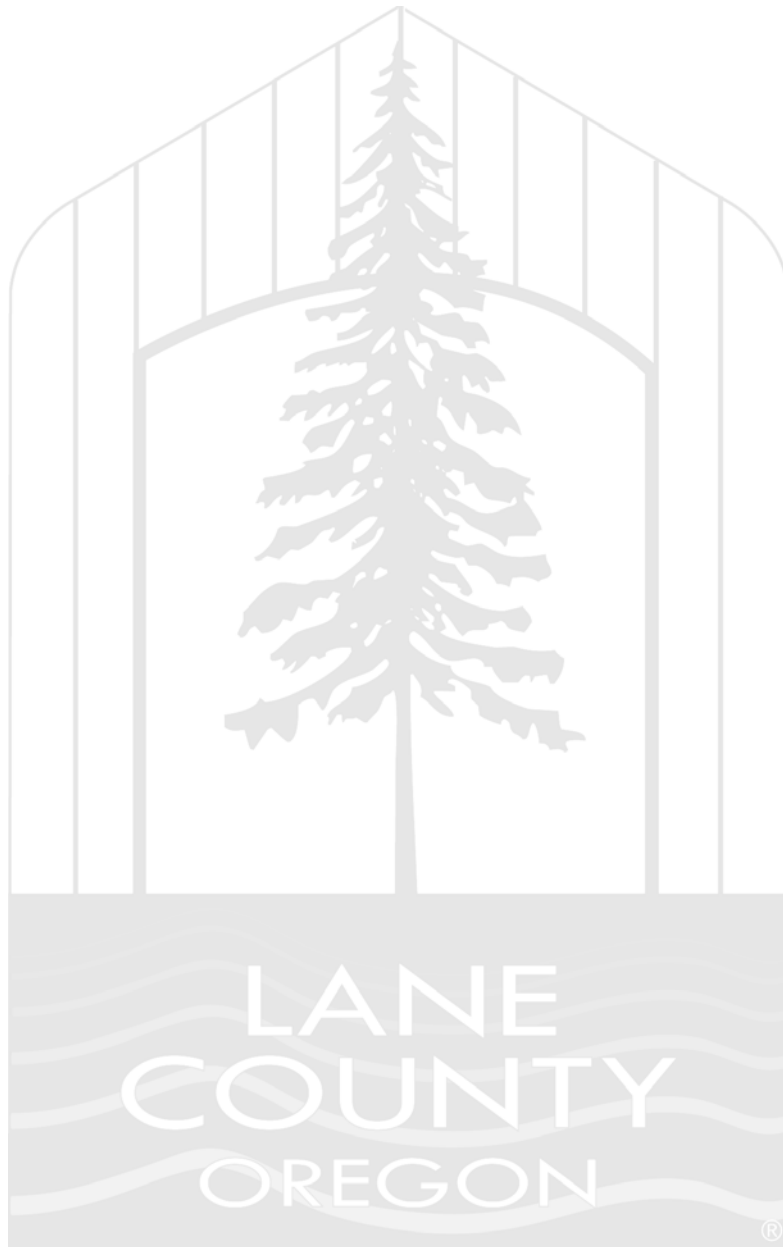
<u>Name</u>	<u>District</u>	<u>Term Expiration Date</u>
Sid Leiken, Chair	Springfield	January 5, 2015
Jay Bozievich, Vice Chair	West Lane	January 5, 2015
Pete Sorenson	South Eugene	January 7, 2013
Rob Handy	North Eugene	January 7, 2013
Faye Stewart	East Lane	January 5, 2015

Other Elected Officers

Anette Spickard	County Assessor	January 5, 2015
Alex Gardner	County District Attorney	January 7, 2013
Tom Turner	County Sheriff	January 7, 2013

Administrative Officials

Liane Richardson	County Administrator
David S. Suchart	Director of Management Services
Alex Gardner	County Counsel



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

REPORT OF INDEPENDENT AUDITORS

Board of Commissioners
Lane County, Oregon

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lane County (the "County") as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Housing and Community Services Agency of Lane County ("HACSA"), which represent 100% of the assets, net assets, and revenues of the discrete component unit. Those 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 HACSA, is based on the report of 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. 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 County's internal control over financial reporting. Accordingly, we express no such opinion. An audit 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 other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lane County, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2012 on our consideration of the County'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 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.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 14 through 26; the schedules of revenues, expenditures and changes in fund balance – budget and actual on pages 83 through 87 (the "budgetary schedules"); and the schedule of funding progress for other post-employment benefits on page 88 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to management's discussion and analysis and the schedule of funding progress for other post-employment benefits described in the preceding paragraph in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on this information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The budgetary schedules described above are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The budgetary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements. The combining and individual nonmajor fund financial statements, other supplementary schedules, and schedule of expenditures of federal awards as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* (Circular A-133) are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and

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certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, other supplementary schedules, and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Lane County's basic financial statements. The introductory section and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



For Moss Adams LLP
Eugene, Oregon
December 11, 2012



Management's Discussion and Analysis

The management of Lane County, Oregon, presents this narrative overview to facilitate both a short-term and long-term analysis of the financial activities of the County for the fiscal year ended June 30, 2012. This Management's Discussions and Analysis (MD&A) is based on currently known facts, decisions, and conditions that existed as of the date of the independent auditor's report.

Financial Highlights

- The assets of Lane County exceeded its liabilities at June 30, 2012, by \$478.3 million (total net assets). Of this amount, \$90.7 million may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's overall financial position decreased \$77.0 million during the current fiscal year. The primary components of the decrease were threefold: 1) the implementation of Governmental Accounting Standards Board (GASB) Statement No. 61 which had the affect of reclassifying \$44.0 million in net assets of the Housing and Community Services Agency from business-type activities of the primary government to a separate and discretely reported component unit, 2) the abandonment of the Area Information Records System (AIRS) software development project totaling \$11.3 million, and 3) a reduction in Secure Rural Schools funding of \$17.2 million.
- At June 30, 2012, the County's governmental funds reported combined ending fund balances of \$92.5 million, a decrease of \$30.7 million. Approximately \$33.3 million is available for spending by the board.
- Spendable, non-restricted fund balance for the General Fund is \$12.3 million at the end of the current fiscal year, or 19.6% of General Fund total revenues.

Overview of the Financial Statements

The following discussion and analysis is intended to serve as an introduction to the County's basic financial statements and other required supplementary information. The County's basic financial statements comprise three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to basic financial statements

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods. Examples of such items include earned but uncollected property taxes, and earned but unused compensated absences.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through charges for services (business-type activities).

The governmental activities of the County include the following

- General government
- Public health and welfare
- Roads and bridges
- Public Safety
- Parks
- Community development

The business-type activities of the County include the following:

- Lane events center
- Corrections commissary
- Solid waste disposal
- Land management

The government-wide financial statements include not only the County itself (known as the primary government), but also the legally separate Housing and Community Services Agency of Lane County (HACSA), for which the County is financially accountable. Although HACSA is legally separate and provides no financial benefit or burden to the County, HACSA's governing body is substantially identical to the County's. As a result of a new accounting standard, HACSA's financial statements are now discretely presented in the County's financial statements. See page 39-40, 68-71, and 81 of this report for more information. The government-wide financial statements also include the Lane Events Center. The operation of the Lane Events Center is managed by a director who reports to the county administrator, while the County Fair is governed by a separate Fair Board appointed by the Board of County Commissioners. The government-wide financial statements can be found on pages 27-29 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for many of the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the acquisition and use of current spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financial decisions. Both the governmental fund balance sheet and statements of revenues, expenditures, and changes in fund balances provide reconciliations to facilitate this comparison between governmental funds and governmental activities. These reconciliations can be found on pages 31 and 33 of this report.

The County maintains 21 individual governmental funds made up of 1 general fund, 15 special revenue funds, 3 debt service funds, and 2 capital projects funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the General Fund and the Road, Special Revenue/Services, Health and Human Services, and LaneCare special revenue funds, all of which are considered to be major funds. Data from the other 16 governmental funds are combined into a single, aggregated presentation. Summary data by fund-type for these nonmajor governmental funds is provided in the form of combining statements on pages 91-92 of this report. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements on pages 94-97, 109-110, and 115-116. The basic governmental fund financial statements can be found on pages 30 and 32.

Proprietary funds. The County maintains two different types of proprietary funds – enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the events center, solid waste disposal operations, corrections commissary operations, and land management functions. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its self-insurance and employee benefits activities, pension bond servicing, motor pool operations, intergovernmental services activities, internal and regional information services and PC replacement activities, and retiree medical benefits. Because internal service funds predominantly benefit governmental rather than business-type functions, these fund assets and liabilities have been included with governmental activities in the government-wide financial statements.

In prior years the Regional Information Systems fund was reported as an enterprise fund. However, effective July 1, 2011, the fund was closed and residual assets were transferred to the Information Services internal service fund. See page 42, 79, and 81 of this report for more information.

Proprietary funds provide the same type of information as reported for the business-type activities in the government-wide financial statements, but in more detail. The proprietary fund financial statements provide separate information for the events center and the solid waste disposal operations, which are considered to be major funds of the County. Conversely, the two remaining enterprise funds are combined into a single, aggregated presentation in the proprietary fund financial statements, as are all internal service funds. Individual fund data for the two nonmajor enterprise funds and each of the internal service funds is provided in the form of combining statements on pages 119-121 and 128-133 of this report. The basic proprietary fund financial statements can be found on pages 34-37 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources are not available to support the County's own programs. The accounting used for fiduciary funds is similar to that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 38 of this report. The statement of changes in assets and liabilities in agency funds can be found on page 143.

Budgetary Comparisons. The County adopts an annual appropriated budget for all its funds except for agency funds. To demonstrate compliance, budgetary comparison statements have been provided for major funds as part of the basic financial statements on pages 83-87 of this report. Budgetary comparisons for all other funds are provided on pages 98-108, 111-113, 117-118, 122-126, and 134-141 of this report.

Notes to basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-81 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Budget-to-actual comparisons for the General Fund and the Road, Special Revenue/Services, Health and Human Services, and LaneCare special revenue funds are presented in this section, along with reconciliations between the budgetary basis of accounting and Generally Accepted Accounting Principles (GAAP). Additionally, information is presented in this section concerning the County's progress in funding its obligation to provide pension and other post-employment benefits to its employees. This required supplementary information is found on pages 83-89 of this report.

The combining statements for the nonmajor governmental funds, enterprise funds, and internal service funds are presented immediately following the required supplementary information as Other Supplementary Information.

Government-wide Financial Analysis

Net assets may serve over time as a useful indicator of a government's financial position. At Lane County, assets exceeded liabilities by \$478.3 million for the current fiscal year.

The largest portion of the County's net assets (68.8%) reflects its investment in capital assets (e.g. land, buildings and improvements, equipment, and infrastructure), less any outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens, and as a result is not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional 12.3% of the County's net assets represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$90.7 million) may be used to meet the government's ongoing obligations to citizens and creditors.

Lane County's Net Assets (In thousands)						
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$219,088	\$252,062	\$30,839	\$55,572	\$249,927	\$307,634
Capital assets	349,810	341,913	30,837	76,760	380,647	418,673
Total assets	568,898	593,975	61,676	132,332	630,574	726,307
Long-term liabilities outstanding	115,982	122,559	3,904	9,889	119,886	132,448
Other liabilities	31,006	34,295	1,381	4,279	32,387	38,574
Total liabilities	146,988	156,854	5,285	14,168	152,273	171,022
Net assets:						
Invested in capital assets, net of related debt	298,027	295,108	30,837	70,548	328,864	365,656
Restricted	58,690	85,579	-	2,925	58,690	88,504
Unrestricted	65,193	56,434	25,554	44,691	90,747	101,125
Total net assets	\$421,910	\$437,121	\$56,391	\$118,164	\$478,301	\$555,285

At the end of the current and prior fiscal years, the County is able to report positive balances in all three categories of net assets for both the government as a whole and for its separate governmental and business-type activities.

Lane County's Changes in Net Assets
(In thousands)

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$80,196	\$87,521	\$20,454	\$32,555	\$100,650	\$120,076
Operating grants and contributions	87,270	103,636	224	22,006	87,494	125,642
Capital grants and contributions	-	-	5	1,920	5	1,920
General revenues:						
Taxes	41,768	40,310	693	716	42,461	41,026
O&C timber receipts	4,917	11,000	-	-	4,917	11,000
Unrestricted investment earnings	1,090	1,306	180	561	1,270	1,867
Grants not restricted to specific programs	5,267	5,325	-	-	5,267	5,325
Total revenues	220,508	249,098	21,556	57,758	242,064	306,856
Expenses: *						
General government	22,793	24,408	-	-	22,793	24,408
Public safety	75,318	77,100	-	-	75,318	77,100
Public health and welfare	90,154	86,424	-	-	90,154	86,424
Parks	2,643	2,477	-	-	2,643	2,477
Roads and bridges	35,914	36,817	-	-	35,914	36,817
Community development	6,307	6,914	-	-	6,307	6,914
Interest on long-term debt	6,946	6,927	-	-	6,946	6,927
Lane events center	-	-	3,792	3,752	3,792	3,752
Solid waste disposal	-	-	14,271	14,733	14,271	14,733
Regional information systems	-	-	-	5,542	-	5,542
Housing & community services	-	-	-	26,090	-	26,090
Corrections commissary	-	-	249	255	249	255
Land management	-	-	5,282	5,312	5,282	5,312
Total expenses	240,075	241,067	23,594	55,684	263,669	296,751
Change in net assets before special item and transfers	(19,567)	8,031	(2,038)	2,074	(21,605)	10,105
Special item ****	(11,330)	-	-	-	(11,330)	-
Transfers in (out) **	15,686	(1,086)	(15,686)	1,086	-	-
Change in net assets	(15,211)	6,945	(17,724)	3,160	(32,935)	10,105
Net assets – beginning of year, previously reported	437,121	430,176	118,164	115,004	555,285	545,180
Reclassification ***	-	-	(44,049)	-	(44,049)	-
Net assets – beginning of year, restated	437,121	430,176	74,115	115,004	511,236	545,180
Net assets – end of year	\$421,910	\$437,121	\$56,391	\$118,164	\$478,301	\$555,285

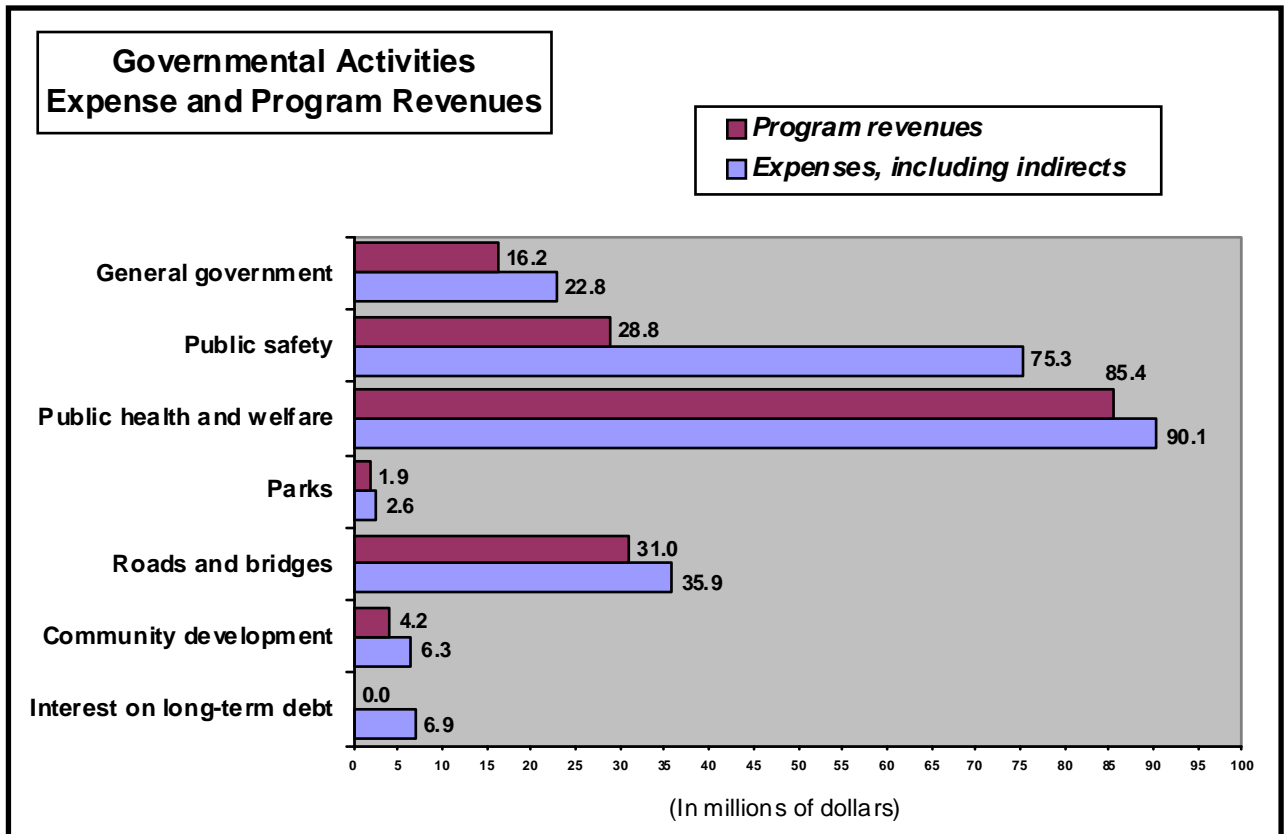
* Expenses include the indirect expense allocation as presented on Page 28 of the basic financial statements.

** The Regional Information Systems enterprise fund was closed and all residual net assets transferred to the Information Services internal service fund. See pages 42, 79, and 81 of this report for more information.

*** The Housing and Community Services Agency was reclassified from a blended component unit to one that is discretely presented. See page 39-40, 68-71, and 81 of this report for more information.

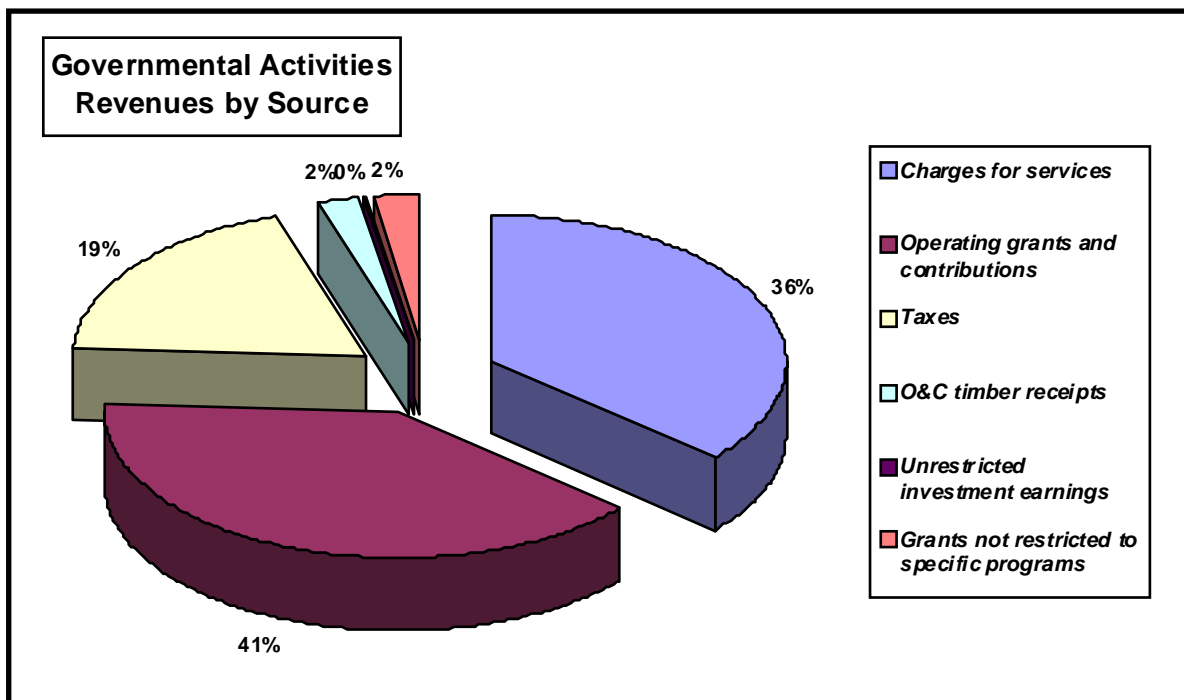
**** The special item represents the abandonment of a regional software conversion project. See page 81 of this report for more information.

Governmental activities. Governmental activities decreased the County's net assets by \$15.2 million, accounting for 19.8% of the total reduction in net assets. The primary factor for this decrease was the abandonment of an internally generated regional software upgrade intended for the Area Information Records System (AIRS). The upgrade was to provide improved justice and public safety information technology services to Lane County, the Cities of Eugene and Springfield, and to other public and private agencies. In 2012 the AIRS partners chose to abandon the upgrade in favor of implementing an off-the-shelf product to manage the courts, county jail, computer-aided dispatch, and law enforcement records.



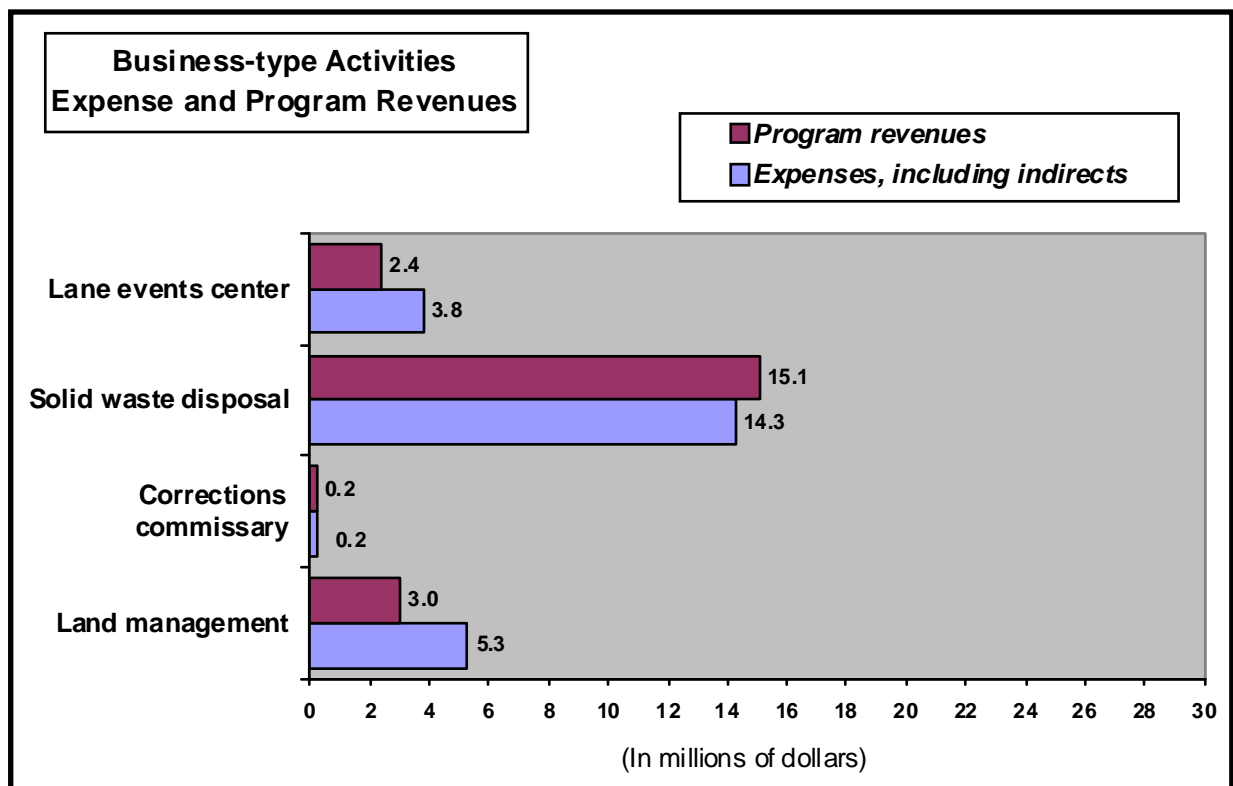
All governmental activities relied on general revenues to support the function.

As illustrated on the next page, 41% of revenues for governmental activities come from operating grants and contributions which includes, among other items, national forest timber sale proceeds of \$7.6 million, County School monies of \$2.5 million, Mental Health grants of \$15.3 million, and State gas tax and road revenues of \$18.0 million. Over one-third of the revenue comes from charges for services of which 38% is from Oregon Health Plan payments and 11% from State Department of Corrections payments. O&C timber receipts of \$4.9 million make up another 2% of governmental revenues. Taxes make up only 19% of overall revenues for governmental activities.



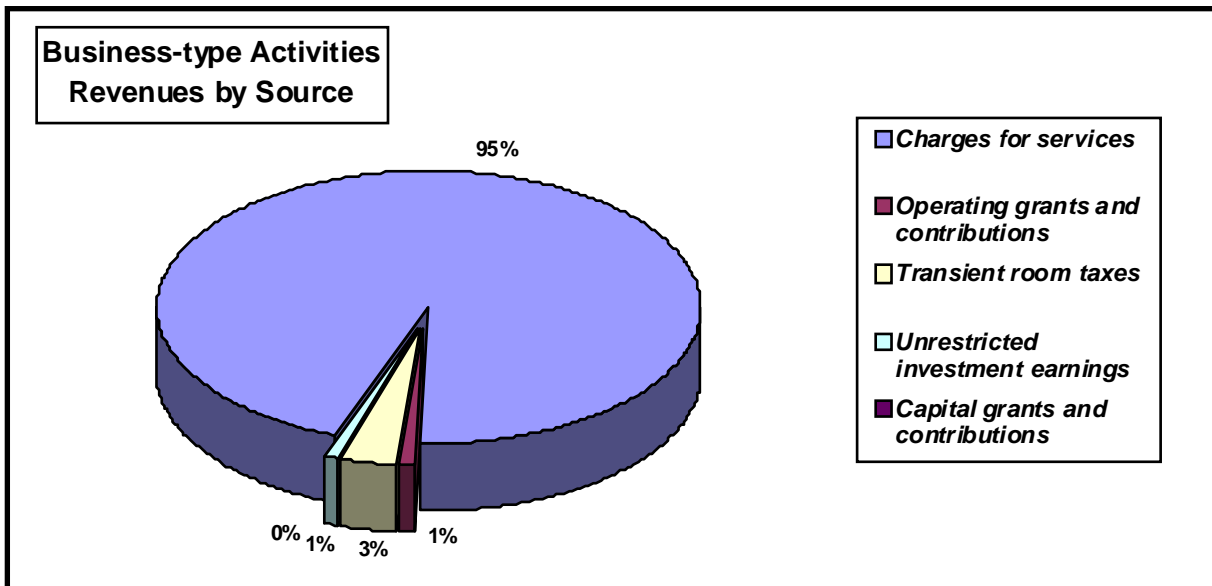
Business-type activities. Business-type activities decreased the County's net assets by \$61.8 million, accounting for 80.2% of the total reduction in net assets. Key components of the increase are as follows:

- Closure of the Regional Information Systems enterprise fund and resulting transfer of \$15.1 million of net assets to the Information Services internal service fund.
- Implementation of new accounting standard to reclassify HACSA from a business-type activity to discrete presentation, reducing net assets from business-type activities by \$44.0 million.



Within the business-type activities, only the solid waste disposal activity generated sufficient revenues during the year to cover current expenses.

Approximately 95% of the revenues for business-type activities come from charges for services, as illustrated below with only 3% coming from transient room taxes.



Fund-based Financial Analysis

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, spendable, non-restricted fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$92.5 million, a decrease of \$30.7 million over the prior year. Approximately 36.0% of this total amount (or \$33.3 million) constitutes spendable, non-restricted fund balance which is available for appropriation in the subsequent year by the Board of County Commissioners. The remaining fund balance is either externally restricted by creditors, grantors, contributors, or laws/regulations, or internally restricted by law through constitutional provisions or enabling legislation (\$59.2 million), or is not available for new spending because it represents amounts that have already been spent (\$1.8 million in inventories).

The **General Fund** is the chief operating fund of the County. At the end of the current fiscal year, total fund balance for the General Fund was \$12.4 million. Of this amount, \$1.0 million was reported as assigned to cover an operational shortfall and \$11.3 million was reported as unassigned. As a measure of the General Fund's ability to liquidate fund liabilities, it may be useful to compare both spendable, non-restricted fund balance to total fund revenues. At the end of the current fiscal year, spendable, non-restricted fund balance represented 19.6% of total General Fund revenues and total fund balance represents 19.8% of those same revenues.

The fund balance of the **General Fund** decreased \$7.0 million from the prior year. \$4.8 million of the decrease is part of the spend down of Secure Rural Schools funding that was held in reserve in fiscal year 2011 in anticipation of the eventual phase-out of the federal program in fiscal year 2012. The remaining decrease of \$2.2 million was due to mainly to the \$7.5 million step-down in Secure Rural Schools funding in fiscal year 2012 offset by \$5.4 million in service reductions.

During the current fiscal year, the ending fund balance of the **Road Fund** decreased by \$11.9 million to \$37.2 million. The decrease is due mainly to the \$8.3 million step-down in Secure Rural Schools funding in fiscal year 2012 and an increase in capital outlay of \$3.1 million, mostly for the Customer Service Center remodel.

The **Special Revenue/Services Fund** accounts for dedicated revenue sources and programs. The fund balance experienced a modest increase of \$.8 million during the year. The increase occurred mainly in Sheriff's Office programs.

In the current fiscal year, the fund balance of the **Health and Human Services (H&HS) Fund** experienced a slight increase of \$.7 million, due mainly to decreased transfers out to the Capital Projects fund for Community Health Center remodel costs completed in fiscal year 2011.

The **LaneCare Fund** accounts for mental health services for county residents enrolled in the Oregon Health Plan. The fund balance decreased \$4.3 million in the current year, mainly as result of a \$1.9 million expansion of the prevention, education, and outreach program, and a \$2 million payment in healthcare transformation funds to mental health service providers, both of which were paid out of reserves.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but offer more detail. Total proprietary fund net assets decreased by \$57.3 million during the year to a total of \$101.5 million, of which \$55.6 million is unrestricted. The decrease was due mainly to HACSA being reclassified from a blended component unit to one that is discretely presented (\$44.0 million) and the abandonment of a software conversion project (\$11.3 million).

As of the end of the current fiscal year, the County's proprietary funds reported unrestricted net assets (deficit) as follows. Unrestricted net assets are presented both as an amount and as a percentage of total net assets for each fund.

	Amount	Percentage Of Total
Lane events center	\$ 0.5 million	4.8%
Solid waste disposal	19.0 million	47.8%
Corrections commissary	0.3 million	100.0%
Land management	0.7 million	98.7%
Self insurance	(3.2 million)	N/A
Employee benefits	1.1 million	100.0%
Pension bond	(7.3 million)	N/A
Motor and equipment pool	27.7 million	71.7%
Intergovernmental services	0.2 million	62.0%
Information services	2.1 million	96.4%
PC replacement	4.9 million	76.4%
Retiree medical benefit trust	9.7 million	100.0%

The **Lane Events Center Fund** net assets decreased by \$.8 million during the year. This was due to a combination of low transient room tax revenue collections and decreased facility rentals owing to a poor economy.

The County's waste management services are provided for in the ***Solid Waste Disposal Fund***. Net assets in this fund decreased \$0.6 million during the year, due mainly to a poor economy which translates into less garbage and reduced fee hauler revenue.

The County operated and maintained a regional computer system for both Lane County and other intergovernmental partners in the ***Regional Information Systems Fund***. Since 2007 the County had been capitalizing internally generated computer software costs to upgrade the Area Information Records System (AIRS) that provides justice and public safety information technology services to Lane County, the Cities of Eugene and Springfield, and to other public and private agencies. Effective July 1, 2011, the regional partners chose to disband the joint venture and abandon the upgrade in favor of implementing an off-the-shelf product to manage the courts, county jail, computer-aided dispatch, and law enforcement records. The result was a write-off of \$11.3 million in capitalized software costs and the closure of the Regional Information Systems Fund. Residual assets not returned to the regional partners were transferred to the Information Services internal service fund for continued support of the remaining regional systems. See pages 42, 79, and 81 of this report for more information.

The financial statements of the Housing and Community Services Agency of Lane County (HACSA) used to be blended into the financial statements of Lane County. However, with the implementation of a new accounting standard, HACSA is no longer reported as an enterprise fund of Lane County, but is instead reported as a discretely presented component unit. The result is a decrease in proprietary fund net assets of \$44.0 million. See page 39-40, 68-71, and 81 of this report for more information.

General Fund Budgetary Highlights

The difference between the original adopted budget and the final amended budget (including contingency) for the General Fund was a \$.9 million increase in expenditure appropriations, or 1.0% of the adopted budget. This increase was primarily due to the following adjustments:

- Increase of \$2.4 million in contingency and reserves beginning budgetary resources and budgeted expenditures for the difference between estimated beginning fund balances and actual fund balances at the end of the prior year.
- Decrease of \$1.5 million in the Sheriff's Office due to the movement of the Community Corrections Center operation to the Special Revenue / Services special revenue fund.

For the current fiscal year, the County realized a net positive budget variance in the General Fund of \$12.1 million. This was the result of cost cutting efforts that reduced General Fund expenditures by \$4.2 million and avoiding the use of the budgeted contingency of \$7.9 million.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2012 was \$380.6 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and building improvements, improvements other than buildings (such as parks and park improvements), equipment, and infrastructure (roads and bridges). The total decrease in the County's investment in capital assets for the current fiscal year was 9.1%.

The major capital events during the current fiscal year were additions to infrastructure of \$8.6 million, a new marina at Richardson Park for \$1.2 million, renovation costs of \$4.8 million for the new Public Works Customer Service Center, a \$1.4 million roof repair at the Lane Events Center convention center, \$1.5 million in steam conversion work at the Public Service Building, and \$1.9 million in building renovation for the new MKL Jr. Education Center. These additions were offset by two large reductions - reclassification as HACSA to a discrete presentation (\$33.7 million), and the abandonment of the AIRS conversion software project (\$11.3 million).

Lane County's Capital Assets, Net of Accumulated Depreciation
(In thousands)

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$9,890	\$9,890	\$3,651	\$11,607	\$13,541	\$21,497
Construction in progress	12,533	5,965	4,897	17,964	17,430	23,929
Buildings and building improvements	81,873	78,626	21,663	45,313	103,536	123,939
Machinery and equipment	15,036	14,582	626	1,876	15,662	16,458
Infrastructure	230,478	232,850	-	-	230,478	232,850
Total capital assets	\$349,810	\$341,913	\$30,837	\$76,760	\$380,647	\$418,673

Additional information on the County's capital assets can be found in Note III.C. in the Notes to Basic Financial Statements section of this report.

Long-term debt. At the end of the current fiscal year, the County had bonds outstanding of \$120.0 million, all of which is serviced by governmental activities. Of this amount, \$8.2 million represents general obligation bonds serviced by general property taxes. The County also had \$110.7 million in limited tax bonds outstanding. Both obligations are backed by the full faith and credit of the County.

Lane County's Outstanding Bonds, Less Deferred Amounts
(In millions)

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
General obligation bonds	\$8.2	\$10.6	\$ -	\$ -	\$8.2	\$10.6
Limited tax bonds (net of deep discount of \$10.1)	110.7	113.5	-	-	110.7	113.5
Revenue bonds	-	-	-	0.7	-	0.7
Plus – net premium (discount) on issuance	1.1	1.3	-	-	1.1	1.3
Total bonded debt	\$120.0	\$125.4	\$ -	\$0.7	\$120.0	\$126.1

The County's total bonded debt decreased \$6.1 million during the year. Reductions in Governmental Activities were due to exclusively to normal, scheduled bond repayments. Reductions in Business-type Activities were due to the reclassification of HACSA from a blended presentation to one that is discrete.

Moody's Investor Service rates most of the County's bond issues. The County's most recent ratings from Moody's as of February, 2011 are as follows:

- Aa2 for general obligation bonds
- Aa3 for limited tax bonds

The County's rating of "Aa" is defined by Moody's as demonstrating "very strong creditworthiness relative to other US municipal or tax-exempt issuers or issues." The numerical modifier of "2" and "3" reflect the "mid-range" and "lower end" rankings, respectively, within the "Aa" rating.

Oregon Revised Statutes require the following debt limits:

- General obligation debt issues are limited to 2% of the real market value of all taxable property within the County's boundaries. The \$8.2 million in general obligation debt is \$737.1 million below the statutory ceiling.
- Limited tax obligation debt issues are limited to 1% of the real market value of all taxable property within the County's boundaries. The \$43.8 million in limited tax obligation debt is \$328.9 million below the statutory ceiling.
- Limited tax pension debt issues are limited to 5% of the real market value of all taxable property within the County's boundaries. The \$66.9 million in limited tax obligation debt is \$1.8 billion below the statutory ceiling.

Additional information on the County's long-term debt can be found in Note III.E. in the Notes to Basic Financial Statements section of this report.

Economic Factors and Next Year's Budgets and Rates

The overriding theme of the FY12-13 budget is Reductions Inspire Innovation. With the end of Secure Rural Schools (SRS) funding in 2013 and reductions in federal and state funding still struggling with a flagging economy, the County is changing not only what services are provided, but how it provides those services. Following are the major factors and assumptions used in developing the fiscal year 2013 budget:

- The Adopted Budget is \$482.2 million, a decrease of \$54.4 million (10.1%) on a year-to-year basis. Revenues overall are down \$98.9 million from FY 11-12 or 17%, and virtually every fund within the County is experiencing a decrease. The General Fund accounted for \$14.9 million of the decrease and the Road Fund accounted for \$22.5 million of the decrease – both as a result of the reduction in SRS funding.
- Property taxes are projected to increase 1.5%, below the historical average of about 3%) due to the decrease in value of industrial property and the decreasing demand for new houses.
- State funding, primarily in the form of dedicated grants, is expected to decrease 3.9%, or \$3.96 million. While this indicates no significant state reductions, the lack of growth continues to show signs of the recession.
- Federal funding is decreasing 28.9%, or \$15.49 million due mainly to a reduction in the Secure Rural Schools timber funding formula.
- Local revenues are projected to decrease 9.4%, or \$12.8 million. This decrease is due in part to changes in the court fee structure and elimination of a justice court district.
- Personnel services are budgeted at \$135.6 million next year, down \$19.2 million from last year as a result of many labor unions forgoing cost of living increases, coupled with a decrease in the labor force due to reducing revenues.
- Individual employee health benefits costs are budgeted to go down based on the successful negotiation of a less expensive health care plan for the majority of employees.
- Lane County's State of Oregon Public Employee Retirement System (PERS) rates have budgeted to remain flat in FY13.
- Materials and services total \$185.3 million, a decrease of \$34.1 million or 15.6% from the prior year. The decrease in this expense category, which has consistently grown at a rate lower than the consumer price index, reflects departmental cuts to save staff and thereby direct services to County residents.

- Capital outlay and Projects are budgeted \$12.6 million less than the prior year primarily due to the completion of several capital projects.
- Debt service (bond principal and interest payments) are budgeted at \$12.6 million. Payments are being made for the following major bonds: Juvenile Justice Center (JJC) General Obligation Bond; Heating, Ventilating and Air Conditioning (HVAC) and Fairgrounds' capital improvements bonds; Mental Health Building; Public Health Building, Riverstone Clinic, Public Works Customer Service Center, Lane Event Center convention center roof, Richardson Park Marina, and the PERS Limited Tax Pension bond. All bonds that were eligible have been refinanced.
- Lane County faces an ongoing structural deficit, meaning costs for the County rise faster than revenues. The biggest driver of the structural deficit is health care costs. Effective January 1, 2012, non-represented employees and several labor unions agreed to move to either a less expensive high-deductible Health Savings Account or less expensive Managed Care plan to help ward off the rise in health care costs. Regardless, if revenues are rising at 3% and health care costs continue to rise about that as they have during the last decade, it becomes increasingly difficult to maintain service levels and provide for a balanced annual budget as Oregon law requires.
- Consistent with County financial policy, 5% of general revenues are set aside as a "prudent person reserve" to cover unanticipated circumstances in all funds. Additionally, the policy requires a minimum of 10% reserve in the General Fund, which is also met in the FY 12-13 budget.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

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125 East 8th Avenue
Eugene, Oregon 97401
Phone: 541-682-3699

BASIC FINANCIAL STATEMENTS

Lane County, Oregon
Statement of Net Assets
June 30, 2012

	Primary Government			Component Unit
	Governmental	Business-type		Housing and
	Activities	Activities	Total	Community
				Services Agency
<u>Assets</u>				
<u>Current assets</u>				
Cash and cash equivalents	\$ 135,172,949	\$ 24,402,472	\$ 159,575,421	\$ 514,541
Investments	-	-	-	3,734,729
Receivables (net of uncollectibles)	24,313,028	1,405,107	25,718,135	3,129,638
Internal balances	(5,001,151)	5,001,151	-	-
Inventories	2,542,808	-	2,542,808	56,209
Prepays	105,139	30,852	135,991	188,165
Total current assets	157,132,773	30,839,582	187,972,355	7,623,282
<u>Noncurrent assets</u>				
Restricted assets:				
Cash and cash equivalents	-	-	-	1,277,628
Investments	2,469,000	-	2,469,000	3,675,297
Investments in limited partnerships	-	-	-	1,780,168
Deferred charges	860,767	-	860,767	-
Deposits	100,000	-	100,000	1,144
Loans receivable	-	-	-	4,950,891
Net pension asset	58,525,137	-	58,525,137	-
Capital assets:				
Land and construction in progress	22,422,578	8,547,940	30,970,518	8,840,410
Other capital assets (net of accumulated depreciation)	327,388,131	22,288,829	349,676,960	25,906,508
Total noncurrent assets	411,765,613	30,836,769	442,602,382	46,432,046
Total assets	568,898,386	61,676,351	630,574,737	54,055,328
<u>Liabilities</u>				
<u>Current liabilities</u>				
Accounts payable	9,064,453	572,943	9,637,396	422,603
Wages and benefits payable	2,616,644	127,470	2,744,114	97,107
Due to other governments	17,583	-	17,583	-
Interest payable	561,410	-	561,410	55,783
Unearned revenue	315,209	126,213	441,422	476,712
Customer deposits	181,968	103,211	285,179	280,720
Current portion of noncurrent liabilities	18,249,189	451,295	18,700,484	786,251
Total current liabilities	31,006,456	1,381,132	32,387,588	2,119,176
Noncurrent liabilities	115,981,920	3,903,931	119,885,851	6,329,763
Total liabilities	146,988,376	5,285,063	152,273,439	8,448,939
<u>Net assets</u>				
Invested in capital assets, net of related debt	298,026,559	30,836,769	328,863,328	28,459,323
Restricted for:				
Capital projects	132,308	-	132,308	-
Debt service	648,816	-	648,816	-
Health and human services	8,062,862	-	8,062,862	-
Special revenue / services	2,106,028	-	2,106,028	-
Roads	25,022,533	-	25,022,533	-
Title III projects	3,322,819	-	3,322,819	-
LaneCare	15,247,599	-	15,247,599	-
Housing and community services	-	-	-	4,169,930
Self insurance	2,469,000	-	2,469,000	-
Other purposes	1,678,251	-	1,678,251	-
Unrestricted	65,193,235	25,554,519	90,747,754	12,977,136
Total net assets	\$ 421,910,010	\$ 56,391,288	\$ 478,301,298	\$ 45,606,389

The accompanying notes are an integral part of the financial statements.

Statement of Activities

For the Fiscal Year Ended June 30, 2012

Functions/Programs	Direct Expenses	Indirect Expenses Allocation
Primary Government:		
<u>Governmental activities</u>		
General government	\$ 33,741,406	\$ (10,947,951)
Public safety	71,810,649	3,507,298
Public health and welfare	85,956,085	4,198,175
Parks	2,520,236	123,091
Roads and bridges	34,241,457	1,672,384
Community development	6,013,070	293,684
Interest on long-term debt	6,945,867	-
Total governmental activities	241,228,770	(1,153,319)
<u>Business-type activities</u>		
Lane events center	3,627,341	164,572
Solid waste disposal	13,895,813	375,318
Corrections commissary	241,439	7,262
Land management	4,675,494	606,167
Total business-type activities	22,440,087	1,153,319
Total primary government	\$ 263,668,857	\$ -
Component Unit:		
Housing and Community Services Agency	\$ 27,629,949	\$ -

The accompanying notes are an integral part of the financial statements.

Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit Housing and Community Services Agency
Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
\$ 11,036,342	\$ 5,140,816	\$ -	\$ (6,616,297)	\$ -	\$ (6,616,297)	
17,170,939	11,610,059	-	(46,536,949)	-	(46,536,949)	
46,356,092	39,092,163	-	(4,706,005)	-	(4,706,005)	
1,463,188	421,266	-	(758,873)	-	(758,873)	
1,673,107	29,344,679	-	(4,896,055)	-	(4,896,055)	
2,496,856	1,660,693	-	(2,149,205)	-	(2,149,205)	
-	-	-	(6,945,867)	-	(6,945,867)	
80,196,524	87,269,676	-	(72,609,251)	-	(72,609,251)	
2,341,298	50,002	5,000	-	(1,395,613)	(1,395,613)	
15,040,888	2,160	-	-	771,917	771,917	
54,902	169,600	-	-	(24,199)	(24,199)	
3,016,833	2,027	-	-	(2,262,801)	(2,262,801)	
20,453,921	223,789	5,000	-	(2,910,696)	(2,910,696)	
\$ 100,650,445	\$ 87,493,465	\$ 5,000	(72,609,251)	(2,910,696)	(75,519,947)	
\$ 4,798,000	\$ 22,807,201	\$ 1,348,838				\$ 1,324,090
General Revenues:						
Property taxes			37,054,469	-	37,054,469	-
Transient room taxes			3,468,800	692,739	4,161,539	-
Car rental taxes			1,245,574	-	1,245,574	-
O&C timber receipts			4,917,036	-	4,917,036	-
Unrestricted investment earnings			1,089,973	180,203	1,270,176	233,683
Grants not restricted to specific programs			5,266,754	-	5,266,754	-
Special items (Note IV.G.)			(11,330,373)	-	(11,330,373)	-
Transfers			15,686,330	(15,686,330)	-	-
Total general revenues and transfers			57,398,563	(14,813,388)	42,585,175	233,683
Change in net assets			(15,210,688)	(17,724,084)	(32,934,772)	1,557,773
Net assets, June 30, 2011, previously reported			437,120,698	118,163,988	555,284,686	-
Reclassification (Note IV.H.)			-	(44,048,616)	(44,048,616)	44,048,616
Net assets, June 30, 2011, restated			437,120,698	74,115,372	511,236,070	44,048,616
Net assets, June 30, 2012			\$ 421,910,010	\$ 56,391,288	\$ 478,301,298	\$ 45,606,389

Balance Sheet

Governmental Funds

June 30, 2012

	Special Revenue / Health and Human					Other	Total
	General	Road	Services	Services	LaneCare	Governmental	Governmental
						Funds	Funds
<u>Assets</u>							
Cash and cash equivalents	\$ 10,673,793	\$ 35,417,473	\$ 3,105,113	\$ 3,783,120	\$ 15,807,413	\$ 13,583,906	\$ 82,370,818
Receivables (net of uncollectibles):							
Investment earnings	111,502	236,385	15,937	24,066	98,844	117,961	604,695
Property taxes	2,579,420	-	-	-	-	245,004	2,824,424
Accounts	3,125,470	350,186	1,361,812	409,748	-	206,879	5,454,095
Intergovernmental	1,963,081	1,725,700	2,290,882	5,963,394	21,559	736,955	12,701,571
Other	-	-	-	-	-	73,829	73,829
Interest on balances	1,962,724	-	-	-	-	71,894	2,034,618
Due from other funds	31,828	-	-	-	-	-	31,828
Interfund loans receivable	200,000	-	-	-	-	-	200,000
Inventories	153,686	1,459,782	-	147,373	-	-	1,760,841
Total assets	\$ 20,801,504	\$ 39,189,526	\$ 6,773,744	\$ 10,327,701	\$ 15,927,816	\$ 15,036,428	\$ 108,056,719
<u>Liabilities</u>							
Accounts payable	\$ 789,120	\$ 1,415,042	\$ 932,134	\$ 949,638	\$ 614,123	\$ 1,240,001	\$ 5,940,058
Wages and benefits payable	1,761,195	183,128	157,386	293,197	16,440	89,342	2,500,688
Due to other funds	353,559	117,155	97,785	181,086	9,866	77,150	836,601
Due to other governments	17,583	-	-	-	-	-	17,583
Deferred revenue	5,396,461	226,390	-	-	-	233,658	5,856,509
Interfund loans payable	-	-	200,000	-	-	-	200,000
Customer deposits	78,840	-	-	103,128	-	-	181,968
Total liabilities	8,396,758	1,941,715	1,387,305	1,527,049	640,429	1,640,151	15,533,407
<u>Fund balances</u>							
Nonspendable	153,686	1,459,782	-	147,373	-	-	1,760,841
Restricted	-	25,022,533	2,118,064	8,653,279	15,287,387	6,411,816	57,493,079
Assigned	964,248	10,765,496	3,268,375	-	-	6,984,461	21,982,580
Unassigned	11,286,812	-	-	-	-	-	11,286,812
Total fund balances	12,404,746	37,247,811	5,386,439	8,800,652	15,287,387	13,396,277	92,523,312
Total liabilities and fund balances	\$ 20,801,504	\$ 39,189,526	\$ 6,773,744	\$ 10,327,701	\$ 15,927,816	\$ 15,036,428	\$ 108,056,719

The accompanying notes are an integral part of the financial statements.

**Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets**

For the Fiscal Year Ended June 30, 2012

Total fund balances - governmental funds (page 30) \$ 92,523,312

Amounts reported for governmental activities in the statement of net assets
are different because:

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.

\$ 50,214,273

An adjustment is required to eliminate net internal service fund losses back to the activities that helped finance them. The adjustment related to enterprise activities is required in this reconciliation.

(5,081,080) 45,133,193

Capital assets are not financial resources in governmental funds, but are reported in the statement of net assets at their depreciable value:

Land

9,889,738

Construction in progress

12,529,032

Buildings and land improvements

140,708,449

Equipment and furniture

12,877,984

Infrastructure

338,785,020

514,790,223

Less accumulated depreciation

(177,638,310) 337,151,913

Prepaid expenses are not financial assets in governmental funds, but are reported in the statement of net assets at cost.

60,842

Certain assets will be collected after year-end but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in governmental funds:

Receivables:

Property taxes

2,448,553

Court fines

2,763,979

Property taxes - debt service fund

233,658

Road assessments

97,390 5,543,580

Debt issuance costs are expensed in governmental funds in the year paid, but are capitalized on the statement of net assets as deferred charges and amortized over the life of the debt:

Bonds payable

391,963

Certain liabilities are not due and payable in the current period, and are therefore not reported in governmental funds:

Compensated absences payable

(5,338,215)

Interest payable

(284,613)

Bonds payable, net of premiums and discounts

(53,271,965) (58,894,793)

Net assets - governmental activities (page 29)

\$ 421,910,010

The accompanying notes are an integral part of the financial statements.

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Fiscal Year Ended June 30, 2012

	General	Road	Special Revenue / Services	Health and Human Services	LaneCare	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes and assessments, net of refunds	\$ 34,809,949	\$ 21,074	\$ 2,421,568	\$ -	\$ -	\$ 4,563,920	\$ 41,816,511
Licenses and permits	800,929	122,880	-	839,091	-	375,295	2,138,195
Intergovernmental	21,167,399	29,048,169	17,056,912	35,549,270	29,971,039	15,907,526	148,700,315
Charges for services	3,450,371	826,516	1,928,712	6,539,133	161,659	4,467,422	17,373,813
Fines, forfeitures and penalties	1,459,891	-	394,307	13,798	-	66,101	1,934,097
Administrative and facility charges	66,395	-	-	-	-	1,715,022	1,781,417
Investment earnings	206,190	287,748	21,867	25,936	130,272	173,344	845,357
Sale and rental of property	586,763	216,362	160,049	134,695	-	1,053,988	2,151,857
Total revenues	62,547,887	30,522,749	21,983,415	43,101,923	30,262,970	28,322,618	216,741,562
Expenditures:							
Current:							
General government	9,030,333	253,297	794,218	-	-	5,026,500	15,104,348
Public safety	53,477,423	-	21,039,121	2,003,152	-	269,327	76,789,023
Public health and welfare	-	-	2,072,569	42,535,154	34,201,272	13,435,503	92,244,498
Parks	-	-	1,683	-	-	2,517,625	2,519,308
Roads and bridges	-	29,583,825	-	-	-	474,669	30,058,494
Community development	-	-	3,775,285	-	-	2,533,875	6,309,160
Debt service:							
Principal	-	-	-	-	-	4,670,000	4,670,000
Interest	-	-	3,750	-	-	2,386,939	2,390,689
Capital outlay	73,730	9,433,595	291,596	69,432	-	7,867,834	17,736,187
Total expenditures	62,581,486	39,270,717	27,978,222	44,607,738	34,201,272	39,182,272	247,821,707
Excess (deficiency) of revenues over (under) expenditures	(33,599)	(8,747,968)	(5,994,807)	(1,505,815)	(3,938,302)	(10,859,654)	(31,080,145)
Other financing sources (uses):							
Transfers in	1,512,007	242,421	7,122,305	3,107,290	10,355	6,083,326	18,077,704
Transfers out	(8,495,446)	(3,203,397)	(344,664)	(932,947)	(417,314)	(4,184,004)	(17,577,772)
Total other financing sources (uses)	(6,983,439)	(2,960,976)	6,777,641	2,174,343	(406,959)	1,899,322	499,932
Net change in fund balances	(7,017,038)	(11,708,944)	782,834	668,528	(4,345,261)	(8,960,332)	(30,580,213)
Fund balance, June 30, 2011	19,447,400	49,065,820	4,603,605	8,067,460	19,632,648	22,362,428	123,179,361
Increase (decrease) in inventories	(25,616)	(109,065)	-	64,664	-	(5,819)	(75,836)
Fund balance, June 30, 2012	\$ 12,404,746	\$ 37,247,811	\$ 5,386,439	\$ 8,800,652	\$ 15,287,387	\$ 13,396,277	\$ 92,523,312

The accompanying notes are an integral part of the financial statements.

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities**

For the Fiscal Year Ended June 30, 2012

Net change in fund balances - governmental funds (page 32) \$ (30,580,213)

Amounts reported for governmental activities in the statement
of activities are different because:

Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in internal service fund net assets is included with governmental activities in the statement of activities:

Change in net assets \$ 3,747,480

An adjustment is required to eliminate net internal service fund activity back to the activities that helped finance them. The adjustment related to enterprise activities is required in this reconciliation.

(643,494)

An adjustment is required to move cumulative net internal service fund activity in the Regional Information Systems enterprise fund that was closed to the Information Services internal service fund effective July, 1, 2011.

1,405,820 \$ 4,509,806

Governmental funds report capital outlays as expenditures; in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense:

Construction in progress	6,643,275	
Buildings and land improvements	6,917,509	
Equipment and furniture	413,866	
Infrastructure	8,604,147	
Depreciation expense	<u>(14,946,379)</u>	7,632,418

Governmental funds do not report prepaid expenses; in the statement of activities prepayments are expensed when incurred.

(71,689)

Certain revenues may not be collected for several months after year end; they are not considered "available" and are deferred in the governmental funds:

Receivables:

Property taxes	561,348	
Court fines	(2,150,505)	
Tax foreclosed properties	(15,000)	
Road assessments	<u>(16,456)</u>	(1,620,613)

The issuance of long-term debt (notes, bonds, capital leases) provides current financial resources to governmental funds; the repayment of long-term debt consumes current financial resources in the governmental funds.

Current period long-term debt transactions were:

Bond principal payments	<u>4,670,000</u>	4,670,000
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Decreases in inventory in governmental funds increase expenses

(75,836)

Note and bond premiums, discounts and issuance costs are reported in governmental funds in the year received or paid, but are capitalized on the statement of net assets and amortized over the life of the notes and bonds:

Bond premium amortization	138,733	
Bond discount amortization	(4,344)	
Bond issuance cost amortization	<u>(60,683)</u>	73,706

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Decrease in accrued interest	19,263	
Decrease in accrued compensated benefits	<u>477,441</u>	496,704

The net effect of various miscellaneous transactions involving capital assets (sales and dispositions, trade-ins, and donations)

(244,971)

Change in net assets - governmental activities (page 29) \$ (15,210,688)

The accompanying notes are an integral part of the financial statements.

Statement of Fund Net Assets

Proprietary Funds

June 30, 2012

	Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Lane Events Center	Solid Waste Disposal	Other Enterprise Funds	Total Enterprise Funds	
Assets					
<u>Current assets</u>					
Cash and cash equivalents	\$ 715,563	\$ 22,407,757	\$ 1,279,152	\$ 24,402,472	\$ 52,802,131
Receivables (net of uncollectibles):					
Investment earnings	4,539	128,591	6,823	139,953	299,507
Accounts	67,032	1,192,958	4,489	1,264,479	320,289
Intergovernmental	-	675	-	675	-
Due from other funds	-	-	-	-	952,569
Inventories	-	-	-	-	781,967
Prepays	30,852	-	-	30,852	44,297
Total current assets	817,986	23,729,981	1,290,464	25,838,431	55,200,760
<u>Noncurrent assets</u>					
Investments	-	-	-	-	2,469,000
Deferred charges	-	-	-	-	468,804
Deposits	-	-	-	-	100,000
Net pension asset	-	-	-	-	58,525,137
Capital assets:					
Land	1,070,568	2,580,145	-	3,650,713	-
Buildings and land improvements	24,147,046	20,343,022	-	44,490,068	235,597
Equipment and furniture	2,119,963	2,045,663	58,168	4,223,794	35,572,796
Construction in progress	-	4,897,227	-	4,897,227	3,808
Accumulated depreciation	(17,277,950)	(9,097,236)	(49,847)	(26,425,033)	(23,153,405)
Total noncurrent assets	10,059,627	20,768,821	8,321	30,836,769	74,221,737
Total assets	10,877,613	44,498,802	1,298,785	56,675,200	129,422,497
Liabilities					
<u>Current liabilities</u>					
Accounts payable	26,639	355,509	190,795	572,943	3,124,395
Wages and benefits payable	15,050	84,160	28,260	127,470	115,956
Compensated absences payable	33,634	303,794	113,867	451,295	492,974
Claims payable	-	-	-	-	5,318,000
Due to other funds	8,383	53,879	17,667	79,929	67,867
Interest payable	-	-	-	-	276,797
Unearned revenue	126,213	-	-	126,213	2,280
Customer deposits	103,211	-	-	103,211	-
Bonds payable	-	-	-	-	2,210,000
Total current liabilities	313,130	797,342	350,589	1,461,061	11,608,269
<u>Noncurrent liabilities</u>					
Net OPEB obligation	-	-	-	-	3,046,620
Bonds payable (net of unamortized discounts)	-	-	-	-	64,553,335
Landfill closure and postclosure care liability	-	3,903,931	-	3,903,931	-
Total noncurrent liabilities	-	3,903,931	-	3,903,931	67,599,955
Total liabilities	313,130	4,701,273	350,589	5,364,992	79,208,224
Net assets					
Invested in capital assets, net of related debt	10,059,627	20,768,821	8,321	30,836,769	12,658,796
Restricted for:					
Self insurance	-	-	-	-	2,469,000
Unrestricted	504,856	19,028,708	939,875	20,473,439	35,086,477
Total net assets	\$ 10,564,483	\$ 39,797,529	\$ 948,196	51,310,208	\$ 50,214,273
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				5,081,080	
Net assets of business-type activities				<u>\$ 56,391,288</u>	

The accompanying notes are an integral part of the financial statements.

Statement of Revenues, Expenses, and Changes in Fund Net Assets

Proprietary Funds

For the Fiscal Year Ended June 30, 2012

	Business-Type Activities - Enterprise Funds						Governmental Activities- Internal Service Funds
	Lane Events Center	Solid Waste Disposal	Regional Information Systems	Housing and Community Services	Other Enterprise Funds	Total Enterprise Funds	
Operating revenues							
Licenses and permits	\$ -	\$ -	\$ -		\$ 1,329,781	\$ 1,329,781	\$ -
Charges for services	1,164,841	14,127,670	-		1,586,327	16,878,838	81,435,962
Fines, forfeitures and penalties	-	222	-		25,201	25,423	-
Administrative and facility charges	-	-	-		129,127	129,127	1,171,127
Sale and rental of property	1,176,457	912,996	-		1,299	2,090,752	15,295
Total operating revenues	2,341,298	15,040,888	-	-	3,071,735	20,453,921	82,622,384
Operating expenses							
Personnel services	1,195,726	7,170,377	-		2,873,634	11,239,737	11,331,585
Materials and services	1,745,907	6,547,465	-		2,807,204	11,100,576	61,805,192
Landfill closure and postclosure care costs	-	167,112	-		-	167,112	-
Depreciation	953,672	775,413	-		362	1,729,447	2,842,425
Total operating expenses	3,895,305	14,660,367	-	-	5,681,200	24,236,872	75,979,202
Operating income (loss)	(1,554,007)	380,521	-	-	(2,609,465)	(3,782,951)	6,643,182
Nonoperating revenues (expenses)							
Taxes and assessments, net of refunds	692,739	-	-		-	692,739	-
Intergovernmental	50,002	2,160	-		171,627	223,789	23,495
Investment earnings	7,042	161,544	-		11,618	180,204	784,050
Interest expense	(30)	-	-		-	(30)	(4,708,830)
Amortization of net pension asset	-	-	-		-	-	(1,725,518)
Amortization of bond issuance costs	-	-	-		-	-	(41,518)
Gain (loss) on capital asset disposal	-	-	-		-	-	112,516
Total nonoperating revenues (expenses)	749,753	163,704	-	-	183,245	1,096,702	(5,555,805)
Income (loss) before contributions and transfers	(804,254)	544,225	-	-	(2,426,220)	(2,686,249)	1,087,377
Capital contributions	5,000	-	-		-	5,000	209,900
Special items (Note IV.G.)	-	-	-		-	-	(11,330,373)
Transfers in	13,794	79,708	-		1,972,955	2,066,457	15,611,956
Transfers out	-	(1,225,017)	(15,121,948)		-	(16,346,965)	(1,831,380)
Change in net assets	(785,460)	(601,084)	(15,121,948)	-	(453,265)	(16,961,757)	3,747,480
Net assets, June 30, 2011, previously reported	11,349,943	40,398,613	15,121,948	44,048,616	1,401,461		46,466,793
Reclassification (Note IV. H.)	-	-	-	(44,048,616)	-		-
Net assets, June 30, 2011, restated	11,349,943	40,398,613	15,121,948	-	1,401,461		46,466,793
Total net assets, June 30, 2012	\$ 10,564,483	\$ 39,797,529	\$ -	\$ -	\$ 948,196		\$ 50,214,273
Adjustment to reflect the consolidation of current year internal service fund activities related to enterprise funds.						643,494	
Adjustment to reflect prior years internal service fund activities related to the Regional Information Systems enterprise fund that was closed to the Information Services internal service fund effective July 1, 2011.						(1,405,821)	
Change in net assets of business-type activities						\$ (17,724,084)	

The accompanying notes are an integral part of the financial statements.

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended June 30, 2012

	Lane Events Center	Solid Waste Disposal	Regional Information Systems
<u>Cash flows from operating activities</u>			
Receipts from customers and users	\$ 1,177,903	\$ 14,056,587	\$ -
Receipts from facilities rent	1,176,457	912,996	-
Receipts from interfund services	-	-	-
Payments to employees	(770,620)	(4,338,120)	-
Payments to suppliers	(1,739,246)	(3,753,176)	-
Payments for interfund services	(513,913)	(5,810,620)	-
Net cash provided (used) by operating activities	(669,419)	1,067,667	-
<u>Cash flows from noncapital financing activities</u>			
Intergovernmental subsidies	50,002	2,025	-
Principal paid on pension bonds	-	-	-
Interest paid on pension bonds	-	-	-
Transfers in	13,794	79,708	-
Transfers out	-	(1,169,451)	(4,346,025)
Net cash provided (used) by noncapital financing activities	63,796	(1,087,718)	(4,346,025)
<u>Cash flows from capital and related financing activities</u>			
Capital grants	5,000	-	-
Transient room tax	692,739	-	-
Principal paid on long-term debt	(3,475)	-	-
Interest paid on long-term debt	(30)	-	-
Proceeds from sale of property	-	-	-
Purchases of capital assets	(156,827)	(742,870)	-
Net cash provided (used) by capital and related financing activities	537,407	(742,870)	-
<u>Cash flows from investing activities</u>			
Purchase of investments	-	-	-
Investment earnings	6,654	159,821	-
Net cash provided (used) by investing activities	6,654	159,821	-
Net increase (decrease) in cash and cash equivalents	(61,562)	(603,100)	(4,346,025)
Cash and cash equivalents, June 30, 2011	777,125	23,010,857	4,346,025
Cash and cash equivalents, June 30, 2012	\$ 715,563	\$ 22,407,757	\$ -
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (1,554,007)	\$ 380,521	\$ -
<u>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities</u>			
Landfill closure and postclosure care costs	-	167,112	-
Depreciation	953,672	775,413	-
(Increase) decrease in receivables	(26,336)	(71,305)	-
(Increase) decrease in due from other funds	-	-	-
(Increase) decrease in inventories	-	-	-
(Increase) decrease in prepaids	13,128	-	-
(Increase) decrease in deposits	-	-	-
Increase (decrease) in accounts payable	(62,500)	3,302	-
Increase (decrease) in wages and benefits payable	(21,368)	(145,652)	-
Increase (decrease) in compensated absences payable	2,704	42,495	-
Increase (decrease) in due to other funds	(14,110)	(84,219)	-
Increase (decrease) in unearned revenue	30,203	-	-
Increase (decrease) in customer deposits	9,195	-	-
Increase (decrease) in net OPEB obligation	-	-	-
Net cash provided (used) by operating activities	\$ (669,419)	\$ 1,067,667	\$ -
<u>Reconciliation to Statement of Fund Net Assets</u>			
Cash and cash equivalents	\$ 715,563	\$ 22,407,757	\$ -
Restricted cash	-	-	-
Cash and cash equivalents, June 30, 2012	\$ 715,563	\$ 22,407,757	\$ -
<u>Noncash investing, capital, and financing activities:</u>			
Net contributions of capital assets (to) from governmental funds	\$ -	\$ -	\$ -
Net transfers of capital assets (to) from other proprietary funds	-	(55,566)	(11,340,167)
Increase (decrease) in fair value of investments	-	(42,319)	(10,508)

The accompanying notes are an integral part of the financial statements.

Other Enterprise Funds	Total Enterprise Funds	Governmental Activities-Internal Service Funds
\$ 3,109,144	\$ 18,343,634	\$ 4,638,883
1,299	2,090,752	15,295
-	-	76,925,440
(1,797,594)	(6,906,334)	(7,088,291)
(2,057,489)	(7,549,911)	(59,151,071)
(1,863,331)	(8,187,864)	(4,547,344)
(2,607,971)	(2,209,723)	10,792,912
171,627	223,654	23,495
-	-	(1,945,000)
-	-	(3,321,565)
1,972,955	2,066,457	4,216,224
-	(5,515,476)	(1,831,380)
2,144,582	(3,225,365)	(2,858,226)
-	5,000	-
-	692,739	-
-	(3,475)	-
-	(30)	-
-	-	172,224
(8,683)	(908,380)	(3,137,252)
(8,683)	(214,146)	(2,965,028)
-	-	(953,500)
11,782	178,257	748,347
11,782	178,257	(205,153)
(460,290)	(5,470,977)	4,764,504
1,739,442	29,873,449	48,037,627
\$ 1,279,152	\$ 24,402,472	\$ 52,802,131
\$ (2,609,465)	\$ (3,782,951)	\$ 6,643,182
-	167,112	-
362	1,729,447	2,842,425
38,708	(58,933)	(213,416)
-	-	1,870,655
-	-	(53,561)
-	13,128	(44,297)
-	-	(50,000)
55,027	(4,171)	671,103
(60,691)	(227,711)	(154,573)
4,555	49,754	94,337
(36,467)	(134,796)	(84,725)
-	30,203	2,280
-	9,195	-
-	-	(730,498)
\$ (2,607,971)	\$ (2,209,723)	\$ 10,792,912
\$ 1,279,152	\$ 24,402,472	\$ 52,802,131
-	-	-
\$ 1,279,152	\$ 24,402,472	\$ 52,802,131
\$ -	\$ -	\$ 209,900
-	(11,395,733)	11,395,733
-	(52,827)	(97,601)

Lane County, Oregon

Statement of Fiduciary Net Assets

Property Tax Agency

June 30, 2012

	Property Tax Agency
<u>Assets</u>	
<u>Current assets</u>	
Cash and cash equivalents	\$ 4,675,830
Receivables (net of uncollectibles):	
Interest	2,249
Property taxes	27,857,199
Accounts	109,871
Total current assets	32,645,149
Total assets	\$ 32,645,149
<u>Liabilities</u>	
<u>Current liabilities</u>	
Accounts payable	\$ 59,838
Due to other governments	32,585,311
Total current liabilities	32,645,149
Total liabilities	\$ 32,645,149

The accompanying notes are an integral part of the financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

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Notes to Basic Financial Statements

June 30, 2012

I. Summary of Significant Accounting Policies

A. Reporting Entity

Lane County, Oregon (the County) was established in 1851 and is organized under the Oregon Revised Statutes (ORS) as a municipal corporation. In 1962 Lane County voters approved a Home Rule Charter under which to operate. Under that Charter, a Board of County Commissioners governs the County and consists of five independently elected members who serve full-time and are compensated.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

New Accounting Pronouncements

Effective July 1, 2011, the County adopted the following accounting and financial reporting standard:

- *GASB Statement No. 57 – OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans.* The objective of this Statement is to address issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans. There is no significant impact on the financial statements in the current fiscal year.
- *GASB Statement No. 61 – The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34.* The objective of this Statement is to improve financial reporting for governmental financial reporting entities. Although not effective until fiscal year 2013, the County has chosen to early implement and changed the method of reporting its only component, the Housing and Community Services Agency of Lane County (HACSA), from a “blended” presentation to a “discrete” presentation in the current year. Separate disclosures for to HACSA can be found below at Note III.G.
- *GASB Statement No. 64 – Derivative Instruments: Application of Hedge Accounting Termination Provisions.* The objective of this Statement is improve financial reporting by clarifying hedging relationships when a swap counterparty or a swap counterparty’s credit support provider is replaced. The County does not hold derivative instruments nor employ hedges. As a result, there is no impact on the financial statements in the current fiscal year.

Component Units

As required by GAAP, these financial statements present the County and its component units -- legally separate entities for which the County is considered to be financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit’s board, and either a) the ability to impose its will on the organization, or b) the possibility that the component unit will provide a financial benefit or impose a financial burden on the primary government.

Component units may be either blended into the County’s operations or reported discretely in a separate column based on the closeness of their relationship to the County. The County reports the following component units:

Notes to Basic Financial Statements

June 30, 2012

I. Summary of Significant Accounting Policies, continued

A. Reporting Entity, continued

Component Units, continued

Discretely Presented Component Units

The Housing and Community Services Agency of Lane County ("HACSA") is the public housing authority for the City of Eugene, City of Springfield, and Lane County. Its mission is to provide affordable, decent, safe, and sanitary housing to low and moderate income families and households. The County Board of Commissioners and two resident members govern the Agency. Although the HACSA governing body is substantially the same as Lane County's, there is no financial benefit or burden relationship between Lane County and HACSA, nor does Lane County management exercise operational responsibility over HACSA. Therefore, the financial statements of HACSA are discretely presented from those of the County for its fiscal year end September 30, 2011.

Complete financial statements may be obtained at the following administrative office:

Housing and Community Services Agency
177 Day Island Road
Eugene, Oregon 97401

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the County and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on charges for services.

The statement of activities demonstrates the degree to which the direct and allocated indirect expenses of a given function or program are offset by program revenues. *Direct expenses* are those clearly identifiable with a specific function or program. *Indirect expenses* are those costs, usually administrative in nature, that support all County functions and enable direct services to be provided. Indirect expenses are allocated to business-type activities in an amount equal to their actual indirect charges paid. The balance of indirect expense is allocated to governmental activities as a percentage of direct expenses. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not included in program revenues are reported as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Basis of Presentation

Measurement focus refers to what is being measured by a fund. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of presentation refers to the application of measurement focus and basis of accounting to financial statement types.

Notes to Basic Financial Statements

June 30, 2012

I. Summary of Significant Accounting Policies, continued

C. Measurement Focus, Basis of Accounting, and Basis of Presentation, continued

Government-wide, Proprietary, and Fiduciary Fund Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all the eligibility requirements imposed by the provider have been met. An exception to these rules exists for agency funds (a type of fiduciary fund) which account for resources held in a purely custodial capacity. Although agency funds use the *accrual basis of accounting* and are reported in the Statement of Fiduciary Net Assets, they have no measurement focus and do not present a Statement of Changes in Fiduciary Net Assets.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 are followed in the government-wide, proprietary fund, and fiduciary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector standards for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidelines.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this general rule is charges between County proprietary funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the County's enterprise funds is charges to customers for services. The County also recognizes as operating revenue admissions, concessions, fees, and rental of property. Operating expenses for the enterprise and internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

The County has the following major proprietary funds:

- *Lane Events Center Fund* – This fund accounts for the management and operation of a 55-acre complex consisting of a regional convention facility, major indoor sports facilities, and a regional celebration space. Lane County operates a "split" model operation of the Lane Events Center/Lane County Fair in which operational responsibility is vested in a Fair Board for the Fair, and in the County for the remainder of the year. The Fair Board is appointed by the Board of County Commissioners in accordance with ORS 565.210. Capital reinvestment and infrastructure support is provided by hotel and motel room taxes.

Notes to Basic Financial Statements

June 30, 2012

I. Summary of Significant Accounting Policies, continued

C. Measurement Focus, Basis of Accounting, and Basis of Presentation, continued

Government-wide, Proprietary, and Fiduciary Fund Financial Statements, continued

- *Solid Waste Disposal Fund* – This fund accounts for waste management services provided to County residents through a network of one landfill and 16 transfer stations.
- *Regional Information Systems Fund* – This fund accounted for the operation and maintenance of the regional computer system used by both Lane County and other intergovernmental partners. Effective July 1, 2011, the joint venture was disbanded, the fund was closed, and residual net assets were transferred to the Information Services internal service fund.
- *Housing and Community Services Fund* – This fund accounts for the operations of the Housing and Community Services Agency (HACSA) of Lane County. In accordance with GASB No. 61, HACSA was restated from a blended component unit to a discretely presented component unit. The change is accounted for as a reclassification of prior years, reducing net assets from business-type activities by \$44,048,616 as of July 1, 2011.

Additionally, the County reports the following fund types:

- *Internal Service* – These funds account for operations that provide services primarily to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis. The County's internal service funds provide risk management, employee benefits, pension bond debt service, motor and equipment pool, intergovernmental services, internal and regional computer information and replacement services, and retiree medical benefits.
- *Fiduciary* – The County's fiduciary fund consists of a property tax agency fund that accounts for property taxes and timber receipts collected, held, and distributed by the County as an agent on behalf of other governments.

Governmental Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and vested compensated absences.

Taxes and assessments are recognized as revenues of the current fiscal period if received within 60 days of year-end. Intergovernmental revenues (entitlements, shared revenues, and grants) are recorded at the time of receipt or earlier if susceptible to accrual. Revenues on expenditure-driven grants are recognized when both the eligibility requirements have been met by the incurrence of qualifying expenditures, and the revenue is received soon enough after year end to liquidate grant related payables recorded as of year-end. Investment earnings are recognized when earned since they are considered both measurable and available at that time. All other receipts are recognized as revenues of the current fiscal period if susceptible to accrual and received within 45 days of year-end.

Notes to Basic Financial Statements

June 30, 2012

I. Summary of Significant Accounting Policies, continued

C. Measurement Focus, Basis of Accounting, and Basis of Presentation, continued

Governmental Fund Financial Statements, continued

The County has the following major governmental funds:

- *General Fund* – This is the County’s primary operating fund. It accounts for all the financial resources of the general government, except those that are accounted for and reported in another fund(s).
- *Road Fund* – This fund accounts for the receipt and expenditure of resources dedicated to the construction, operation, maintenance, and preservation of the County’s road and bridge system. Major revenues are the state gas tax and highway user fees and National Forest timber receipts.
- *Special Revenue/Services Fund* – This fund accounts for several dedicated revenue sources and programs:
 - Transient Room Tax for tourism programs
 - Sale of tax-foreclosed real property for the management of affected properties
 - Intergovernmental revenues for the Short Mountain training facility, drug enforcement, and rural and community development projects
 - Court fines for courthouse security operations
 - Grants awarded to the Children and Families, Youth Services, and Sheriff’s Office departments
 - Video lottery revenue for economic development projects
 - Systems development charges for park improvements
- *Health and Human Services Fund* – This fund accounts for resources received from Federal, state, and local governments, enabling the County to provide a wide variety of health and human services to the community.
- *LaneCare* – This fund accounts for the administration of the managed mental health insurance organization, LaneCare, which is funded through the Oregon Health Plan from a combination of state and federal pass-through revenues.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

The County’s cash and cash equivalents consist of cash on hand, demand deposits, short-term investments with original maturities of three months or less from the date of acquisition, and equity in the County’s common cash and investments pool.

The County’s common cash and investments pool is utilized by all County funds. Interest earned on the pool is allocated monthly based on each fund’s average daily cash and investment balance in proportion to the County’s total pooled cash and investments. For purposes of the statement of cash flows, the County considers “cash and cash equivalents” to include pooled cash and investments since the pool has the general characteristics of a demand deposit account, in that any participating fund may deposit additional cash at any time and also may withdraw cash at any time without prior notice or penalty.

Notes to Basic Financial Statements

June 30, 2012

I. Summary of Significant Accounting Policies, continued

D. Assets, Liabilities, and Net Assets or Equity, continued

1. Deposits and Investments, continued

ORS 294.035 authorizes the County to invest in general obligations of the United States and its agencies, debt obligations of the state of Oregon, California, Idaho, and Washington and their political subdivisions, banker's acceptances, corporate indebtedness, commercial paper, repurchase agreements, time certificates of deposit, fixed or variable life insurance contracts, and the State Treasurer's Local Government Investment Pool. For bank balances in excess of federal depository insurance, the County participates in Oregon's Public Funds Collateralization Program.

The County reports, at amortized cost, all short-term highly liquid money market investments and participating interest-bearing investment contracts with a remaining maturity at purchase of one year or less. Such investments are stated at cost, increased by the accretion of discounts and reduced by amortization of premiums; both computed using the straight-line method. Investments with a remaining maturity at time of purchase of more than one year are valued at fair value.

2. Restricted Assets

Restricted cash and investments are reported in connection with certain deposits and special accounts where resources are physically segregated, or where restrictions on use change the nature or normal understanding of the availability of the asset. Lane County reports the following restricted assets:

- Certificate of deposit held by the State of Oregon for the payment of workers' compensation claims

Restricted demand deposits are considered "cash and cash equivalents" for cash flow reporting purposes, while restricted certificates of deposit and investments are not.

3. Receivables and Payables

Receivables represent claims held against others for money, goods, or services. The County carries receivables for investment earnings, property taxes, accounts, intergovernmental, other, and interest on balances, all net of an allowance for uncollectibles when appropriate. As of June 30, 2012, an allowance was recorded in the General Fund equal to 25% of outstanding Justice Court receivables not turned over to a collection agent and 65% turned over to a collection agent. All adjustments to the allowance accounts are charged against the related revenues of the current period.

Intergovernmental receivables include uncollected grant revenues where all eligibility and timing requirements have been met. Eligibility requirements usually mandate monies be expended on the specific purpose or project before any amounts will be paid to the County; therefore, all eligibility requirements are considered met when the underlying expenditures are recorded. Timing requirements are usually met at the time when the allowable use of the monies has begun.

Notes to Basic Financial Statements

June 30, 2012

I. Summary of Significant Accounting Policies, continued

D. Assets, Liabilities, and Net Assets or Equity, continued

3. Receivables and Payables, continued

In the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from/to other funds". Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivable/payable" (i.e., the current portion of interfund loans) or "advances from/to other funds" (i.e., the noncurrent portion of interfund loans). Advances between funds reported in the governmental fund financial statements are offset by nonspendable fund balance to indicate that they are not available for appropriation and are not expendable available financial resources. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Real and personal property taxes attach as an enforceable lien on July 1 for each fiscal year on values assessed as of January 1. Taxes are levied July 1 and are payable in three installments on November 15, February 15, and May 15. The County levies, collects, and distributes property taxes for all taxing jurisdictions within its boundaries, and reports the activity in an agency fund. Taxes unpaid as of May 16 are considered delinquent. In the governmental fund financial statements, property taxes are reflected as revenues in the fiscal period for which they were levied, provided they are due, or past due and receivable within the current period, and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days). Otherwise, they are reported as deferred revenues. In the government-wide financial statements, the County reports property tax revenue when levied and considers them fully collectible. Therefore, no allowance for uncollectible property taxes is made.

Property Tax Limitations: In 1997 taxing districts in Oregon were given permanent operating tax rates according to a formula set out by constitutional amendment, Measure 50, and are expressed as a tax rate per thousand dollars of assessed value. Rates cannot be increased, but a district can levy less. An amendment to Measure 50 established a maximum assessed value for each property equal to its 1995 real market value less 10%. The growth of a property's maximum assessed value is limited to no more than 3 percent per year, with exceptions for specific situations including but not limited to new improvements; renovations and other construction to existing improvements above a certain threshold; subdivisions or partitions of land; removal from an exemption or special assessment program; rezoning; and new use of the property. Tax is levied on the taxable value of the property which is the lesser of the maximum assessed value or the real market value minus any exemptions. As of the 2012 tax roll, assessed property values in the County are currently 70.81% of real market values. The Oregon Constitution also sets limits on the amount of property taxes that can be billed to each property tax account at \$10 per \$1,000 of real market value for general government taxes. General obligation bond levies are exempt from this limitation. If taxes exceed the limit for that property, the taxes are reduced proportionately for all general government levies, or "compressed", until the limit is reached.

Notes to Basic Financial Statements

June 30, 2012

I. Summary of Significant Accounting Policies, continued

D. Assets, Liabilities, and Net Assets or Equity, continued

4. Inventories and Prepaid Items

All inventories are valued at the lower of cost or market using the first in/first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when purchased. However, significant inventories in governmental funds are reported as an asset with a corresponding reservation of nonspendable fund balance. In the government-wide and proprietary fund financial statements, inventory is capitalized upon purchase and expensed as the materials and supplies are used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as expenditures in governmental funds and prepaid items in the government-wide and proprietary fund financial statements.

5. Capital Assets

Capital assets, which include land, buildings and improvements, machinery and equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

Infrastructure, which includes bridges and culverts, roads, and right-of-ways are those capital assets that are stationary in nature and can be preserved for a significantly greater number of years than most other capital assets. As permitted by GASB, the County has limited the retroactive capitalization of governmental fund infrastructure to fiscal years ending after June 30, 1980. Although the majority of infrastructure was placed in service before that date, it has not been included in these financial statements.

Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Of the \$30 in interest expense incurred in enterprise funds during fiscal year 2012, none was required to be capitalized.

Capital assets are depreciated unless they are inexhaustible in nature (e.g., land and right-of-ways). Depreciation is an accounting process used to allocate the cost of capital assets in a systematic and rational manner to those periods expected to benefit from the use of capital assets. Depreciation is not intended to represent an estimate in the decline of fair value, nor is capital assets, net of accumulated depreciation, intended to represent an estimate of the current condition of the assets, or the maintenance requirements needed to maintain the assets at their current level of condition.

Notes to Basic Financial Statements

June 30, 2012

I. Summary of Significant Accounting Policies, continued**D. Assets, Liabilities, and Net Assets or Equity, continued****5. Capital Assets, continued**

Capital assets of the County, including blended component units, are depreciated using the straight-line method over the following estimated lives:

<u>Capital Asset</u>	<u>Years</u>
Buildings and related improvements	24 – 60
Certain other improvements	8 – 30
Machinery and equipment	3 – 10
Infrastructure:	
Bridges and culverts	80
Roads	7 – 40

6. Compensated Absences

Vested vacation and time management benefits are recognized as a liability when earned in the government-wide and proprietary fund financial statements. In the governmental funds, the liability is recognized only when due and payable, i.e. as a result of employee resignations and retirements.

7. Long-Term Obligations, Bond Discounts, Premiums, and Issuance Costs

Long-term obligations and rebatable arbitrage are reported in the government-wide and proprietary fund financial statements as liabilities. The governmental fund financial statements do not report long-term obligations or rebatable arbitrage because these obligations do not require the use of current financial resources.

Bond premiums, discounts, and issuance costs are deferred and amortized over the term of the bonds using the bonds-outstanding method in the government-wide and proprietary fund financial statements, but are recognized during the current period in the governmental fund financial statements. The bonds-outstanding method does not differ significantly from the effective interest rate method.

Interest accretion on deep discount obligations is calculated based on the initial yield to maturity as set forth in the bond's Official Statement. Accreted interest increases bonds payable and interest expense as reported in the government-wide and proprietary fund financial statements. Interest accretion is not reported in the governmental fund financial statements.

8. Leases

Leases which meet certain criteria established by the Financial Accounting Standards Board are classified as capital leases, and the assets and related liabilities are recorded at amounts equal to the lesser of the present value of minimum lease payments or the fair value of the leased property at the beginning of the respective lease term. Leases which do not meet the criteria of a capital lease are classified as operating leases. The County currently has no capital leases to report.

Notes to Basic Financial Statements

June 30, 2012

I. Summary of Significant Accounting Policies, continued

D. Assets, Liabilities, and Net Assets or Equity, continued

9. Net Assets

Net assets represent the difference between assets and liabilities. The County reports the following subcategories of net assets:

Invested in capital assets, net of related debt – Represents the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt (excluding unexpended proceeds) directly attributable to the acquisition, construction, or improvement of those assets. See note III.F. for a detailed computation.

Restricted net assets – Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. The following are major classes of restricted net assets:

Capital projects – Represents net assets in capital project funds legally restricted by debt covenants for the acquisition, construction, or improvement of specified capital assets

Debt service – Represents net assets in debt service funds legally restricted by Oregon statute for payment of principal and interest on outstanding general obligation and limited tax bonds.

Health and human services – Represents net assets in the Health and Human Services special fund generated by grant revenue restricted to approved activities.

Special revenue / services – Represents net assets in the Special Revenue / Services fund generated by federal, state, and local grants restricted to approved activities.

Roads – Represents net assets in the Road special revenue fund generated by fuel tax and related revenues legally restricted by Oregon statute for road and road related projects.

Title III projects – Represents net assets in the Title III Projects special revenue fund generated by grant revenue legally restricted by Federal law to services on federally owned forest land within the County.

LaneCare – Represents net assets in the LaneCare special revenue fund generated by per capita revenue legally restricted by State statute to mental health services for County residents participating in the Oregon Health Plan.

Self insurance – Represents investments of the Self Insurance internal service fund that are held jointly with the State of Oregon to cover uninsured workers' compensation claims.

Other purposes – Represents restricted net assets for all other non-major special revenue funds of the County.

Unrestricted – Represents all other net assets that are not restricted and do not meet the definition of investing in capital assets, net of related debt.

Notes to Basic Financial Statements

June 30, 2012

I. Summary of Significant Accounting Policies, continued

D. Assets, Liabilities, and Net Assets or Equity, continued

10. Fund Balances

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

- Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for resale.
- Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provision or enabling legislation.
- Lane County's highest decision-making level of authority rests with the five-member Board of County Commissioners. As such, fund balance is reported as committed when the Board passes a Board Ordinance or Board Order that places specific constraints on how the resources may be used. The Board can modify or rescind the order at any time through passage of an additional order.
- Resources that are constrained by the government's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by the Board of Commissioners, Lane County advisory committees or boards, or officials the Board has delegated authority to. All Budget Committee and Finance Committee decisions and policies in the Administrative Procedures Manual are considered Assigned. In the General Fund, an appropriation of existing Fund Balance to eliminate a projected budgetary deficit in the subsequent year's budget is also reported as assigned fund balance.
- Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

When an expenditure is incurred, and both restricted and unrestricted resources are available, it is the County's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned as they are needed.

The County has a budgetary fund balance reserve policy that directs the General Fund to maintain a reserve fund balance of at least 10% of General Fund operating revenues. All other funds are directed to have a minimum 5% prudent person reserve.

A summary of fund balances by fund and specific purpose can be found at Note III.H.

Notes to Basic Financial Statements

June 30, 2012

I. Summary of Significant Accounting Policies, continued**D. Assets, Liabilities, and Net Assets or Equity, continued****11. Use of Estimates**

The preparation of financial statements in conformity with U.S. 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

II. Stewardship, Compliance, and Accountability**A. Budgetary Information**

Legally required budgets are adopted for all funds. The Property Tax Agency Fund is exempted from Oregon Local Budget Law under ORS 294.316(8). The budget is adopted on a modified accrual basis with the exception of the following:

- Unrealized changes in the fair value of investments are not recognized on a budget basis.
- Investment earnings are not accrued on a budget basis.
- Intrafund transfers are recognized on a budget basis.
- The Lane Events Center reports prepaid expenditures for the County Fair on a budget basis.

The Board of County Commissioners adopts a resolution by June 30 of each year authorizing appropriations for the next fiscal year beginning July 1. This resolution establishes appropriations at the department level within each fund and sets the spending level by which expenditures cannot legally be exceeded. A detailed budget is also prepared, containing more in-depth information than the above-mentioned expenditure appropriation categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget as allowed by state statute. A supplemental budget follows Oregon Local Budget Law requirements found in ORS 294 with regard to specific changes allowable in the form of a Resolution approved by the County Commissioners and is based on the type of funding and level of fund change which further determines whether a public hearing and/or special publication of meeting is required.

The County's department directors may transfer appropriations between categories within a department so long as the overall appropriation does not exceed that authorized by the original budget resolution plus any supplemental budget. Transfers of appropriations between departments or funds require a resolution or ordinance adopted by the governing board. For fiscal year 2012, the County Commissioners adopted four supplemental budget resolutions. Appropriations lapse at fiscal year-end.

The County does not utilize encumbrance accounting.

B. Excess of Expenditures over Appropriations

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Over Expenditure</u>
<u>Special Revenue Funds:</u>			
Special Revenue/Services:			
General Expense –			
Debt service	\$ 100,000	\$ 252,681	\$ 152,681

Notes to Basic Financial Statements

June 30, 2012

II. Stewardship, Compliance, and Accountability, continued**C. Deficit Fund Balances/Net Assets**

The Self Insurance internal service fund reported negative net assets of \$714,686. This resulted from the timing difference between the accrual of \$5,318,000 of incurred but not reported damage claims and actual expenditures required to meet those claims. We do not anticipate the deficit to affect the fund's ability to pay damage claims as they become due.

The Pension Bond internal service fund reported negative net assets of \$7,263,530. This resulted from timing differences between the amortization of the deep discount on pension bonds and net pension asset, and actual revenues required to meet debt service requirements. The deficit does not affect the fund's ability to pay debt service because departmental charges are budgeted and collected to coincide with debt service requirements. Over the life of the bond as debt service increases, the deficit will be eliminated.

III. Detailed Notes on All Funds**A. Deposits and Investments**

Total deposits and investments by financial statement reporting unit at June 30, 2012 are as follows:

		Government- wide Statement of Net Assets		Statement of Fiduciary Net Assets		Total
Cash and cash equivalents	\$	159,575,421	\$	4,675,830	\$	164,251,251
Restricted investments		<u>2,469,000</u>		<u>-</u>		<u>2,469,000</u>
Total cash and investments	\$	<u>162,044,421</u>	\$	<u>4,675,830</u>	\$	<u>166,720,251</u>

Total cash and investments at June 30, 2012 are comprised of the following:

<u>Cash and cash equivalents</u>	
Cash on hand	\$ <u>89,780</u>
Deposits:	
Demand deposits	(493,051)
Certificates of deposit	15,000,000
Money market accounts	<u>8,354,422</u>
Total deposits	<u>22,861,371</u>
Investments	<u>141,300,100</u>
Total cash and cash equivalents	<u>164,251,251</u>
<u>Restricted assets</u>	
Certificates of deposit	<u>2,469,000</u>
Total cash and investments	\$ <u><u>166,720,251</u></u>

Notes to Basic Financial Statements

June 30, 2012

III. Detailed Notes on All Funds, continued**A. Deposits and Investments, continued**Policies

Lane County has adopted investment policies to address credit risk, concentration of credit risk, and custodial credit risk – deposits which mirror parameters for the investment of public funds set forth in the ORS. However, where statute limits investment maturities to 18 months, Lane County may invest up to three years.

Interest Rate Risk

The County reports the following investments and maturities at June 30, 2012. For purpose of this schedule, the County assumes its callable investments will not be called.

Investments	Fair Value	Investment Maturities			
		1 – 181 Days	182 – 364 Days	365 – 729 Days	730 – 1,094 Days
United States treasury	\$ 770,826	\$ -	\$ 770,826	\$ -	\$ -
United States agencies:					
Notes:					
Federal Agricultural Mortgage Corporation	14,220,189	2,001,382	-	6,073,707	6,145,100
Federal Farm Credit Bank	3,003,397	-	-	-	3,003,397
Federal Home Loan Bank	4,035,246	1,002,747	-	1,033,059	1,999,440
Federal Home Loan Mortgage Corporation	15,382,833	-	2,069,741	-	13,313,092
Federal National Mortgage Association	12,008,858	-	-	-	12,008,858
Tennessee Valley Authority	3,331,873	-	-	1,384,760	1,947,113
Municipals	8,115,410	409,938	1,019,171	5,172,675	1,513,626
Corporate indebtedness:					
Promissory notes	58,928,713	15,203,990	17,496,484	21,850,116	4,378,123
	119,797,345	\$ 18,618,057	\$ 21,356,222	\$ 35,514,317	\$ 44,308,749
Local government investment pool	21,502,755				
Total investments	\$ 141,300,100				

Notes to Basic Financial Statements

June 30, 2012

III. Detailed Notes on All Funds, continued**A. Deposits and Investments, continued**Interest Rate Risk, continued

As a means of limiting exposure to fair value losses arising from rising interest rates, the County's investment policy limits its investment maturities to a percent of the *investment portfolio*, which includes total investments plus unrestricted certificates of deposit and money market accounts. For purposes of the computation, 100% of the amounts in Oregon's local government investment pool are considered to be less than 180 days to maturity.

<u>Maturity</u>	<u>Minimum Percent</u>	<u>Actual Percent at June 30, 2012</u>
Less than 180 days	20%	33.7%
Less than 360 days	30%	49.1%
Less than 720 days	50%	73.1%
Less than 1,080 days	100%	100.0%

Credit Risk

The County relies on both Standard and Poor's and Moody's Investor Service to rate certain debt securities to assess risk and reflect the ability of the debtor to meet promised principal and interest payments. The upper echelons of ratings are defined as follows: "AAA" = Highest Quality, "AA" = High Quality, and "A" = Upper medium quality. All ratings below "A" are considered medium or low grade investments.

State law and County policy require that minimum ratings be maintained for certain debt securities. At June 30, 2012, the minimum ratings and actual ratings for the County's investment portfolio are:

<u>Debt Security</u>	<u>Minimum Rating</u>	<u>Actual Rating</u>
United States agencies:		
Federal Agricultural Mortgage Corporation	None	None
Federal Farm Credit Bank	None	AAA
Federal Home Loan Bank	None	AAA
Federal Home Loan Mortgage Corporation	None	AAA
Federal National Mortgage Association	None	AAA
Tennessee Valley Authority	None	None
State of Oregon and its political subdivisions	A	A to AAA
Corporate Indebtedness:		
Promissory notes:		
Oregon	A	A to AA
Non-Oregon	AA	AA to AAA

The Local Government Investment Pool is unrated.

Concentration of Credit Risk

State law and County policy require investments not exceed the following as a percent of all monies available for investment in the investment portfolio as determined on the settlement date:

- 33% in general obligations of the United States or any one of its agencies
- 25% in bankers acceptances
- 35% in corporate indebtedness, or 5% in any single corporate issuer

Notes to Basic Financial Statements

June 30, 2012

III. Detailed Notes on All Funds, continued

A. Deposits and Investments, continued

Concentration of Credit Risk, continued

On February 27, 2012 (the most recent settlement date a corporate bond was purchased) corporate indebtedness was 30.86% of the total portfolio. However, due to subsequent calls and maturities of U.S. agency bonds, corporate indebtedness as a percent of total portfolio rose to 35.79% as of June 30, 2012. As a result, Lane County is precluded from purchasing any more corporate bonds until corporate indebtedness as a percent of the total portfolio drops to below 35%.

County investments in excess of 5% of the investment portfolio are as follows:

	<u>% of Total</u>
• United States agencies:	
▪ Federal Agricultural Mortgage Corporation	8.64%
▪ Federal Home Loan Mortgage Corporation	9.34%
▪ Federal National Mortgage Association	7.29%
• Local government investment pool	13.07%
• Corporate Debt	
▪ Promissory Notes	35.79%

Custodial Credit Risk - Deposits

Custodial credit risk on deposits is the risk that in the event of a bank failure, the County's deposits may not be returned. In order to minimize this risk, state statutes require banks holding public funds become members of the Public Funds Collateralization Program (PFCP), a multiple financial institution collateral pool created by the Office of the State Treasurer. To qualify, participating banks must pledge collateral against any public fund deposits in excess of deposit insurance. The amount of collateral is set by the PFCP between 10% and 110% of each bank's public fund deposits based on their net worth and level of capitalization. Although the PFCP creates a shared liability structure for participating bank depositories, it does not guarantee that all funds are 100% protected. Of the County's June 30, 2012 bank balance of \$28,275,593, \$8,202,172 was insured by the FDIC and \$20,073,422 was collateralized by the PFCP.

Custodial Credit Risk - Investments

Custodial credit risk on investments is the risk that in the event of a failure of the counterparty, the County will not be able to recover the value of its investments that are in the possession of an outside party. The County does not have an investment policy for custodial credit risk. All investments were held by the County in its own name.

Local Government Investment Pool

The State Treasurer of the State of Oregon maintains the Oregon Short-term Fund (OSTF), of which the Local Government Investment Pool (LGIP) is a part. The OSTF is a cash and investment pool available for use by all state funds and eligible local governments. The OSTF is managed by the Investment Division of the Oregon State Treasury within the guidelines established in the OSTF Portfolio Rules. The LGIP is an open-ended, no-load diversified portfolio offered to eligible participants who by law are made custodian of, or have control over, any public funds. The OSTF financial statements and the OSTF Portfolio Rules can be obtained at www.ost.state.or.us.

Notes to Basic Financial Statements

June 30, 2012

III. Detailed Notes on All Funds, continued**B. Receivables and Deferred Revenues**

Receivables at June 30, 2012, including the applicable allowance for uncollectible accounts, are as follows:

<u>Receivables</u>	General	Road	Special Revenue / Services	Health and Human Services
Investment earnings	\$ 111,502	\$ 236,385	\$ 15,937	\$ 24,066
Property taxes	2,579,420	-	-	-
Accounts	5,927,732	350,186	1,361,812	409,748
Intergovernmental	1,963,081	1,725,700	2,290,882	5,963,394
Other	-	-	-	-
Interest on balances	4,432,700	-	-	-
Gross receivables	15,014,435	2,312,271	3,668,631	6,397,208
Less: allowance for uncollectibles	5,272,238	-	-	-
Net total receivables	\$ 9,742,197	\$ 2,312,271	\$ 3,668,631	\$ 6,397,208

<u>Receivables (continued)</u>	LaneCare	Other Govern- mental Funds	Lane Events Center	Solid Waste Disposal
Investment earnings	\$ 98,844	\$ 117,961	\$ 4,539	\$ 128,591
Property taxes	-	245,004	-	-
Accounts	-	206,879	67,032	1,192,958
Intergovernmental	21,559	736,955	-	675
Other	-	73,829	-	-
Interest on balances	-	71,894	-	-
Gross receivables	120,403	1,452,522	71,571	1,322,224
Less: allowance for uncollectibles	-	-	-	-
Net total receivables	\$ 120,403	\$ 1,452,522	\$ 71,571	\$ 1,322,224

<u>Receivables (continued)</u>	Other Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
Investment earnings	\$ 6,823	\$ 299,507	\$ 2,249	\$ 1,046,404
Property taxes	-	-	27,857,199	30,681,623
Accounts	4,489	320,289	109,871	9,950,996
Intergovernmental	-	-	-	12,702,246
Other	-	-	-	73,829
Interest on balances	-	-	-	4,504,594
Gross receivables	11,312	619,796	27,969,319	58,959,692
Less: allowance for uncollectibles	-	-	-	5,272,238
Net total receivables	\$ 11,312	\$ 619,796	\$ 27,969,319	\$ 53,687,454

Notes to Basic Financial Statements

June 30, 2012

III. Detailed Notes on All Funds, continued**B. Receivables and Deferred Revenues, continued**

Interest on balances is computed on outstanding property taxes and accounts at the justice courts. Allowance for doubtful accounts is computed on accounts at the justice courts only.

Deferred revenues are reported in governmental funds in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. In addition, governmental funds and proprietary funds report deferred revenue in connection with resources that have been received but not yet earned. Various components of deferred revenue consist of the following at June 30, 2012:

<u>Fund by Type</u>	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Property taxes receivable:			
General	\$ 2,448,553	\$ -	\$ 2,448,553
Other governmental funds	233,658	-	233,658
Other receivables:			
General	2,763,979	183,929	2,947,908
Road	97,390	129,000	226,390
Lane events center	-	126,213	126,213
Internal service funds	-	2,280	2,280
	<u>\$ 5,543,580</u>	<u>\$ 441,422</u>	<u>\$ 5,985,002</u>

III. Detailed Notes on All Funds, continued

C. Capital Assets

Capital assets activity for the year ended June 30, 2012 is as follows.

Governmental activities:	Beginning Balance	Increases	Decreases	Adjustments/ Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 9,889,738	\$ -	\$ -	\$ -	\$ 9,889,738
Construction in progress	5,964,690	7,908,468	(1,261,385)	(78,933)	12,532,840
Total capital assets not being depreciated	15,854,428	7,908,468	(1,261,385)	(78,933)	22,422,578
Capital assets being depreciated:					
Buildings and land improvements	133,978,482	6,917,509	(30,878)	78,933	140,944,046
Equipment and furniture	43,000,903	2,285,925	(1,511,968)	4,675,920	48,450,780
Infrastructure	332,318,818	8,604,147	(2,137,945)	-	338,785,020
Total capital assets being depreciated	509,298,203	17,807,581	(3,680,791)	4,754,853	528,179,846
Less accumulated depreciation for:					
Buildings and land improvements	(55,351,964)	(3,454,683)	8,213	(272,755)	(59,071,189)
Equipment and furniture	(28,419,105)	(3,358,525)	1,439,854	(3,076,421)	(33,414,197)
Infrastructure	(99,468,678)	(10,975,596)	2,137,945	-	(108,306,329)
Total accumulated depreciation	(183,239,747)	(17,788,804)	3,586,012	(3,349,176)	(200,791,715)
Total capital assets being depreciated, net	326,058,456	18,777	(94,779)	1,405,677	327,388,131
Governmental activities capital assets, net	\$ 341,912,884	\$ 7,927,245	\$ (1,356,164)	\$ 1,326,744	\$ 349,810,709
Business-type activities: *	Beginning Balance	Increases	Decreases	Adjustments/ Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 11,607,251	\$ 418,038	\$ -	\$ (8,374,576)	\$ 3,650,713
Construction in progress	17,963,508	19,784	(10,068,989)	(3,017,076)	4,897,227
Total capital assets not being depreciated	29,570,759	437,822	(10,068,989)	(11,391,652)	8,547,940
Capital assets being depreciated:					
Buildings and land improvements	89,527,681	81,046	-	(45,118,659)	44,490,068
Equipment and furniture	10,779,036	389,512	-	(6,944,754)	4,223,794
Total capital assets being depreciated	100,306,717	470,558	-	(52,063,413)	48,713,862
Less accumulated depreciation for:					
Buildings and land improvements	(44,214,845)	(1,546,509)	-	(22,934,091)	(22,827,263)
Equipment and furniture	(8,903,081)	(182,938)	-	(5,488,249)	(3,597,770)
Total accumulated depreciation	(53,117,926)	(1,729,447)	-	(28,422,340)	(26,425,033)
Total capital assets being depreciated, net	47,188,791	(1,258,889)	-	(23,641,073)	22,288,829
Business-type activities capital assets, net	\$ 76,759,550	\$ (821,067)	\$ (10,068,989)	\$ (35,032,725)	\$ 30,836,769

* *Adjustments/Transfers in Business-type activities represent a reclassification of HACSA from a blended component unit to one that is discretely presented in accordance with GASB 61. Net reduction in capital assets is \$33,705,981. See Note I. A, III. G., and IV.H. for information regarding HACSA.*

Notes to Basic Financial Statements

June 30, 2012

III. Detailed Notes on All Funds, continued**C. Capital Assets, continued**

Depreciation was charged as a direct expense to the following functions for the year ended June 30, 2012:

Governmental Activities

General government	\$ 4,552,761
Public safety	1,289,084
Public health and welfare	353,692
Parks	188,885
Roads and bridges	<u>11,404,382</u>
Total depreciation expense - governmental activities	<u>\$ 17,788,804</u>

Business-type Activities

Lane events center	\$ 953,672
Solid waste disposal	775,413
Other enterprise funds	<u>362</u>
Total depreciation expense – business-type activities	<u>\$ 1,729,447</u>

D. Interfund Receivables, Payables, and Transfers

Interfund receivables and payables at June 30, 2012 are as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General	Other governmental funds	\$ <u>31,828</u>
Internal service funds	General	353,559
Internal service funds	Road	117,155
Internal service funds	Special revenue / services	97,785
Internal service funds	Health and human services	181,086
Internal service funds	LaneCare	9,866
Internal service funds	Other governmental funds	45,322
Internal service funds	Lane events center	8,383
Internal service funds	Solid waste disposal	53,879
Internal service funds	Other enterprise funds	17,667
Internal service funds	Internal service funds	<u>67,867</u>
		<u>952,569</u>
Total due to/from other funds		<u>\$ 984,397</u>

Notes to Basic Financial Statements

June 30, 2012

III. Detailed Notes on All Funds, continued**D. Interfund Receivables, Payables, and Transfers, continued**

The outstanding balances between funds result mainly from the time lag between the accrual and subsequent payment of payroll and related benefit charges to internal service funds at June 30, 2012.

Interfund loans receivable/payable:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General	Special revenue / services	200,000
Total interfund loans receivable/payable		<u>\$ 200,000</u>

- The General fund loaned \$200,000 to the Tax Foreclosed Property Program of the Special Revenue / Services special revenue fund to cover a cash shortfall due to lower than expected property sales. Future property sales of foreclosed property will repay the loan, which is due June 30, 2013.

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without equivalent flows of assets in return. Interfund transfers for the year ended June 30, 2012 are as follows:

<u>Fund</u>	<u>General</u>	<u>Road</u>	<u>Special Revenue / Services</u>	<u>Health and Human Services</u>	<u>LaneCare</u>	<u>Other Govern- mental Funds</u>
General	\$ -	\$ -	\$ 3,072,492	\$ 2,244,210	\$ -	\$ 3,178,744
Road	-	-	2,828,978	-	-	374,419
Special revenue / services	220,579	-	-	-	-	124,085
Health and human services	209,325	-	-	-	-	723,622
LaneCare	-	-	-	358,969	-	58,345
Solid waste disposal	-	40,901	-	-	-	-
Regional information systems	-	-	-	-	-	-
Other governmental funds	353,972	-	1,157,056	301,055	-	1,557,114
Internal service funds	728,131	201,520	63,779	203,056	10,355	66,997
Total transfers in	<u>\$ 1,512,007</u>	<u>\$ 242,421</u>	<u>\$ 7,122,305</u>	<u>\$ 3,107,290</u>	<u>\$ 10,355</u>	<u>\$ 6,083,326</u>

<u>Fund (continued)</u>	<u>Lane Events Center</u>	<u>Solid Waste Disposal</u>	<u>Other Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>Total Transfers Out</u>
General	\$ -	\$ -	\$ -	\$ -	\$ 8,495,446
Road	-	-	-	-	3,203,397
Special revenue / services	-	-	-	-	344,664
Health and human services	-	-	-	-	932,947
LaneCare	-	-	-	-	417,314
Solid waste disposal	-	-	1,128,551	55,565	1,225,017
Regional information systems	-	-	-	15,121,948	15,121,948
Other governmental funds	-	-	814,807	-	4,184,004
Internal service funds	13,794	79,708	29,597	434,443	1,831,380
Total transfers in	<u>\$ 13,794</u>	<u>\$ 79,708</u>	<u>\$ 1,972,955</u>	<u>\$ 15,611,956</u>	<u>\$ 35,756,117</u>

Notes to Basic Financial Statements

June 30, 2012

III. Detailed Notes on All Funds, continued

D. Interfund Receivables, Payables, and Transfers, continued

Transfers are routinely made for the following purposes:

- To move revenues from the fund in which statute or budget requires them to be collected to the fund from which statute or budget requires them to be expended;
- To move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due;
- To move unrestricted revenues collected in the General Fund to finance various programs and activities accounted for in other funds in accordance with budgetary authorizations; and
- To move revenues collected from restricted sources to other funds to pay for direct expenses.

During fiscal year 2012, the following non-routine transfers were made:

- Employee Benefit internal service fund reserves were reduced and \$1,499,998 was returned to paying funds due to the release of PERS rate decreases for fiscal year 2012 that came in lower than anticipated.
- The Regional Information Systems fund was closed effective July 1, 2011. All assets and liabilities were transferred to the Information Services internal service fund.

E. Noncurrent Liabilities

General Obligation Bonds

The County issues general obligation (GO) bonds to finance major construction projects in governmental activities. GO bonds are backed by the full faith and credit of the County and are serviced by general property tax revenues. Brief descriptions of outstanding GO bonds are as follows:

General Obligation Refunding Bonds, Series 2003A – Original issue amount \$27,410,000 used to refund the GO Juvenile Justice Center Bonds, Series 1995 issued to finance the land acquisition, construction, furnishing, and equipping of the County Juvenile Justice Center. Remaining annual principal and semi-annual interest payments are approximately \$2.9 million per year with final payment scheduled on June 1, 2015. Payment of principal and interest was originally insured by FSA, and the policy is now held by Assured Guaranty.

Total GO bonds outstanding as of June 30, 2012 are as follows:

<u>Governmental Activities</u>	<u>Interest Rates (%)</u>	<u>Ending Balance</u>
General obligation bonds serviced by general property taxes:		
GO Refunding Bonds, Series 2003A	3.500% to 5.250%	\$ <u>8,170,000</u>

Notes to Basic Financial Statements

June 30, 2012

III. Detailed Notes on All Funds, continued**E. Noncurrent Liabilities, continued**General Obligation Bonds, continued

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2013 \$	2,585,000 \$	387,225
2014	2,715,000	279,250
2015	2,870,000	143,500
	<u>\$ 8,170,000</u>	<u>\$ 809,975</u>

The County is subject to a legal debt limit for GO bonds of 2% of the real market value of all taxable property within the County. As of June 30, 2012, the County is in compliance with this limit.

Limited Tax Bonds

The County issues limited tax bonds in governmental activities. All limited tax bonds are backed by the full faith and credit of the County, within the limitations of Article XI of the Oregon Constitution, and are to be repaid from existing revenue sources. Brief descriptions of outstanding limited tax bonds are as follows:

Full Faith and Credit Obligations, Series 2002A - Original issue amount \$7,615,000 used to refund the 1998 Municipal Loan Agreement issued to finance public improvements to the County fairgrounds. In June 2011, all but \$1,170,000 was refunded with the issuance of Series 2011R. Remaining annual principal and semi-annual interest payments were \$428,905 in fiscal year 2012 and then range from \$93,000 to \$115,500 per year (increasing) with final payment scheduled on June 1, 2022. Payment of principal and interest was originally insured by MBIA, and the policy is now held by the National Public Finance Guarantee Corp (NPFG).

Full Faith and Credit Obligations, Series 2003B - Original issue amount \$5,655,000 used in part to refund the Special Obligations, Series 1993 and Limited Tax Revenue, Series 1995 bonds issued to finance public improvements to the county courthouse and jail, and to finance new costs of a facility for the County Elections Division and the Plaza/Free Speech area at the County Courthouse. Remaining annual principal and semi-annual interest payments range from \$216,000 to \$350,000 per year with final payment scheduled on June 1, 2023. Payment of principal and interest was originally insured by MBIA, and the policy is now held by NPFG.

Limited Tax Pension Bonds, Series 2002 – Original issue amount \$71,408,377 (\$14,853,377 in deferred interest bonds and \$56,555,000 in current interest bonds) used to finance a portion of the estimated unfunded actuarial liability with the Oregon Public Employees Retirement System. Remaining annual principal and semi-annual interest payments fluctuate from \$5.3 million to \$11.2 million per year (increasing) with final payment scheduled on June 1, 2028. Payment of principal and interest is insured by AMBAC.

Notes to Basic Financial Statements

June 30, 2012

III. Detailed Notes on All Funds, continued**E. Noncurrent Liabilities, continued**Limited Tax Bonds, continued

Full Faith and Credit Obligations, Series 2009A – Issued in the amount of \$27,930,000 on November 2, 2009 and used to refund a majority of the Series 2000 obligations and to finance the purchase and improvements to the Public Health Facility, the purchase of the Riverstone Health Clinic building, additional AIRS conversion costs, and upgrades to the heating and air conditioning system at the County correctional facility. Annual principal and semi-annual interest payments are approximately \$2.3 million through 2021, and drop down to \$1.9 million in 2022 and thereafter with the final payment scheduled on November 1, 2029. The bonds are not insured.

Full Faith and Credit Obligations, Series 2011 – Issued in the amount of \$10,345,000 on March 30, 2011 and used to finance improvements to the Riverstone Health Clinic building, Richardson Park Marina, the Public Works Customer Service Center, the Lane Events Center Convention Center roof, and the Public Services Building steam conversion. Annual principal and semi-annual interest payments are approximately \$750,000 with the final payment scheduled on June 1, 2031. The bonds are not insured.

Full Faith and Credit Refunding Obligations, Series 2011R – Issued in the amount of \$4,945,000 on June 2, 2011 and used to refund a majority of the Series 2002A obligations. Annual principal and semi-annual interest payments are approximately \$580,000 with the final payment scheduled on June 1, 2022. The bonds are not insured.

Limited tax bonds outstanding as of June 30, 2012 are as follows:

<u>Governmental Activities</u>	<u>Interest Rates (%)</u>	<u>Ending Balance</u>
Limited tax bonds:		
Limited Tax Full Faith & Credit Bonds, Series 2002A	4.350% to 5.000%	\$ 795,000
Limited Tax Full Faith & Credit Bonds, Series 2003B	3.500% to 4.450%	2,260,000
Limited Tax Full Faith & Credit Bonds, Series 2009A	3.000% to 5.000%	25,970,000
Limited Tax Full Faith & Credit Bonds, Series 2011	2.000% to 4.250%	9,965,000
Limited Tax Full Faith & Credit Bonds, Series 2011R	3.000% to 4.000%	4,855,000
		<u>43,845,000</u>
Limited Tax Pension Bonds, Series 2002 (net of deep discount of \$7,366,949)	6.850% to 7.410%	66,883,051
Total limited tax bonds		<u>\$ 110,728,051</u>

Annual debt service requirements to maturity for limited tax bonds are as follows:

Notes to Basic Financial Statements

June 30, 2012

III. Detailed Notes on All Funds, continued**E. Noncurrent Liabilities, continued**Limited Tax Bonds, continued

Year Ending June 30	Governmental Activities					
	Limited Tax Bonds, excluding Limited Tax Pension Bonds		Limited Tax Pension Bonds		Total Limited Tax Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 2,305,000	\$ 1,802,682	\$ 1,029,948	\$ 4,501,617	\$ 3,334,948	\$ 6,304,299
2014	2,360,000	1,734,965	1,075,284	4,731,281	3,435,284	6,466,246
2015	2,460,000	1,664,840	1,099,733	4,996,833	3,559,733	6,661,673
2016	2,405,000	1,585,225	1,120,530	5,276,035	3,525,530	6,861,260
2017	2,495,000	1,496,570	1,140,305	5,566,260	3,635,305	7,062,830
2018-2022	13,715,000	5,773,804	14,071,706	24,645,738	27,786,706	30,419,542
2023-2027	10,185,000	3,081,057	32,625,000	9,147,832	42,810,000	12,228,889
2028-2031	7,920,000	658,516	5,210,000	356,885	13,130,000	1,015,401
	<u>\$ 43,845,000</u>	<u>\$ 17,797,659</u>	<u>\$ 57,372,506</u>	<u>\$ 59,222,481</u>	<u>\$ 101,217,506</u>	<u>\$ 77,020,140</u>

The Limited Tax Pension Bonds, Series 2002 are deep discount bonds and reported net of accretion. However, the annual debt service requirements to maturity are reported on the cash basis and do not account for accreted amounts. The following table reconciles the annual debt service requirements to maturity schedule to the ending balance of limited tax bonded debt:

Limited Tax Bonds	Ending Balance	Due Within One Year
Pension debt service requirements	\$ 57,372,506	\$ 1,029,948
Accretion of deep discount	9,510,545	1,180,052
Total limited tax pension bonds outstanding	66,883,051	2,210,000
Non-pension debt service requirements	43,845,000	2,305,000
Total limited tax bonds outstanding	<u>\$ 110,728,051</u>	<u>\$ 4,515,000</u>

The County is subject to a legal debt limit for limited tax bonds of 1% of the real market value of all taxable property within the County. The County is also subject to a legal debt limit for pension bonds of 5% of the real market value of all taxable property within the County. As of June 30, 2012, the County is in compliance with both limits.

Notes to Basic Financial Statements

June 30, 2012

III. Detailed Notes on All Funds, continued

E. Noncurrent Liabilities, continued

Rebatable Arbitrage

Arbitrage reviews are performed annually on all County tax-exempt bonds and obligations, and rebates of interest earned on arbitrage are made as required by the federal tax code. Liabilities are reported in the government-wide and proprietary fund financial statements when incurred, but liabilities are not reported in the governmental fund financial statements until due and payable. As of June 30, 2012, there were no rebatable arbitrage liabilities to report.

Landfill Closure and Postclosure Care Cost

The County operates the Short Mountain Landfill under a Solid Waste Disposal Permit (No. 290) from the Oregon Department of Environment Quality (DEQ). The current permit was issued on August 5, 2011 and will expire on June 30, 2021.

State and federal laws and regulations require the County to place a final cover on its landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although final closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these final closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$3,903,931 reported as the landfill closure and postclosure care liability at June 30, 2012 represents current cost estimates based on the use of 19.03% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of final closure and post-closure care of \$16,607,432 as the remaining estimated capacity is filled. Cost estimates are based on what it would cost to perform all final closure and post-closure care in 2012. Actual costs may be different due to inflation, deflation, changes in technology, or changes in regulations. The County expects to close the landfill in approximately 76 years, or the year 2087.

Site Development Plan: In July 2006, the County updated its Site Development Plan (SDP). The plan was reviewed and approved by the ODEQ in July 2007. The ultimate footprint at full build-out is 219 acres.

Financial Assurance: Each year the County demonstrates financial assurance in connection with the closure and postclosure care activities for the Short Mountain Landfill by using the local government financial assurance test described in Title 40 of the Code of Federal Regulations, paragraph 258.74. As of June 30, 2011 (the most recent analysis), the County is in compliance with the local government financial assurance test as required by Oregon Administrative Rule 340-94-0140.

Internal Service Fund Debt

Based on an analysis of billings, governmental activities have been determined to be the predominant source of revenue for all internal service funds. Therefore, long-term debt in governmental activities includes those in internal service funds. As of June 30, 2012, internal service fund debt includes the Limited Tax Pension Bonds of \$66,883,051, less deferred bond discounts of \$119,716.

Notes to Basic Financial Statements

June 30, 2012

III. Detailed Notes on All Funds, continued**E. Noncurrent Liabilities, continued**Compensated Absences

County employees accumulate earned but unused leave with pay which combines into a time management bank. Upon termination of employment one-half of the time management bank pays out at the employees current pay rate. An analysis of vested compensated absences County-wide shows that more time management is taken the subsequent year than vests the previous year. As a result, all compensated absences are considered current. Compensated absences included in governmental activities are anticipated to be liquidated as follow:

<u>Government-type Activities</u>	<u>Due Within One Year</u>
General	\$ 2,649,540
Road	792,724
Special revenue / services	805,194
Health and human services	782,790
LaneCare	39,788
Other governmental funds	268,179
Internal service funds	492,974
	<u>\$ 5,831,189</u>

Net OPEB Obligation

County paid other post-employment benefits (OPEB) are funded by assessing County departments 5% of PERS-eligible payroll. Using current year payroll activity, the Net OPEB Obligation in governmental activities is anticipated to be liquidated as follow:

<u>Government-type Activities</u>	<u>June 30, 2012</u>
General	\$ 1,168,062
Road	364,949
Special revenue / services	328,409
Health and human services	527,794
LaneCare	26,778
Other governmental funds	140,498
Lane events center	23,004
Solid waste disposal	143,992
Other enterprise funds	61,514
Internal service funds	261,620
	<u>\$ 3,046,620</u>

Notes to Basic Financial Statements

June 30, 2012

III. Detailed Notes on All Funds, continued**E. Noncurrent Liabilities, continued**Changes in Noncurrent Liabilities

<u>Governmental activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions **</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	\$ 6,214,293	\$ 11,516,982	\$ 11,900,086	\$ 5,831,189	\$ 5,831,189
Claims	5,318,000	1,610,595	1,610,595	5,318,000	5,318,000
Net OPEB obligation	3,777,118	-	730,498	3,046,620	-
Bonds payable:					
General obligation bonds	10,610,000	-	2,440,000	8,170,000	2,585,000
Limited tax bonds	113,526,388	1,376,663 *	4,175,000	110,728,051	4,515,000
Deferred amounts:					
Issuance discounts, net of premiums	1,261,036	-	123,787	1,137,249	-
Total bonds payable	125,397,424	1,376,663	6,738,787	120,035,300	7,100,000
	<u>\$ 140,706,835</u>	<u>\$ 14,504,240</u>	<u>\$ 20,979,966</u>	<u>\$ 134,231,109</u>	<u>\$ 18,249,189</u>
<u>Business-type activities: **</u>					
Compensated absences	\$ 972,142	\$ 741,178	\$ 1,262,025	\$ 451,295	\$ 451,295
Escrow deposits	319,417	-	319,417	-	-
Notes payable:					
Lane events center	3,475	-	3,475	-	-
HACSA	5,464,548	-	5,464,548	-	-
	<u>5,468,023</u>	<u>-</u>	<u>5,468,023</u>	<u>-</u>	<u>-</u>
Bonds payable:					
Revenue bonds	755,000	-	755,000	-	-
Deferred amounts:					
Issuance discounts	(11,790)	-	(11,790)	-	-
Total bonds payable	<u>743,210</u>	<u>-</u>	<u>743,210</u>	<u>-</u>	<u>-</u>
Landfill closure and postclosure care liability	3,736,819	167,112	-	3,903,931	-
	<u>\$ 11,239,611</u>	<u>\$ 908,290</u>	<u>\$ 7,792,675</u>	<u>\$ 4,355,226</u>	<u>\$ 451,295</u>

* Represents change (accretion) in deep discount on limited tax pension bonds.

** Reductions in Business-type activities include the removal of HACSA as a blended component unit in accordance with GASB 61. See Note I. A. and Note III. G. for information regarding HACSA.

Notes to Basic Financial Statements

June 30, 2012

III. Detailed Notes on All Funds, continued**F. Invested in Capital Assets, Net of Related Debt**

Invested in capital assets, net of related debt in the Statement of Net Assets is computed as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Capital assets:		
Land and construction in progress	\$ 22,422,578	\$ 8,547,940
Other capital assets (net of accumulated depreciation)	<u>327,388,131</u>	<u>22,288,829</u>
Total capital assets	<u>349,810,709</u>	<u>30,836,769</u>
Bonds payable	120,035,300	-
Less unrelated debt:		
Limited tax pension bonds less discount of \$119,716	<u>(66,763,335)</u>	-
	53,271,965	-
Less unspent proceeds:		
Limited tax full faith and credit bonds, Series 2011	(652,280)	-
General obligation refunding bonds, Series 2003A	<u>(835,535)</u>	-
Related debt	<u>51,784,150</u>	-
Invested in capital assets, net of related debt	<u>\$ 298,026,559</u>	<u>\$ 30,836,769</u>

Notes to Basic Financial Statements

June 30, 2012

III. Detailed Notes on All Funds, continued**G. Discretely Presented Component Units**Housing and Community Services Agency of Lane County (HACSA)*Cash and Investments*

Total cash and investments for HACSA at June 30, 2012 are comprised of the following:

<u>Cash and cash equivalents</u>	
Cash on hand	\$ 2,202
Demand deposits	512,339
Total cash and cash equivalents	<u>514,541</u>
<u>Investments</u>	<u>3,734,729</u>
<u>Restricted assets</u>	
Deposits:	
Demand deposits	1,196,859
Cash with fiscal agent	80,769
Total cash and cash equivalents	<u>1,277,628</u>
Investments	<u>3,675,297</u>
Total restricted assets	<u>4,952,925</u>
<u>Investments in limited partnerships</u>	<u>1,780,168</u>
<u>Total cash and investments</u>	<u>\$ 10,982,363</u>

Total investments for HACSA at June 30, 2012 are comprised of the following:

<u>Investments</u>	<u>Fair Value</u>
United States agencies:	
Notes:	
Federal Farm Credit Bank	\$ 1,200,000
Investment with fiscal agent	3,125,404
Limited partnerships	<u>1,780,168</u>
	6,105,572
Local government investment pool	<u>3,084,622</u>
	<u>\$ 9,190,194</u>
<u>Summary</u>	
Investments	\$ 3,734,729
Restricted investments	3,675,297
Limited partnerships	<u>1,780,168</u>
Total investments	<u>\$ 9,190,194</u>

III. Detailed Notes on All Funds, continued

G. Discretely Presented Component Units, continued

Housing and Community Services Agency of Lane County (HACSA), continued

Capital Assets

Capital assets activity for HACSA for the year ended June 30, 2012 is as follows.

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 8,374,576	\$ -	\$ -	\$ 8,374,576
Construction in progress	2,725,938	-	(2,260,104)	465,834
Total capital assets not being depreciated	11,100,514	-	(2,260,104)	8,840,410
Capital assets being depreciated:				
Buildings and land improvements	45,409,797	4,149,284	-	49,559,081
Equipment and furniture	2,268,834	355,630	-	2,624,464
Total capital assets being depreciated	47,678,631	4,504,914	-	52,183,545
Less accumulated depreciation for:				
Buildings and land improvements	(22,934,091)	(1,115,073)	2	(24,049,162)
Equipment and furniture	(2,139,073)	(88,802)	-	(2,227,875)
Total accumulated depreciation	(25,073,164)	(1,203,875)	2	(26,277,037)
Total capital assets being depreciated, net	22,605,467	3,301,039	2	25,906,508
Business-type activities capital assets, net	\$ 33,705,981	\$ 3,301,039	\$ (2,260,102)	\$ 34,746,918

Noncurrent Liabilities

Revenue Bonds

HACSA issues revenue bonds to finance major construction projects in business-type activities. Revenue bonds are not backed by the full faith and credit of the County, but rather, are secured by pledges of certain revenues, receipts, and deeds of trust on underlying real estate. Brief descriptions of outstanding revenue bonds are as follows:

Revenue Bonds, Series 1995A and 1995B – Original issue amount \$1,440,000 (\$965,000 senior lien bonds and \$470,000 junior lien bonds) used to finance the acquisition and rehabilitation of the Firwood Apartment Complex. Remaining annual principal and semi-annual interest payments are approximately \$100,000 per year with final payment scheduled on November 1, 2020. The bonds are not insured.

Business-type Activities	Interest Rates (%)	Ending Balance
Revenue bonds serviced by net operating income of HACSA:		
HACSA Revenue Bonds, Series 1995A	5.000% to 6.700%	\$ 565,000
HACSA Revenue Bonds, Series 1995B	6.700%	130,000
		<u>\$ 695,000</u>

Notes to Basic Financial Statements

June 30, 2012

III. Detailed Notes on All Funds, continued**G. Discretely Presented Component Units, continued**Housing and Community Services Agency of Lane County (HACSA), continuedRevenue Bonds, continued

Annual debt service requirements to maturity for revenue bonds are as follows:

<u>Year Ending June 30</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2013 \$	60,000 \$	44,340
2014	65,000	40,195
2015	70,000	35,718
2016	75,000	30,907
2017	85,000	25,768
2018-2022	340,000	58,458
	<u>\$ 695,000</u>	<u>\$ 235,386</u>

Notes Payable

The County issues notes to finance major construction projects in business-type activities.

<u>Business-type Activities</u>	<u>Interest Rates (%)</u>	<u>Ending Balance</u>
Notes payable:		
Commercial banks	7.500% to 7.750%	\$ 81,504
City of Eugene	2.000% to 5.000%	927,205
State agencies	0.250% to 7.750%	1,944,289
FHA	5.375% to 6.875%	2,345,986
Other	5.000% to 7.500%	303,409
		<u>\$ 5,602,393</u>

Annual debt service requirements to maturity for notes payable are as follows:

<u>Year Ending June 30</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2013 \$	256,893 \$	148,232
2014	178,198	139,318
2015	185,648	130,969
2016	185,282	123,012
2017	160,201	116,061
2018-2022	815,779	481,862
2023-2027	863,441	304,399
2028-2032	546,885	148,114
2033-2037	312,807	43,804
2038-2042	2,097,259	-
	<u>\$ 5,602,393</u>	<u>\$ 1,635,771</u>

III. Detailed Notes on All Funds, continued

G. Discretely Presented Component Units, continued

Housing and Community Services Agency of Lane County (HACSA), continued

Changes in Noncurrent Liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 419,939	\$ 469,358	\$ 419,939	\$ 469,358	\$ 469,358
Escrow deposits	319,417	39,644	-	359,061	-
Notes payable	5,464,548	992,822	854,977	5,602,393	256,893
Bonds payable:					
Revenue bonds	755,000	-	60,000	695,000	60,000
Deferred amounts:					
Issuance discounts	(11,790)	-	(1,992)	(9,798)	-
Total bonds payable	743,210	-	58,008	685,202	60,000
	<u>\$ 6,947,114</u>	<u>\$ 1,501,824</u>	<u>\$ 1,332,924</u>	<u>\$ 7,116,014</u>	<u>\$ 786,251</u>

The County is not obligated in any manner for the debt of HACSA.

H. Fund Balances

Fund balances by specific purpose for the year ended June 30, 2012 were as follows:

Fund balances:	General	Road	Special Revenue / Services	Health and Human Services	LaneCare	Other Govern- mental Funds	Total Govern- mental Funds
Nonspendable							
Inventories	\$ 153,686	\$ 1,459,782	\$ -	\$ 147,373	\$ -	\$ -	1,760,841
Restricted							
Capital projects	-	-	-	-	-	967,842	967,842
Debt service	-	-	-	-	-	307,807	307,807
General government	-	-	-	-	-	3,650,365	3,650,365
Public safety	-	-	131,272	-	-	307,147	438,419
Public health & welfare	-	-	-	8,653,279	15,287,387	-	23,940,666
Roads and bridges	-	25,022,533	65,357	-	-	1,004,083	26,091,973
Community development	-	-	1,921,435	-	-	174,572	2,096,007
Assigned:							
Capital projects	-	-	-	-	-	5,773,521	5,773,521
General government	-	-	497,205	-	-	-	497,205
Public safety	-	-	2,444,306	-	-	74,573	2,518,879
Public health & welfare	-	-	326,864	-	-	616,660	943,524
Parks	-	-	-	-	-	519,707	519,707
Roads and bridges	-	10,765,496	-	-	-	-	10,765,496
Budget deficit	964,248	-	-	-	-	-	964,248
Unassigned:	11,286,812	-	-	-	-	-	11,286,812
Total fund balances:	<u>\$ 12,404,746</u>	<u>\$ 37,247,811</u>	<u>\$ 5,386,439</u>	<u>\$ 8,800,652</u>	<u>\$ 15,287,387</u>	<u>\$ 13,396,277</u>	<u>\$ 92,523,312</u>

Notes to Basic Financial Statements

June 30, 2012

IV. Other Information**A. Risk Management**

The County has established an internal service fund to account for and finance its risk of loss. The County is self-insured for workers' compensation claims and general liability claims, and carries commercial insurance for all other significant risks.

Coverage for workers' compensation and general liability claims in excess of \$1,000,000 is purchased from commercial insurers. Claims for catastrophic fire, earthquake, and flood insurance coverage up to \$100,000,000 is subject to a \$100,000 deductible per occurrence except for earthquake which has a deductible of 2%. During the past four fiscal years, no settled claims have exceeded insurance coverage levels.

Claims liabilities reported in the County's basic financial statements are based on a bi-annual actuarial estimate of the ultimate cost of settling claims, including incurred but not reported (IBNR) claims. The last actuarially determined liability was prepared for the year ended June 30, 2011. Claims liabilities include all incremental costs incurred directly as a result of the claim, and consider estimated recoveries on both settled and unsettled claims. Claims expense has been reduced by amounts recovered, or expected to be recovered, through excess insurance.

At June 30, 2012, a total claims liability of \$5,318,000 is reported in an internal service fund. All prior and current year claims are fully reserved and have not been discounted. The County does not utilize annuity contracts from commercial insurers, nor are they party to any structured settlements. All known liabilities have been disclosed.

The following changes occurred in the internal service fund claims liability in the current and previous fiscal year by type of claim:

Workers' Compensation					
Year Ending June 30	Liability Balance at Beginning of Year	Current- year Claims	Changes to Prior Year Estimates	Claim Payments	Liability Balance at End of Year
2011	\$ 2,695,000	\$ 880,027	\$ 196,000	\$ (880,027)	\$ 2,891,000
2012	2,891,000	1,384,777	-	(1,384,777)	2,891,000

General Liability					
Year Ending June 30	Liability Balance at Beginning of Year	Current- year Claims	Changes to Prior Year Estimates	Claim Payments	Liability Balance at End of Year
2011	\$ 689,000	\$ 984,868	\$ 1,738,000	\$ (984,868)	\$ 2,427,000
2012	2,427,000	225,818	-	(225,818)	2,427,000

Total claims payable at June 30, 2012 are as follows:

<u>Governmental Activities</u>	<u>Amount</u>
Internal service fund:	
Workers' compensation	\$ 2,891,000
General liability	2,427,000
Total claims payable	<u>\$ 5,318,000</u>

Notes to Basic Financial Statements

June 30, 2012

IV. Other Information, continued

B. Retirement Plan

Plan Descriptions/Funding Policies

The County is a participating employer in the Oregon Public Employee Retirement System (PERS), a multiple-employer defined benefit public employee pension plan, and maintains a defined contribution plan for the purpose of individual retirement savings through PERS. PERS is administered under Oregon Revised Statutes Chapter 238 and Internal Revenue Service 401(a) by the Public Employees Retirement Board (PERB). County employees are eligible to participate in PERS after six months of employment and benefits vest after completing at least 600 hours in each of five years (the years do not need to be consecutive) or at normal retirement age provided the employee is an active member at the time. PERS, a component unit of the State of Oregon, issues a comprehensive annual financial report, which may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281, by calling (503) 598-7377, or by accessing the PERS web site at <http://www.oregon.gov/PERS/>.

County employees participate in one or more PERS retirement plans that provide pension, death, disability, and post-employment healthcare benefits to members or their beneficiaries:

- PERS (Public Employee Retirement System) is an agent multiple-employer defined benefit pension plan provided to members who were hired prior to August 29, 2003. Employer contributions to PERS are required by state statute and are made at actuarially determined rates as adopted by the PERB. The County's PERS rate for fiscal year 2012 was 11.64% in accordance with the December 31, 2009 actuarial valuation. This rate included a combined factor for the Tier One / Tier Two, OPSRP and Retiree Healthcare unfunded actuarial liability (UAL) totaling 3.29%.
- OPSRP (Oregon Public Service Retirement Plan) is a cost-sharing multiple-employer defined benefit and defined contribution pension plan created by the Oregon Legislative Assembly in 2003 as a successor plan for PERS.
 - The defined benefit pension plan is provided to members who were hired on or after August 29, 2003. Employer contributions are required by state statute and are made at actuarially determined rates as adopted by the PERB. The annual required contribution rates for the OPSRP defined benefit pension plan during fiscal year 2012 were 9.42% for general service employees and 12.13% for police and fire employees. Similar to the PERS rate, these rates included a 3.29% factor for the combined UAL.
 - The defined contribution pension plan (called the Individual Account Program or IAP) is provided to all members or their beneficiaries who are PERS or OPSRP eligible. State statutes require covered employees to contribute 6% of their annual covered salary to the IAP plan effective January 1, 2004. Lane County has currently elected to pay all of the employees' required IAP contributions. Although PERS members retain their existing PERS accounts, all current member contributions are deposited into the member's IAP.

IV. Other Information, continued

B. Retirement Plan, continued

Annual Pension Cost

All PERS participating employers are required by law to submit the contributions as adopted by the PERB. For the fiscal year ended June 30, 2012, the County's annual pension expenditures/expense of \$15,456,256 consisted of contributions on behalf of employees to the IAP of \$4,838,270, (6.00% of covered payroll), employer annual required contributions to the defined benefit pensions plans of \$6,338,180 for PERS and \$2,554,558 for OPSRP (7.86% and 3.17% of covered payroll, respectively), and \$1,725,518 in amortization of the net pension asset. The County's contributions for the defined benefit plan were equal to the annual required contribution, which were less than the annual pension cost as a result of the amortization of pension assets.

The County's annual pension cost and net pension asset for the year ended June 30, 2012 were as follows:

Annual required contribution (ARC)	\$ 8,892,738
Interest earned on net pension asset	(4,219,235)
Adjustment to the ARC	5,944,753
Annual pension cost	10,618,256
Contributions made	(8,892,738)
Decrease in net pension asset	1,725,518
Net pension asset, beginning of year	60,250,655
Net pension asset, end of year	\$ 58,525,137

The "projected unit credit" (PUC) method has been used to determine actuarial cost since December 31, 2004. The unfunded actuarial accrued liabilities are amortized as a level percentage of combined valuation payroll over a closed 20-year period from the valuation date of December 31, 2009. Gains and losses between subsequent odd-year valuations will be amortized as a level percentage of combined valuation payroll over 20 years from the odd-year valuation in which they are first recognized.

The actuarial assumptions from the December 31, 2009 actuarial evaluation (that contained the rates that were in effect during fiscal year 2012) included an investment return of 8% on system assets, consumer price inflation of 2.75% per year, future general wage inflation of 3.75% per year, and health care cost inflation of 7.0% in 2010, grading down to 4.5% in 2029.

The actuarial value of PERS assets is reported at fair market value. In order to reduce year-to-year volatility in contribution requirements due to changes in asset value, new contribution rates are confined to a collar based on the prior contribution rate. New contribution rates will not increase or decrease by more than the greater of 3 percentage points or 20 percent of the current rate. If the funded percentage drops below 70% or increases above 130% the size of the collar doubles.

The following table presents three-year trend information for Lane County's defined benefit pension plans:

	Annual Pension Cost (APC)	Contribution	Percentage of APC Contributed	Net Pension Asset
June 30, 2010	\$7,803,538	\$6,369,228	81%	\$61,825,445
June 30, 2011	8,296,564	6,721,774	81%	60,250,655
June 30, 2012	10,618,256	8,892,738	84%	58,525,137

IV. Other Information, continued

B. Retirement Plan, continued

Funded Status and Funding Progress

As of December 31, 2009, the most recent actuarial valuation, Lane County's PERS plan was 86% funded. The actuarial accrued liability for benefits was \$583.1 million and the actuarial value of assets was \$500.4 million, resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$82.7 million. The covered payroll (annual payroll of active employees covered by the plan) was \$76.3 million resulting in ratio of UAAL to covered payroll of 108%.

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 is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

C. Other Post-employment Benefits

Oregon Public Employees Retirement Systems' (PERS) Retiree Health Insurance Account (RHIA)

Plan Description

The County contributes to the Oregon Public Employees Retirement Systems' (PERS) Retiree Health Insurance Account (RHIA), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the Oregon Public Employees Retirement Board (OPERB). The plan, which was established under Oregon Revised Statutes 238.420, provides a payment of up to \$60 per month towards the costs of health insurance for eligible PERS retirees. RHIA post-employment benefits are set by state statute. A comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377, or by accessing the PERS web site at <http://oregon.gov/PERS/>.

Funding Policy

Participating employers are contractually required to contribute at a rate assessed bi-annually by the OPERB, currently 0.59% of annual covered payroll for PERS Plan members, and 0.50% for OPSRP Plan members. The OPERB sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed ten years. The County's contributions to PERS' RHIA for the past three years were as follows, all of which equaled the required contributions for that year:

<u>Fiscal year</u> <u>ending June 30</u>	<u>Contributions</u>
2010	\$ 204,009
2011	211,120
2012	452,196

IV. Other Information, continued

C. Other Post-employment Benefits, continued

County Retiree Healthcare Plan

Plan Description

Lane County administers a single-employer defined benefit healthcare plan that provides for payment of medical insurance premiums for eligible retirees under age 65, and for payment of Medicare Part B and supplemental premiums for eligible retirees who are covered by Medicare. Benefits under the plan are limited to participants employed prior to certain dates who meet certain service and age requirements, depending on the employee's collective bargaining agreement. The age requirement is tied to eligibility for retirement under PERS, and is generally age 55 for general service employees, or age 50 for police and fire employees.

Eligible participants may purchase dependent coverage for the pre-Medicare coverage at the County's premium rate. Eligible participants who have met the service requirements, but not the age requirements for county-paid coverage may "self-pay" continuously until the age requirement is met, to qualify for county-paid coverage.

Eligibility for these benefits has been phased out during the past 15 years. Non-represented employees who worked in permanent positions on or before March 5, 1991, and who worked ten continuous years of service, become eligible for the benefits upon retirement. Eligibility for represented employees is also based on hire date and continuous years of service, with some modifications. Employees hired after June 30, 1997 will not be eligible for the benefits, thus the plan is closed to new employees.

The County's post-retirement healthcare benefits are provided in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulate that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims costs, which are generally higher in comparison to all plan members as a result of age, and the amount of retiree healthcare premiums represents the County's implicit employer contribution.

At the time of the most recent actuarial valuation (June 30, 2012), there were 705 retirees receiving benefits under the plan; 294 pre-Medicare retirees and 411 retirees receiving Medicare Part B reimbursements and participating in the Medicare supplement insurance plan. In addition, there were 275 active employees who meet the criteria but have not yet retired. There were also 940 active employees who are not eligible for the benefit but could receive the implicit employer contribution should they continue to self pay medical insurance upon retirement.

Lane County has not established an irrevocable trust (or equivalent arrangement) to account for the retiree health insurance plan. Instead, the activities of the plan are reported in the County's Retiree Medical Benefit Trust Fund that is classified as an internal service fund for financial reporting purposes. The retiree health insurance plan does not issue a separate report.

Funding Policy

The County has the authority to establish and amend contribution requirements. Lane County has adopted a pay-as-you-go approach to fund retiree healthcare by assessing County departments 5% of PERS-eligible payroll. Resources received in excess of pay-as-you-go expenditures are set aside for the payment of future benefits. For the fiscal year ending June 30, 2012, contributions to the Retiree Medical Benefit Trust Fund totaled \$4,070,264. Of that amount, \$3,209,370 was made as plan contributions to insurers or payments directly to retirees.

IV. Other Information, continued

C. Other Post-employment Benefits, continued

County Retiree Healthcare Plan, continued

Annual OPEB Cost and Net OPEB Asset

Lane County's annual other post-employment benefit cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance within the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current ARC rate is 3.58% percent of annual covered payroll.

The following table shows the components of the County's annual OPEB cost for the fiscal year ending June 30, 2012, the amount actually contributed to the plans, and changes in the County's net OPEB asset:

Annual required contribution (ARC)	\$ 2,444,137
Interest earned on net OPEB obligation	169,970
Adjustment to the ARC	(135,235)
Annual OPEB cost (expense)	<u>2,478,872</u>
Contributions made	<u>(3,209,370)</u>
Increase in net OPEB obligation	(730,498)
Net OPEB obligation, beginning of year	<u>3,777,118</u>
Net OPEB obligation, end of year	<u><u>\$ 3,046,620</u></u>

The County's annual OPEB cost, contribution, percentage of annual OPEB cost contributed to the plans, and the net OPEB obligation for fiscal years 2010 through 2012 were as follows:

	<u>Annual OPEB Cost</u>	<u>Contribution</u>	<u>Percentage of OPEB Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2010	\$3,932,047	\$3,091,315	79%	\$2,989,937
June 30, 2011	3,939,779	3,152,598	80%	3,777,118
June 30, 2012	2,478,872	3,209,370	129%	3,046,620

Funded Status and Funding Progress

As of the actuarial valuation of June 30, 2012, the actuarial accrued liability for benefits was \$49,876,295, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$49,876,295. The covered payroll (annual payroll of active PERS-eligible employees) was \$68,354,956 resulting in a ratio of UAAL to covered payroll of 73 percent.

For the fiscal year ending June 30, 2012, the County has accumulated \$9,575,824 to pay for future retiree healthcare benefits, which is included in the unrestricted portion of net assets in the Retiree Medical Benefit Trust internal service fund. Since these assets have not been placed in a qualified trust (or equivalent arrangement) they have not been recognized as part of the actuarial valuation.

Notes to Basic Financial Statements

June 30, 2012

IV. Other Information, continued

C. Other Post-employment Benefits, continued

County Retiree Healthcare Plan, continued

Funded Status and Funding Progress, continued

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 revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and 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 plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2012 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.5% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8.0% initially, grading down by .5% per year to 6% by the year 2016. The unfunded actuarially accrued liability is amortized as a level percent of payroll over an open period of 30 years.

D. Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code, Section 457. The Plan is available to all County employees (except HASCA) and permits them to defer a portion of their current earnings until the employee's termination, retirement, death, or unforeseeable emergency.

The County contributes between 0% and 3% of each employee's wage to the Plan depending on their represented status and their respective bargaining unit. The Plan's participants have the right to designate how the funds will be invested. The Plan's assets are held in trust for the exclusive benefit of the Plan's participants and their beneficiaries and are considered property of the Plan's participants, not subject to the County's general creditors. As a result, Plan balances and activities are not reflected in these financial statements and the County has no liability for losses under the Plan.

The deferred compensation plan is administered by Great-West Retirement Services who agree to hold harmless and indemnify the County, its appointed and elected officers, and participating employees from any loss resulting from Great-West Retirement Services or their respective agent's failure to perform their duties and services pursuant to the deferred compensation program.

Notes to Basic Financial Statements

June 30, 2012

IV. Other Information, continued

E. Joint Ventures and Jointly Governed Organizations

Joint Ventures

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to ongoing control in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. The County participates in the following joint ventures:

Regional Executive Group – The County was a participant with the Cities of Eugene and Springfield, the Eugene Water and Electric Board, and the Lane Council of Governments in the Regional Executive Group (REG). The REG was a joint venture established by intergovernmental agreement to administer and set policy for the Regional Information Service (RIS), the computer center serving the participating governments. Lane County, as Host Agency of the REG, used to account for all REG financial activity in the Regional Information Systems (RIS) enterprise fund of the County. Effective July 1, 2011, the partners disbanded the REG and the RIS fund closed. All residual asset not returned to the partners was transferred to the Information Services internal service fund.

Metropolitan Wastewater Management Commission - The County is a participant with the City of Eugene and the City of Springfield in the Metropolitan Wastewater Management Commission (MWMC), a joint venture established by intergovernmental agreement to construct, maintain, and operate regional sewer facilities. The MWMC consists of a seven-member Commission to which the County appoints two voting members. The County does not have an ongoing financial interest in MWMC nor is it obligated for its debts, but the County does have an ongoing financial responsibility in that it is required to adopt rates and charges not less than those required by the commission. MWMC, which is reflected as a component unit of the City of Springfield, reported an increase in net assets of \$4,631,337 and total net assets of \$121,530,363 for the fiscal year ended June 30, 2011. Separate financial statements for MWMC can be obtained from the City of Springfield Finance Department.

Regional Fiber Consortium - The County is a participant with the cities of Cottage Grove, Drain, Eugene, Klamath Falls, Oakridge, and Springfield in the Regional Fiber Consortium (RFC), a joint venture established by intergovernmental agreement to develop, own, and control fiber optic cable to serve the public interest within the jurisdictional territories of the member governments. The RFC consists of a seven-member Board of Directors to which the County appoints one voting member. The County does not have access to RFC assets, nor is it obligated for its debts, but the County does have an ongoing financial interest in the RFC in that it has rights to revenues in excess of operation costs. For the fiscal year ended June 30, 2011, the RFC reported an increase in net assets of \$22,952 and total net assets of \$13,957. Separate financial statements for the RFC can be obtained from the City of Springfield Finance Department, the administrative arm of the RFC.

Human Services Commission - The County is a participant with the City of Eugene and the City of Springfield in the Human Services Commission (HSC). The HSC is governed by seven Members consisting of the representatives of each of the participating governments. The HSC is a joint venture established by intergovernmental agreement dedicated to helping the County's neediest residents achieve stability, improved health, greater independence and a higher quality of life. The County has an ongoing financial responsibility to the HSC as the administrator and a major purchaser of services. The HSC does not prepare separately issued financial statements. Lane County's Department of Health and Human Services is responsible for the general administration of the HSC and accounts for all its financial activity as a program within the Health and Human Services fund, a major special revenue fund of the County.

Notes to Basic Financial Statements

June 30, 2012

IV. Other Information, continued

E. Joint Ventures and Jointly Governed Organizations, continued

Jointly Governed Organizations

A jointly governed organization is a regional government or other multi-governmental arrangement that is governed by representatives from each of the governments that create the organization, yet is not a joint venture because the participants do not retain an ongoing financial interest or responsibility. The County is a member of the following jointly governed organizations:

Lane Workforce Partnership - The County in conjunction with business and community leaders created the Lane Workforce Partnership (LWP). The LWP's board is composed of 38 members from private businesses, state agencies, local government, community organizations, and organized labor of which the County has one vote. Under an administrative agreement between LWP and the County, the executive director of LWP is a joint employee of LWP and the County. All other LWP employees are provided by the County to LWP on a cost-reimbursement basis. The County accounts for all LWP financial activity in the Workforce Partnership fund, a non-major special revenue fund of the County.

Lane Regional Air Protection Agency - The County in conjunction with the Cities of Eugene, Springfield, Cottage Grove and Oakridge created the Lane Regional Air Protection Agency (LRAPA) in accordance with ORS 468A, an organization dedicated to protecting public health, community well-being, and the environment for the improvement and maintenance of air quality in Lane County. LRAPA's board is composed of 9 members of which the County has one vote. The county paid \$0 in annual dues to LRAPA during the current fiscal year. Separate financial statements for LRAPA can be obtained from the LRAPA Finance Department.

F. Commitments and Contingencies

City of Florence

During 1994, Lane County entered into an Intergovernmental Agreement with the City of Florence to pay the City \$200,000 per year for payment of debt related to the construction of the City of Florence All Events Center, a new conference and meeting facility. In 2004 the agreement was amended to reduce the payment to \$190,000, \$40,000 of which may be used for operational purposes. Effective for fiscal year ended June 30, 2008, the agreement was further modified to reduce their payment to \$182,171. Funding for the City of Florence debt has been appropriated from transient room tax revenues and will continue to be paid annually, up to a total of \$3,900,000, to the extent such funds are available and appropriated from the transient room tax revenues. At June 30, 2012, \$419,145 remains appropriable and available under the agreement.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustments by grantor agencies, principally the federal and state government. Any unforeseen disallowed claims, including amounts already collected, could become a liability of the General Fund or other applicable funds. Management believes that adjustments, if any, will not materially affect the County's financial position.

Lawsuits

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of County Counsel the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Notes to Basic Financial Statements

June 30, 2012

IV. Other Information, continued

G. Special Items

Since 2007 the County has been capitalizing internally generated computer software costs to upgrade the Area Information Records System (AIRS) in accordance with GASB 51. AIRS provides justice and public safety information technology services to Lane County, the Cities of Eugene and Springfield, and to other public and private agencies through the Regional Executive Group (see Note IV.E.). Effective July 1, 2011, the Regional Executive Group dissolved and the partners abandoned the upgrade in favor of implementing an off-the-shelf product to manage the courts, county jail, computer-aided dispatch, and law enforcement records. \$11,330,373 represents the write-off of the AIRS conversion project.

H. Reclassification

In accordance with GASB No. 61, HACSA was restated from a blended component unit to a discretely blended component unit. The effect of this adjustment was to reduce net assets from business-type activities by \$44,048,616 as of July 1, 2011.

Effective July 1, 2011, the Regional Information Systems enterprise fund was closed and residual net assets were transferred to the Information Services internal service fund. The merger was effected to due to the disbandment of the Regional Executive Group and to eliminate duplication of effort between remaining regional resources and county resources through combining similar functions and skills (see Note IV.E.).



REQUIRED SUPPLEMENTARY INFORMATION

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<u>Revenues</u>				
Taxes and assessments	\$ 34,160,508	\$ 34,101,241	34,809,949	\$ 708,708
Licenses and permits	696,050	696,050	800,929	104,879
Intergovernmental	23,324,720	21,823,424	21,452,556	(370,868)
Charges for services	3,316,540	3,084,759	3,450,371	365,612
Fines, forfeitures and penalties	2,493,186	2,442,502	1,459,891	(982,611)
Administrative and facility charges	11,082,183	11,137,623	11,134,049	(3,574)
Investment earnings	284,100	284,100	304,010	19,910
Sale and rental of property	666,067	572,898	586,763	13,865
Interfund transfers in	855,833	1,261,898	1,226,850	(35,048)
Interfund loan repayment received	100,000	100,000	100,000	-
Total revenues	76,979,187	75,504,495	75,325,368	(179,127)
<u>Expenditures</u>				
Current - departmental:				
Assessment and taxation	6,527,875	6,680,524	6,341,913	(338,611)
County counsel	1,358,741	1,372,008	1,286,312	(85,696)
Children and family	125,944	114,444	112,155	(2,289)
County administration	2,686,091	2,674,369	2,500,163	(174,206)
District attorney	9,382,574	9,686,059	9,411,125	(274,934)
General				
Materials and services	204,384	206,784	206,296	(488)
Fund transfers	1,562,172	1,762,172	1,762,172	-
Contingency and reserves	7,985,140	7,916,663	-	(7,916,663)
Health and human services	3,853,547	3,743,044	3,668,183	(74,861)
Human resources	2,089,215	2,128,622	2,034,083	(94,539)
Justice courts	1,482,531	1,354,055	1,180,075	(173,980)
Management services	8,227,894	8,402,243	7,286,520	(1,115,723)
Sheriff's office	38,439,406	38,608,936	37,215,194	(1,393,742)
Youth services	9,581,768	9,797,483	9,340,394	(457,089)
Total expenditures	93,507,282	94,447,406	82,344,585	(12,102,821)
Net change in fund balance	(16,528,095)	(18,942,911)	(7,019,217)	11,923,694
Fund balance, June 30, 2011	16,528,095	18,942,911	18,942,912	1
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	11,923,695	\$ 11,923,695
Unrealized gain (loss) on investments			15,863	
Accrued investment earnings			111,502	
Interfund loans receivable			200,000	
Inventories			153,686	
Total fund balance, GAAP basis, June 30, 2012			\$ 12,404,746	

Road Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<u>Revenues</u>				
Taxes and assessments	\$ 25,000	\$ 25,000	\$ 21,074	\$ (3,926)
Licenses and permits	110,000	110,000	122,880	12,880
Intergovernmental	29,752,498	29,752,498	29,048,169	(704,329)
Charges for services	695,000	945,000	826,516	(118,484)
Administrative and facility charges	4,801,428	4,801,428	4,779,074	(22,354)
Investment earnings	498,611	498,611	401,599	(97,012)
Sale and rental of property	151,845	151,845	216,362	64,517
Interfund transfers in	271,520	271,520	242,421	(29,099)
Total revenues	36,305,902	36,555,902	35,658,095	(897,807)
<u>Expenditures</u>				
Current - departmental:				
Management services	269,101	270,827	253,296	(17,531)
Public works	77,517,980	82,891,250	46,575,002	(36,316,248)
Sheriff's office	496,558	508,828	424,890	(83,938)
Total expenditures	78,283,639	83,670,905	47,253,188	(36,417,717)
Net change in fund balance	(41,977,737)	(47,115,003)	(11,595,093)	35,519,910
Fund balance, June 30, 2011	41,977,737	47,115,003	47,115,002	(1)
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	35,519,909	\$ 35,519,909
Unrealized gain (loss) on investments			31,735	
Accrued investment earnings			236,385	
Inventories			1,459,782	
Total fund balance, GAAP basis, June 30, 2012			\$ 37,247,811	

Special Revenue/Services Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes and assessments	\$ 3,133,281	\$ 2,596,355	\$ 2,421,568	\$ (174,787)
Intergovernmental	18,819,685	21,690,501	18,213,969	(3,476,532)
Charges for services	744,090	1,036,590	1,928,712	892,122
Fines, forfeitures and penalties	204,500	204,510	394,307	189,797
Investment earnings	38,170	38,170	25,204	(12,966)
Sale and rental of property	280,600	140,971	160,049	19,078
Interfund transfers in	6,246,610	5,981,565	5,965,249	(16,316)
Intrafund transfers in	-	260,000	110,000	(150,000)
Interfund loan received	-	300,000	200,000	(100,000)
Interfund loan repayment received	-	-	250,000	250,000
Total revenues	29,466,936	32,248,662	29,669,058	(2,579,604)
Expenditures				
Current - departmental:				
Children and family	2,643,168	2,452,575	2,072,569	(380,006)
County administration	479,631	530,339	397,944	(132,395)
District attorney	732,852	789,555	628,756	(160,799)
General				
Materials and services	3,511,576	4,717,303	4,015,196	(702,107)
Capital expenses	50,000	50,000	-	(50,000)
Debt service	-	100,000	252,681	152,681
Fund transfers	666,210	374,085	224,085	(150,000)
Contingency and reserves	1,759,386	1,396,950	-	(1,396,950)
Management services	908,710	912,220	257,431	(654,789)
Public works	83,700	82,587	16,683	(65,904)
Sheriff's office	21,212,862	23,783,109	19,679,614	(4,103,495)
Youth services	1,515,200	1,757,256	1,237,927	(519,329)
Total expenditures	33,563,295	36,945,979	28,782,886	(8,163,093)
Net change in fund balance	(4,096,359)	(4,697,317)	886,172	5,583,489
Fund balance, June 30, 2011	4,096,359	4,697,317	4,684,330	(12,987)
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	5,570,502	\$ 5,570,502
Accrued investment earnings			15,937	
Interfund loans payable			(200,000)	
Total fund balance, GAAP basis, June 30, 2012			\$ 5,386,439	

Lane County, Oregon

Health and Human Services Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<u>Revenues</u>				
Licenses and permits	\$ 835,000	\$ 835,000	\$ 839,091	\$ 4,091
Intergovernmental	36,183,585	37,447,082	35,549,270	(1,897,812)
Charges for services	6,282,232	5,910,680	6,539,133	628,453
Fines, forfeitures and penalties	1,500	1,500	13,798	12,298
Investment earnings	-	-	41,040	41,040
Sale and rental of property	900	900	134,695	133,795
Interfund transfers in	3,289,990	3,153,090	3,107,289	(45,801)
Intrafund transfers in	2,577,157	2,583,346	2,583,346	-
Total revenues	49,170,364	49,931,598	48,807,662	(1,123,936)
<u>Expenditures</u>				
Current - departmental:				
Health and human services	52,638,241	57,871,251	48,124,030	(9,747,221)
Total expenditures	52,638,241	57,871,251	48,124,030	(9,747,221)
Net change in fund balance	(3,467,877)	(7,939,653)	683,632	8,623,285
Fund balance, June 30, 2011	3,467,877	7,939,653	7,939,655	2
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	8,623,287	\$ 8,623,287
Unrealized gain (loss) on investments			5,926	
Accrued investment earnings			24,066	
Inventories			147,373	
Total fund balance, GAAP basis, June 30, 2012			\$ 8,800,652	

Lane County, Oregon

LaneCare Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Intergovernmental	\$ 32,466,297	\$ 32,533,441	\$ 29,971,039	\$ (2,562,402)
Charges for services	5,500	5,500	161,659	156,159
Investment earnings	427,000	427,000	151,736	(275,264)
Interfund transfers in	10,355	10,355	10,355	-
Total revenues	32,909,152	32,976,296	30,294,789	(2,681,507)
Expenditures				
Current - departmental:				
Health and human services	40,710,219	52,474,576	34,618,586	(17,855,990)
Total expenditures	40,710,219	52,474,576	34,618,586	(17,855,990)
Net change in fund balance	(7,801,067)	(19,498,280)	(4,323,797)	15,174,483
Fund balance, June 30, 2011	7,801,067	19,498,280	19,498,280	-
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	15,174,483	\$ 15,174,483
Unrealized gain (loss) on investments			14,060	
Accrued investment earnings			98,844	
Total fund balance, GAAP basis, June 30, 2012			\$ 15,287,387	

Lane County, Oregon
Schedule of PERS and OPEB Funding Progress
For the Fiscal Year ended June 30, 2012

Oregon Public Employee Retirement System's (PERS) schedule of PERS Tier One / Tier Two funding progress for Lane County:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Liability as a Percentage of Covered Payroll
12/31/07	612,335,125	550,459,256	(61,875,869)	111%	74,343,062	-83%
12/31/09	500,408,457	583,156,954	82,748,497	86%	76,335,867	108%
12/31/11	511,461,459	623,549,175	112,087,716	82%	81,017,355	138%

Other Post-employment Benefit (OPEB) funding progress for Lane County:

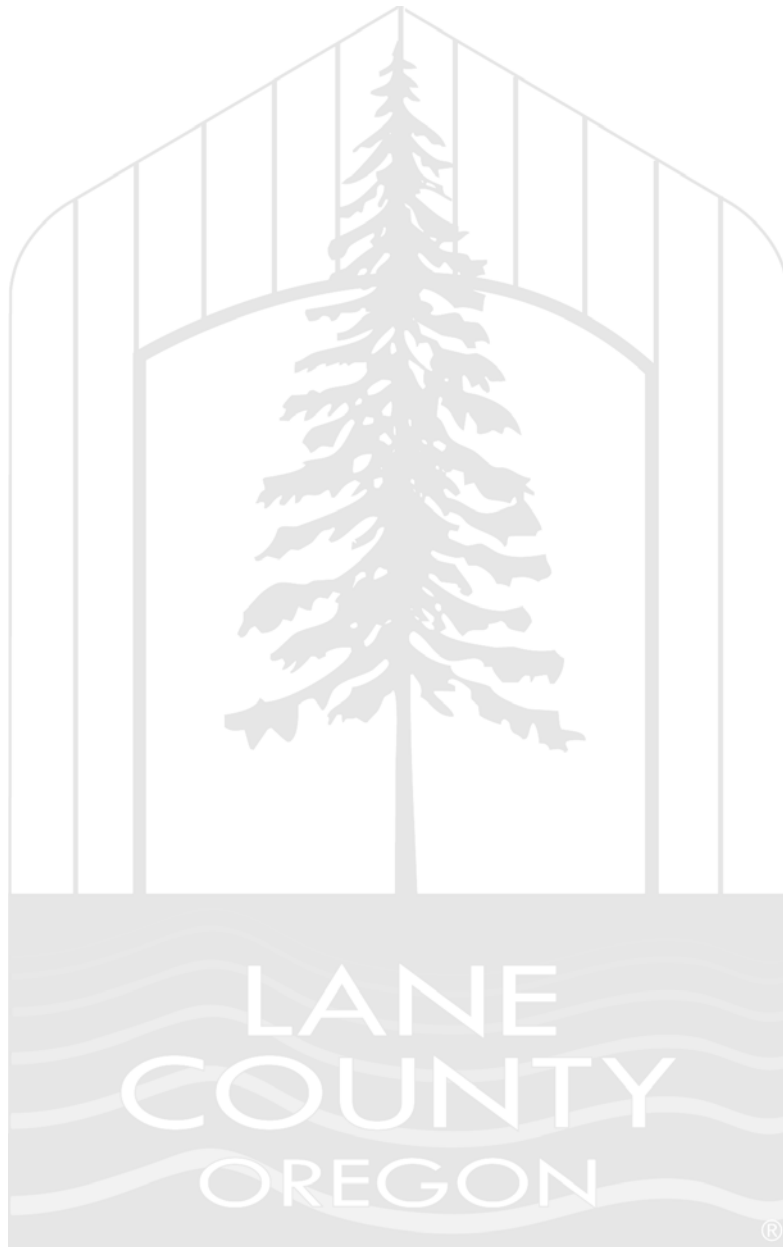
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Liability as a Percentage of Covered Payroll
06/30/08	\$ 0	\$ 65,208,658	\$ 65,208,658	0%	\$ 69,379,562	94%
06/30/10	0	73,374,313	73,374,313	0%	73,222,839	100%
06/30/12	0	49,876,295	49,876,295	0%	68,354,956	73%

Lane County, Oregon
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2012

Budget to GAAP Reconciliation

Sections of Oregon Revised Statutes (Oregon Budget Law) require most transactions be budgeted on the modified accrual basis of accounting. However, there are certain transactions where statutory budget requirements conflict with generally accepted accounting principles (GAAP). The following discusses the differences between the budget basis and GAAP basis of accounting for the General Fund and the Road, Special Revenue/Services, Health and Human Services, and LaneCare special revenue funds.

	General	Road	Special Revenue / Services	Health and Human Services	LaneCare
Net change in fund balance – budget basis	\$ (7,019,217)	\$ (11,595,093)	\$ 886,172	\$ 683,632	\$ (4,323,797)
<i>Revenues and other financing sources required by GAAP not qualifying as budget resources:</i>					
The adjustment to record accrued investment income and adjust investments to fair value is reported as an addition or reduction of revenue on a GAAP basis in accordance with GASB 31. However, the accrued investment income and the fair value adjustment do not affect budgetary resources that are available for expenditure. Therefore, the current year accrued investment income and fair value adjustments are reported as a budget to GAAP difference.	(97,821)	(113,851)	(3,338)	(15,104)	(21,464)
<i>Budgetary revenues and expenditures not qualifying as GAAP revenues and expenditures:</i>					
Loans made to other funds are reported as revenues and expenditures on a budget basis. Such loans are reclassified as either interfund loans receivable/payable (current portion) or advances to/from other funds (long-term portion) on a GAAP basis.	100,000	-	(100,000)	-	-
Net change in fund balance – GAAP basis.	\$ <u>(7,017,038)</u>	\$ <u>(11,708,944)</u>	\$ <u>782,834</u>	\$ <u>668,528</u>	\$ <u>(4,345,261)</u>



OTHER SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2012

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor
	Funds	Funds	Funds	Governmental
				Funds
Assets				
Cash and cash equivalents	\$ 6,334,878	\$ 213,589	\$ 7,035,439	\$ 13,583,906
Receivables (net of uncollectibles):				
Investment earnings	51,048	10,978	55,935	117,961
Property taxes	-	245,004	-	245,004
Accounts	206,879	-	-	206,879
Intergovernmental	736,955	-	-	736,955
Other	73,829	-	-	73,829
Interest on balances	-	71,894	-	71,894
Total assets	\$ 7,403,589	\$ 541,465	\$ 7,091,374	\$ 15,036,428
Liabilities				
Accounts payable	\$ 889,990	\$ -	\$ 350,011	\$ 1,240,001
Wages and benefits payable	89,342	-	-	89,342
Due to other funds	77,150	-	-	77,150
Deferred revenue	-	233,658	-	233,658
Total liabilities	1,056,482	233,658	350,011	1,640,151
Fund balances				
Restricted	5,136,167	307,807	967,842	6,411,816
Assigned	1,210,940	-	5,773,521	6,984,461
Total fund balances	6,347,107	307,807	6,741,363	13,396,277
Total liabilities and fund balances	\$ 7,403,589	\$ 541,465	\$ 7,091,374	\$ 15,036,428

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2012

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes and assessments, net of refunds	\$ 945,722	\$ 3,618,198	\$ -	\$ 4,563,920
Licenses and permits	375,295	-	-	375,295
Intergovernmental	15,834,567	23,958	49,001	15,907,526
Charges for services	4,467,422	-	-	4,467,422
Fines, forfeitures and penalties	66,101	-	-	66,101
Administrative and facility charges	-	-	1,715,022	1,715,022
Investment earnings	66,142	29,001	78,201	173,344
Sale and rental of property	991,135	-	62,853	1,053,988
Total revenues	22,746,384	3,671,157	1,905,077	28,322,618
Expenditures:				
Current:				
General government	3,764,499	-	1,262,001	5,026,500
Public safety	5,474	-	263,853	269,327
Public health and welfare	13,435,503	-	-	13,435,503
Parks	2,517,625	-	-	2,517,625
Roads and bridges	474,669	-	-	474,669
Community development	2,533,875	-	-	2,533,875
Debt service:				
Principal	-	4,670,000	-	4,670,000
Interest	-	2,386,939	-	2,386,939
Capital outlay	1,185,271	-	6,682,563	7,867,834
Total expenditures	23,916,916	7,056,939	8,208,417	39,182,272
Excess (deficiency) of revenues over (under) expenditures	(1,170,532)	(3,385,782)	(6,303,340)	(10,859,654)
Other financing sources (uses):				
Transfers in	1,615,055	3,418,865	1,049,406	6,083,326
Transfers out	(2,697,265)	-	(1,486,739)	(4,184,004)
Total other financing sources (uses)	(1,082,210)	3,418,865	(437,333)	1,899,322
Net change in fund balances	(2,252,742)	33,083	(6,740,673)	(8,960,332)
Fund balance, June 30, 2011	8,605,668	274,724	13,482,036	22,362,428
Increase (decrease) in inventories	(5,819)	-	-	(5,819)
Fund balance, June 30, 2012	\$ 6,347,107	\$ 307,807	\$ 6,741,363	\$ 13,396,277

SPECIAL REVENUE FUNDS

Combining statements for all individual nonmajor special revenue funds are reported in this section. The combined totals are reported in the combining nonmajor governmental fund statements. Fund statements for major special revenue funds are reported in the basic financial statements.

Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual are also presented in this section for each individual nonmajor special revenue fund. Budget and actual comparisons for major special revenue funds are reported as Required Supplementary Information.

Nonmajor Special Revenue Funds

Parks and Open Spaces Fund – This fund receives revenue from state and local sources for implementation of the parks capital improvement plan and park operations.

Law Library Fund – This fund receives revenues collected by the Courts as part of civil litigation filing fees to support the Law Library. The library provides legal reference materials and assistance to patrons (attorneys, litigants, and the public).

Liquor Law Enforcement Fund – This fund receives revenues from County Justice Courts, city municipal courts, and the District Court for fines on traffic violations related to the Liquor Control Act. Funds are administered by the District Attorney and are used for liquor law enforcement activities as well as for alcohol abuse prevention campaigns.

Public Land Corner Preservation Fund – This fund receives revenues from a Deeds and Records filing fee dedicated to corner preservation activities. This program researches the records, locates government corners in the field, and re-establishes and makes subsequent appropriate records for the public on section, donation-land claim, and meander corners originally set by old federal and County surveys.

County Schools Fund – Revenue from this fund is distributed to County schools through the Lane Education Services District. State law requires that funding from 25% of the National Forest timber receipts received by the County and a portion of state timber sales receipts be passed through by this fund.

County Clerk Records Fund – This fund accounts for revenues received from the recording of legal documents, including contracts, deeds, and other conveyances of real property for archival, indexing, and retrieval on computer and microfilm by the public. Also, marriage licenses are issued, ceremonies performed, and records indexed and maintained. The fund also accounts for the County Record and Archive Center, administers the Records management program and micrographics program, and provides public assistance in the Records Research room. These functions are performed in accordance with state and local mandates.

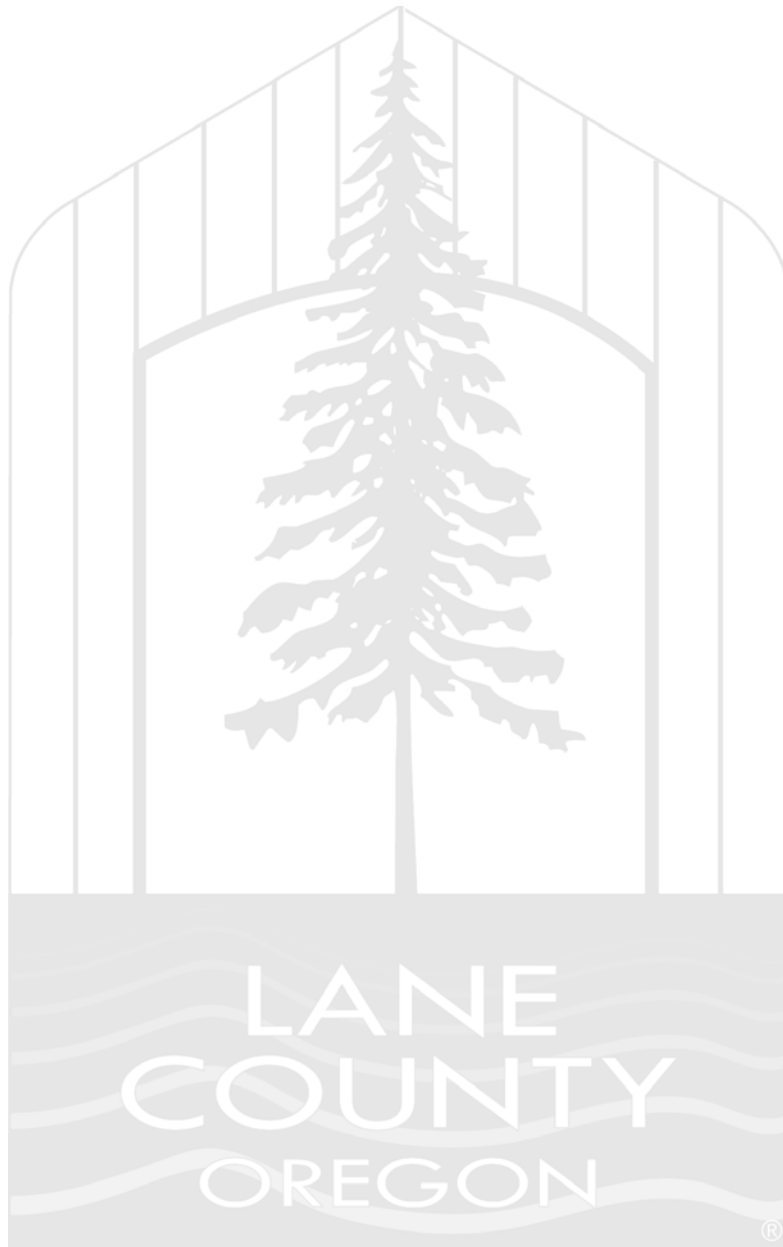
Workforce Partnership Fund – This fund accounts for revenues received from the Lane Workforce Partnership (LWP), an independent organization dedicated to meeting the workforce needs of employers and job seekers throughout Lane County. LWP contracts with Lane County for the purchase of human resources, personnel administration, and other related services.

Title III Projects Fund – This fund accounts for Title III revenue received from P.L 106-393 (2000) and P.L. 110-343 (2008), also referred to as the federal Secure Rural Schools (SRS) legislation. There are specific allowable uses for these funds as detailed in the legislation, and the Board of County Commissioners review requests and award funds each fiscal year according to those uses.

Industrial Revolving Fund – This fund is established pursuant to ORS 275.318 and consists of funds received when a county sells or leases real property acquired in any manner by the county, if that property is located in an area planned and zoned for industrial use. The moneys shall be expended for engineering, improvement, rehabilitation, construction, operations, or maintenance, in whole or in part, including the pre-project planning costs of any development project authorized by ORS 271.510 to 271.540 and 280.500 that is located in the county and could directly result in activities specified in ORS 275.318 (3)(a)-(g).

Animal Services Fund – This fund accounts for animal services provided for unincorporated Lane County, City of Eugene, and other small cities. Funding is provided by General Fund and contract revenue from the cities.

Intergovernmental Human Services Fund – This fund accounts for Lane County administration and allocation of funds to governmental and private nonprofit agencies for health, mental health, and other services. This fund reports the receipt and expenditure of revenues from the County and the cities of Eugene and Springfield under an intergovernmental agreement.



Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2012

	Parks and Open Spaces	Law Library	Liquor Law Enforcement	Public Land Corner Preservation	County Schools
<u>Assets</u>					
Cash and cash equivalents	\$ 454,154	\$ 315,658	\$ 78,325	\$ 999,910	\$ 12,112
Receivables:					
Investment earnings	6,556	1,556	-	5,459	3,718
Accounts	122,460	53	20	4,228	-
Intergovernmental	86,505	221	-	-	-
Other	-	-	-	-	-
Total assets	\$ 669,675	\$ 317,488	\$ 78,345	\$ 1,009,597	\$ 15,830
<u>Liabilities</u>					
Accounts payable	\$ 124,276	\$ 14,113	\$ -	\$ 1,410	\$ -
Wages and benefits payable	17,451	-	-	2,492	-
Due to other funds	8,241	-	-	1,612	-
Total liabilities	149,968	14,113	-	5,514	-
<u>Fund balances</u>					
Restricted	-	303,375	3,772	1,004,083	15,830
Assigned	519,707	-	74,573	-	-
Total fund balances	519,707	303,375	78,345	1,004,083	15,830
Total liabilities and fund balances	\$ 669,675	\$ 317,488	\$ 78,345	\$ 1,009,597	\$ 15,830

County Clerk Records	Workforce Partnership	Title III Projects	Industrial Revolving	Animal Services	Intergovernmental Human Services	Total
\$ 308,619	\$ -	\$ 3,297,213	\$ 173,543	\$ 111,141	\$ 584,203	\$ 6,334,878
1,588	-	25,606	1,029	1,088	4,448	51,048
1,509	-	-	-	17,616	60,993	206,879
-	-	-	-	235	649,994	736,955
-	73,829	-	-	-	-	73,829
\$ 311,716	\$ 73,829	\$ 3,322,819	\$ 174,572	\$ 130,080	\$ 1,299,638	\$ 7,403,589
\$ -	\$ -	\$ -	\$ -	\$ 26,648	\$ 723,543	\$ 889,990
-	25,600	-	-	29,323	14,476	89,342
-	48,229	-	-	9,867	9,201	77,150
-	73,829	-	-	65,838	747,220	1,056,482
311,716	-	3,322,819	174,572	-	-	5,136,167
-	-	-	-	64,242	552,418	1,210,940
311,716	-	3,322,819	174,572	64,242	552,418	6,347,107
\$ 311,716	\$ 73,829	\$ 3,322,819	\$ 174,572	\$ 130,080	\$ 1,299,638	\$ 7,403,589

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2012

	Parks and Open Spaces	Law Library	Liquor Law Enforcement	Public Land Corner Preservation	County Schools
Revenues					
Taxes and assessments, net of refunds	\$ 661,050	\$ -	\$ -	\$ -	\$ 168,204
Licenses and permits	-	-	-	-	-
Intergovernmental	420,634	293,884	-	-	3,208,710
Charges for services	461,511	164	-	507,349	-
Fines, forfeitures and penalties	45,514	-	20,587	-	-
Investment earnings	12,054	2,510	-	8,763	5,453
Sale and rental of property	935,963	-	-	-	-
Total revenues	2,536,726	296,558	20,587	516,112	3,382,367
Expenditures:					
Current:					
General government	-	251,620	-	-	3,371,854
Public safety	-	-	5,474	-	-
Public health and welfare	-	-	-	-	-
Parks	2,517,625	-	-	-	-
Roads and bridges	-	-	-	474,669	-
Community development	-	-	-	-	-
Debt service:					
Capital outlay	1,172,080	-	-	-	-
Total expenditures	3,689,705	251,620	5,474	474,669	3,371,854
Excess (deficiency) of revenues over (under) expenditures	(1,152,979)	44,938	15,113	41,443	10,513
Other financing sources (uses):					
Transfers in	134,881	2,190	-	2,217	-
Transfers out	(70,375)	-	-	-	-
Total other financing sources (uses)	64,506	2,190	-	2,217	-
Net change in fund balances	(1,088,473)	47,128	15,113	43,660	10,513
Fund balance, June 30, 2011	1,608,180	256,247	63,232	960,423	5,317
Increase (decrease) in inventories	-	-	-	-	-
Fund balance, June 30, 2012	\$ 519,707	\$ 303,375	\$ 78,345	\$ 1,004,083	\$ 15,830

County Clerk Records	Workforce Partnership	Title III Projects	Industrial Revolving	Animal Services	Intergovernmental Human Services	Total
\$ 116,468	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 945,722
-	-	-	-	375,295	-	375,295
-	-	1,241,049	-	671,955	9,998,335	15,834,567
-	2,496,856	-	-	216,016	785,526	4,467,422
-	-	-	-	-	-	66,101
2,542	-	24,536	1,558	1,682	7,044	66,142
-	-	-	-	55,172	-	991,135
119,010	2,496,856	1,265,585	1,558	1,320,120	10,790,905	22,746,384
12,581	-	128,444	-	-	-	3,764,499
-	-	-	-	-	-	5,474
-	-	-	-	1,839,550	11,595,953	13,435,503
-	-	-	-	-	-	2,517,625
-	-	-	-	-	-	474,669
-	2,533,359	-	516	-	-	2,533,875
-	-	-	-	13,191	-	1,185,271
12,581	2,533,359	128,444	516	1,852,741	11,595,953	23,916,916
106,429	(36,503)	1,137,141	1,042	(532,621)	(805,048)	(1,170,532)
-	36,503	-	-	561,247	878,017	1,615,055
(39,000)	-	(2,257,020)	-	(82,143)	(248,727)	(2,697,265)
(39,000)	36,503	(2,257,020)	-	479,104	629,290	(1,082,210)
67,429	-	(1,119,879)	1,042	(53,517)	(175,758)	(2,252,742)
244,287	-	4,442,698	173,530	123,578	728,176	8,605,668
-	-	-	-	(5,819)	-	(5,819)
\$ 311,716	\$ -	\$ 3,322,819	\$ 174,572	\$ 64,242	\$ 552,418	\$ 6,347,107

Lane County, Oregon

Parks and Open Spaces Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes and assessments	\$ 676,985	\$ 627,900	\$ 661,050	\$ 33,150
Intergovernmental	507,225	446,225	420,634	(25,591)
Charges for services	461,173	516,173	461,511	(54,662)
Fines, forfeitures and penalties	60,000	60,000	45,514	(14,486)
Investment earnings	5,550	5,550	10,142	4,592
Sale and rental of property	770,450	837,300	935,963	98,663
Interfund transfers in	10,796	134,881	134,881	-
Total revenues	2,492,179	2,628,029	2,669,695	41,666
Expenditures				
Current - departmental:				
Public works	4,007,929	4,209,265	3,760,080	(449,185)
Total expenditures	4,007,929	4,209,265	3,760,080	(449,185)
Net change in fund balance	(1,515,750)	(1,581,236)	(1,090,385)	490,851
Fund balance, June 30, 2011	1,538,050	1,603,536	1,603,536	-
Fund balance, budget basis, June 30, 2012	\$ 22,300	\$ 22,300	513,151	\$ 490,851
Accrued investment earnings			6,556	
Total fund balance, GAAP basis, June 30, 2012			\$ 519,707	

Lane County, Oregon

Law Library Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Intergovernmental	\$ 325,000	\$ 325,000	\$ 293,884	\$ (31,116)
Charges for services	1,600	1,600	164	(1,436)
Investment earnings	2,000	2,000	2,192	192
Sale and rental of property	2,000	2,000	-	(2,000)
Interfund transfers in	2,190	2,190	2,190	-
Total revenues	332,790	332,790	298,430	(34,360)
Expenditures				
Current - departmental:				
County counsel	601,354	587,798	251,619	(336,179)
Total expenditures	601,354	587,798	251,619	(336,179)
Net change in fund balance	(268,564)	(255,008)	46,811	301,819
Fund balance, June 30, 2011	268,564	255,008	255,008	-
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	301,819	\$ 301,819
Accrued investment earnings			1,556	
Total fund balance, GAAP basis, June 30, 2012			\$ 303,375	

Lane County, Oregon

Liquor Law Enforcement Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<u>Revenues</u>				
Fines, forfeitures and penalties	\$ 33,000	\$ 33,000	\$ 20,587	\$ (12,413)
Total revenues	33,000	33,000	20,587	(12,413)
<u>Expenditures</u>				
Current - departmental:				
District attorney	93,000	96,233	5,474	(90,759)
Total expenditures	93,000	96,233	5,474	(90,759)
Net change in fund balance	(60,000)	(63,233)	15,113	78,346
Fund balance, June 30, 2011	60,000	63,233	63,232	(1)
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	78,345	\$ 78,345

Lane County, Oregon

Public Land Corner Preservation Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<u>Revenues</u>				
Charges for services	\$ 550,000	\$ 500,000	\$ 507,349	\$ 7,349
Investment earnings	12,455	12,455	8,341	(4,114)
Interfund transfers in	2,217	2,217	2,217	-
Total revenues	564,672	514,672	517,907	3,235
<u>Expenditures</u>				
Current - departmental:				
Public works	1,561,048	1,470,057	474,668	(995,389)
Total expenditures	1,561,048	1,470,057	474,668	(995,389)
Net change in fund balance	(996,376)	(955,385)	43,239	998,624
Fund balance, June 30, 2011	996,376	955,385	955,385	-
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	998,624	\$ 998,624
Accrued investment earnings			5,459	
Total fund balance, GAAP basis, June 30, 2012			\$ 1,004,083	

Lane County, Oregon

County Schools Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes and assessments	\$ 158,164	\$ 158,164	\$ 168,204	\$ 10,040
Intergovernmental	2,900,000	3,200,000	3,208,710	8,710
Investment earnings	12,000	12,000	5,362	(6,638)
Total revenues	3,070,164	3,370,164	3,382,276	12,112
Expenditures				
Current - departmental:				
General				
Materials and services	3,070,164	3,371,854	3,371,854	-
Total expenditures	3,070,164	3,371,854	3,371,854	-
Net change in fund balance	-	(1,690)	10,422	12,112
Fund balance, June 30, 2011	-	1,690	1,690	-
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	12,112	\$ 12,112
Accrued investment earnings			3,718	
Total fund balance, GAAP basis, June 30, 2012			\$ 15,830	

Lane County, Oregon

County Clerk Records Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<u>Revenues</u>				
Taxes and assessments	\$ 85,000	\$ 85,000	\$ 116,468	\$ 31,468
Investment earnings	1,200	1,200	2,251	1,051
Total revenues	86,200	86,200	118,719	32,519
<u>Expenditures</u>				
Current - departmental:				
Management services	191,200	329,189	51,581	(277,608)
Total expenditures	191,200	329,189	51,581	(277,608)
Net change in fund balance	(105,000)	(242,989)	67,138	310,127
Fund balance, June 30, 2011	105,000	242,989	242,990	1
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	310,128	\$ 310,128
Accrued investment earnings			1,588	
Total fund balance, GAAP basis, June 30, 2012			\$ 311,716	

Lane County, Oregon

Workforce Partnership Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<u>Revenues</u>				
Charges for services	\$ 2,452,600	\$ 2,589,424	\$ 2,496,856	\$ (92,568)
Interfund transfers in	36,503	36,503	36,503	-
Total revenues	2,489,103	2,625,927	2,533,359	(92,568)
<u>Expenditures</u>				
Current - departmental:				
Workforce partnership	2,489,103	2,625,927	2,533,359	(92,568)
Youth services	-	-	-	-
Total expenditures	2,489,103	2,625,927	2,533,359	(92,568)
Net change in fund balance	-	-	-	-
Fund balance, June 30, 2011	-	-	-	-
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	\$ -	\$ -

Lane County, Oregon

Title III Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<u>Revenues</u>				
Intergovernmental	\$ 1,376,653	\$ 1,329,693	\$ 1,241,049	\$ (88,644)
Investment earnings	35,000	35,000	42,828	7,828
Total revenues	1,411,653	1,364,693	1,283,877	(80,816)
<u>Expenditures</u>				
Current - departmental:				
General				
Materials and services	2,819,719	2,780,294	2,385,464	(394,830)
Contingency and reserves	3,384,934	2,983,199	-	(2,983,199)
Total expenditures	6,204,653	5,763,493	2,385,464	(3,378,029)
Net change in fund balance	(4,793,000)	(4,398,800)	(1,101,587)	3,297,213
Fund balance, June 30, 2011	4,793,000	4,398,800	4,398,800	-
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	3,297,213	\$ 3,297,213
Accrued investment earnings			25,606	
Total fund balance, GAAP basis, June 30, 2012			\$ 3,322,819	

Lane County, Oregon

Industrial Revolving Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<u>Revenues</u>				
Investment earnings	\$ 2,000	\$ 2,000	\$ 1,703	\$ (297)
Total revenues	2,000	2,000	1,703	(297)
<u>Expenditures</u>				
Current - departmental:				
General				
Materials and services	516	516	516	-
Contingency and reserves	201,484	173,840	-	(173,840)
Total expenditures	202,000	174,356	516	(173,840)
Net change in fund balance	(200,000)	(172,356)	1,187	173,543
Fund balance, June 30, 2011	200,000	172,356	172,356	-
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	173,543	\$ 173,543
Accrued investment earnings			1,029	
Total fund balance, GAAP basis, June 30, 2012			\$ 174,572	

Animal Services Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<u>Revenues</u>				
Licenses and permits	\$ 514,728	\$ 514,728	\$ 375,295	\$ (139,433)
Intergovernmental	661,757	661,757	671,955	10,198
Charges for services	190,128	203,319	216,016	12,697
Investment earnings	2,400	2,400	1,794	(606)
Sale and rental of property	35,000	35,000	55,172	20,172
Interfund transfers in	552,629	572,701	561,247	(11,454)
Total revenues	1,956,642	1,989,905	1,881,479	(108,426)
<u>Expenditures</u>				
Current - departmental:				
Health and human services	2,057,220	2,106,463	1,934,883	(171,580)
Total expenditures	2,057,220	2,106,463	1,934,883	(171,580)
Net change in fund balance	(100,578)	(116,558)	(53,404)	63,154
Fund balance, June 30, 2011	100,578	116,558	116,558	-
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	63,154	\$ 63,154
Accrued investment earnings			1,088	
Total fund balance, GAAP basis, June 30, 2012			\$ 64,242	

Lane County, Oregon

Intergovernmental Human Services Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Intergovernmental	\$ 11,200,297	\$ 11,531,163	\$ 9,998,335	\$ (1,532,828)
Charges for services	591,656	748,988	785,526	36,538
Investment earnings	-	-	7,004	7,004
Interfund transfers in	889,299	895,624	878,017	(17,607)
Intrafund transfers in	500,985	500,985	453,197	(47,788)
Total revenues	13,182,237	13,676,760	12,122,079	(1,554,681)
Expenditures				
Current - departmental:				
Health and human services	13,867,610	14,400,529	12,297,877	(2,102,652)
Total expenditures	13,867,610	14,400,529	12,297,877	(2,102,652)
Net change in fund balance	(685,373)	(723,769)	(175,798)	547,971
Fund balance, June 30, 2011	685,373	723,769	723,768	(1)
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	547,970	\$ 547,970
Accrued investment earnings			4,448	
Total fund balance, GAAP basis, June 30, 2012			\$ 552,418	

DEBT SERVICE FUNDS

None of the County's debt service funds meet the criteria for major fund reporting. Therefore, the combining statements for all individual debt service funds are reported in this section. The combined totals are reported in the combining nonmajor governmental fund statements.

Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual are also presented in this section for each individual debt service fund.

Nonmajor Debt Service Funds

Lane Events Center Debt Service Fund – This fund accounts for the accumulation of resources for and payment of debt service for the construction and renovation of selected facilities at the Fairgrounds site. Fund resources come from County transient room tax receipts.

Special Obligation Bond Retirement Fund – This fund accounts for the accumulation of resources for and payment of interest and principal on bonds sold to finance capital improvements and equipment purchases, using pledged revenue as the source of repayment. The sources of funding for the debt service payments are General Fund, Health and Human Services, LaneCare, Parks and Open Spaces, Road, and Capital Improvement transfers.

General Obligation Retirement Fund – This fund accounts for the accumulation of resources for and the payment of interest and principal to retire bonds issued to finance the land acquisition, construction, furnishing, and equipping of the Juvenile Justice Center. Each year, property taxes are levied in the amount required to make the debt service payments for that year.

Combining Balance Sheet

Nonmajor Debt Service Funds

June 30, 2012

	Lane Events		General		
	Center Debt	Special Obligation	Obligation Bond		Total
	Service	Bond Retirement	Retirement		
Assets					
Cash and cash equivalents	\$ 109,968	\$ 929	\$ 102,692	\$	213,589
Receivables (net of uncollectibles):					
Investment earnings	2,134	74	8,770		10,978
Property taxes	-	-	245,004		245,004
Interest on balances	-	-	71,894		71,894
Total assets	112,102	1,003	428,360		541,465
Liabilities					
Deferred revenue	-	-	233,658		233,658
Total liabilities	-	-	233,658		233,658
Fund balances					
Restricted	112,102	1,003	194,702		307,807
Total fund balances	112,102	1,003	194,702		307,807
Total liabilities and fund balances	\$ 112,102	\$ 1,003	\$ 428,360	\$	541,465

Lane County, Oregon

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Debt Service Funds

For the Fiscal Year Ended June 30, 2012

	Lane Events Center Debt Service	Special Obligation Bond Retirement	General Obligation Bond Retirement	Total
<u>Revenues</u>				
Taxes and assessments, net of refunds	\$ 682,750	\$ -	\$ 2,935,448	\$ 3,618,198
Intergovernmental	-	-	23,958	23,958
Investment earnings	3,181	63	25,757	29,001
Total revenues	685,931	63	2,985,163	3,671,157
<u>Expenditures:</u>				
Current:				
Debt service:				
Principal	465,000	1,765,000	2,440,000	4,670,000
Interest	217,749	1,653,865	515,325	2,386,939
Total expenditures	682,749	3,418,865	2,955,325	7,056,939
Excess (deficiency) of revenues over (under) expenditures	3,182	(3,418,802)	29,838	(3,385,782)
<u>Other financing sources (uses):</u>				
Transfers in	-	3,418,865	-	3,418,865
Total other financing sources (uses)	-	3,418,865	-	3,418,865
Net change in fund balances	3,182	63	29,838	33,083
Fund balance, June 30, 2011	108,920	940	164,864	274,724
Fund balance, June 30, 2012	\$ 112,102	\$ 1,003	\$ 194,702	\$ 307,807

Lane County, Oregon

Lane Events Center Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes and assessments	\$ -	\$ 682,750	\$ 682,750	\$ -
Investment earnings	4,000	4,000	2,992	(1,008)
Interfund transfers in	666,210	-	-	-
Total revenues	670,210	686,750	685,742	(1,008)
Expenditures				
Current - departmental:				
General				
Debt service	666,210	682,750	682,749	(1)
Contingency and reserves	79,000	110,975	-	(110,975)
Total expenditures	745,210	793,725	682,749	(110,976)
Net change in fund balance	(75,000)	(106,975)	2,993	109,968
Fund balance, June 30, 2011	75,000	106,975	106,975	-
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	109,968	\$ 109,968
Accrued investment earnings			2,134	
Total fund balance, GAAP basis, June 30, 2012			\$ 112,102	

Lane County, Oregon

Special Obligation Bond Retirement Fund

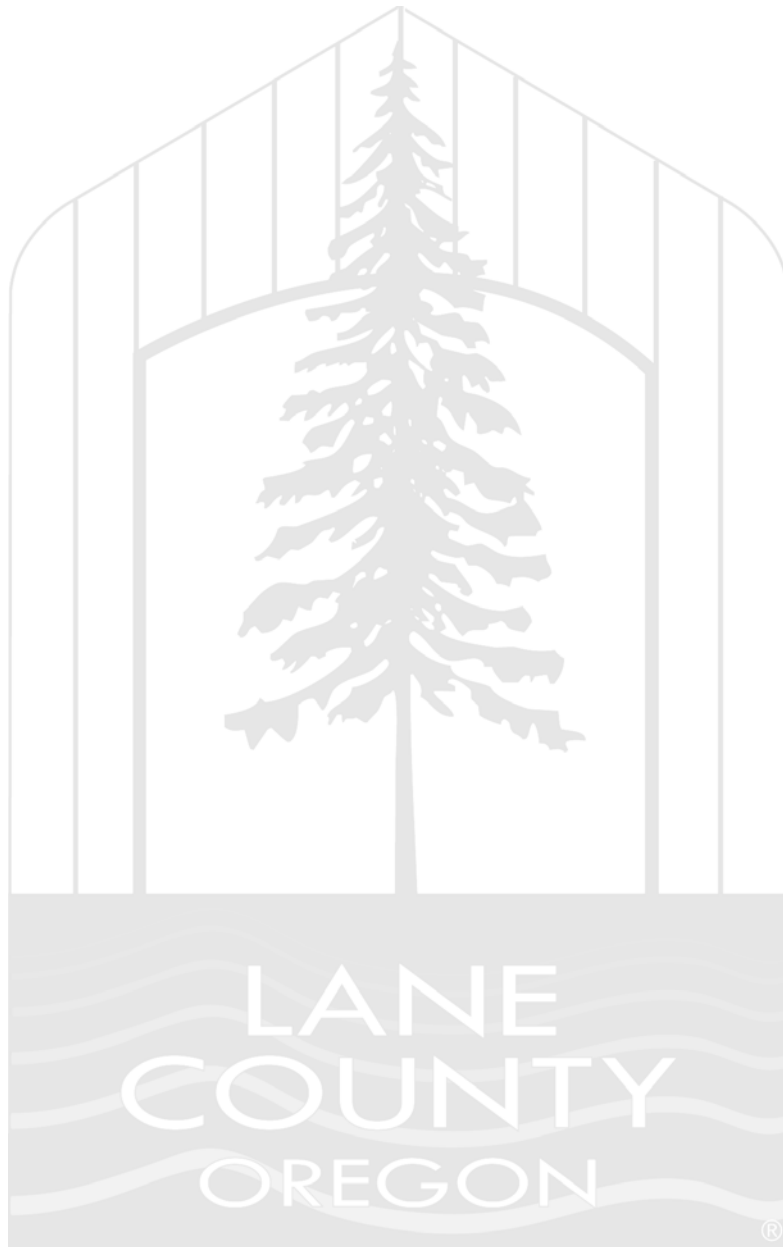
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<u>Revenues</u>				
Investment earnings	\$ -	\$ -	\$ 186	\$ 186
Interfund transfers in	3,518,598	3,518,598	3,418,865	(99,733)
Total revenues	3,518,598	3,518,598	3,419,051	(99,547)
<u>Expenditures</u>				
Current - departmental:				
General				
Debt service	3,518,598	3,518,598	3,418,865	(99,733)
Contingency and reserves	-	743	-	(743)
Total expenditures	3,518,598	3,519,341	3,418,865	(100,476)
Net change in fund balance	-	(743)	186	929
Fund balance, June 30, 2011	-	743	743	-
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	929	\$ 929
Accrued investment earnings			74	
Total fund balance, GAAP basis, June 30, 2012			\$ 1,003	

General Obligation Bond Retirement Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes and assessments	\$ 2,819,308	\$ 2,819,308	\$ 2,935,448	\$ 116,140
Intergovernmental	-	-	23,958	23,958
Investment earnings	11,017	11,017	25,924	14,907
Total revenues	2,830,325	2,830,325	2,985,330	155,005
Expenditures				
Current - departmental:				
General				
Debt service	2,955,325	2,955,325	2,955,325	-
Contingency and reserves	-	30,928	-	(30,928)
Total expenditures	2,955,325	2,986,253	2,955,325	(30,928)
Net change in fund balance	(125,000)	(155,928)	30,005	185,933
Fund balance, June 30, 2011	125,000	155,928	155,927	(1)
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	185,932	\$ 185,932
Accrued investment earnings			8,770	
Total fund balance, GAAP basis, June 30, 2012			\$ 194,702	



CAPITAL PROJECTS FUNDS

None of the County's capital projects funds meet the criteria for major fund reporting. Therefore, the combining statements for all individual capital projects funds are reported in this section. The combined totals are reported in the combining nonmajor governmental fund statements.

Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual are also presented in this section for each individual capital project fund.

Nonmajor Capital Projects Funds

Capital Improvements Fund – This fund receives proceeds from the sale of County property and internal receipts through the County's indirect cost allocation plan for major capital improvements and equipment.

Juvenile Justice Center Construction Fund – This fund accounts for the construction of a Juvenile Justice Center, which was financed by a \$38.9 million voter-approved general obligation bonds issued in 1995. The project included a new detention facility, courtroom, and two residential facilities.

Lane County, Oregon

Combining Balance Sheet

Nonmajor Capital Projects Funds

June 30, 2012

	Capital Improvements	Juvenile Justice Center Construction	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 5,877,756	\$ 1,157,683	\$ 7,035,439
Receivables (net of uncollectibles):			
Investment earnings	41,859	14,076	55,935
Total assets	\$ 5,919,615	\$ 1,171,759	\$ 7,091,374
<u>Liabilities</u>			
Accounts payable	146,094	203,917	350,011
Total liabilities	146,094	203,917	350,011
<u>Fund balances</u>			
Restricted	-	967,842	967,842
Assigned	5,773,521	-	5,773,521
Total fund balances	5,773,521	967,842	6,741,363
Total liabilities and fund balances	\$ 5,919,615	\$ 1,171,759	\$ 7,091,374

Lane County, Oregon

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Capital Projects Funds

For the Fiscal Year Ended June 30, 2012

	Capital Improvements	Juvenile Justice Center Construction	Total
<u>Revenues</u>			
Intergovernmental	\$ 49,001	\$ -	\$ 49,001
Administrative and facility charges	1,715,022	-	1,715,022
Investment earnings	64,166	14,035	78,201
Sale and rental of property	62,853	-	62,853
Total revenues	1,891,042	14,035	1,905,077
<u>Expenditures:</u>			
Current:			
General government	1,262,001	-	1,262,001
Public safety	-	263,853	263,853
Capital outlay	4,782,591	1,899,972	6,682,563
Total expenditures	6,044,592	2,163,825	8,208,417
Excess (deficiency) of revenues over (under) expenditures	(4,153,550)	(2,149,790)	(6,303,340)
<u>Other financing sources (uses):</u>			
Transfers in	1,049,406	-	1,049,406
Transfers out	(1,486,739)	-	(1,486,739)
Total other financing sources (uses)	(437,333)	-	(437,333)
Net change in fund balances	(4,590,883)	(2,149,790)	(6,740,673)
Fund balance, June 30, 2011	10,364,404	3,117,632	13,482,036
Fund balance, June 30, 2012	\$ 5,773,521	\$ 967,842	\$ 6,741,363

Lane County, Oregon

Capital Improvements Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Intergovernmental	\$ -	\$ 205	\$ 49,001	\$ 48,796
Administrative and facility charges	1,715,021	1,715,021	1,715,021	-
Investment earnings	74,000	66,847	67,565	718
Sale and rental of property	75,632	85,531	62,853	(22,678)
Interfund transfers in	1,049,406	1,049,406	1,049,406	-
Intrafund transfers in	-	194,438	194,438	-
Total revenues	2,914,059	3,111,448	3,138,284	26,836
Expenditures				
Current - departmental:				
Management services	7,195,907	13,424,640	7,725,768	(5,698,872)
Total expenditures	7,195,907	13,424,640	7,725,768	(5,698,872)
Net change in fund balance	(4,281,848)	(10,313,192)	(4,587,484)	5,725,708
Fund balance, June 30, 2011	4,281,848	10,313,192	10,313,192	-
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	5,725,708	\$ 5,725,708
Unrealized gain (loss) on investments			5,954	
Accrued investment earnings			41,859	
Total fund balance, GAAP basis, June 30, 2012			\$ 5,773,521	

Lane County, Oregon

Juvenile Justice Center Construction Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Investment earnings	40,000	40,000	26,516	(13,484)
Total revenues	40,000	40,000	26,516	(13,484)
Expenditures				
Current - departmental:				
General				
Materials and services	303,917	303,917	263,853	(40,064)
Capital expenses	1,736,083	2,827,158	1,899,972	(927,186)
Total expenditures	2,040,000	3,131,075	2,163,825	(967,250)
Net change in fund balance	(2,000,000)	(3,091,075)	(2,137,309)	953,766
Fund balance, June 30, 2011	2,000,000	3,091,075	3,091,075	-
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	953,766	\$ 953,766
Accrued investment earnings			14,076	
Total fund balance, GAAP basis, June 30, 2012			\$ 967,842	

ENTERPRISE FUNDS

Combining statements for all individual nonmajor enterprise funds are reported in this section. Fund statements for major enterprise funds are reported in the basic financial statements.

Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual are also presented in this section for each individual enterprise fund.

Major Enterprise Funds

Lane Events Center Fund – This fund accounts for the operations and construction activities of the fairground facility. The fund operates on revenues generated by fairground activities (primarily County Fair admission, booth and building use fees) and from transient room tax revenues.

Solid Waste Disposal Fund – This fund accounts for the operations of the County's solid waste disposal sites and facilities, for which the principal source of revenue is user fees. The fund allocates a portion of the user fees collected for the construction of County solid waste sites and facilities such as landfill replacements and transfer sites. Additionally, the fund accumulates long-term resources for the payment of future costs related to closure and post-closure care of County solid waste sites.

Regional Information Systems Fund – In prior years this fund accounted for the operation and maintenance of the regional computer system used by both Lane County and other intergovernmental partners. Effective July 1, 2011, the Regional Executive Group that administered the regional information system was disbanded and the fund was closed. Residual assets not returned to the partners were transferred to the Information Services internal service fund for continued support of the regional systems.

Housing and Community Services Fund – This fund accounted for the operations of the Housing and Community Services Agency of Lane County (HACSA). In accordance with GASB 61, HACSA was reclassified from a blended component unit to one that is discretely presented effective July 1, 2011.

Nonmajor Enterprise Funds

Corrections Commissary Fund – This fund accounts for the sales of sundries to corrections facility inmates. All commissary profits are used to provide recreational equipment for inmate use within the corrections facility.

Land Management Fund – This fund accounts for the operations necessary for land use planning, building, subsurface sanitation and code compliance, for which the principal source of revenue is user fees. These revenues are used to provide citizens and communities land use planning and zoning, building, subsurface sanitation, and compliance assistance and services.

Combining Statement of Fund Net Assets

Nonmajor Enterprise Funds

June 30, 2012

	Corrections Commissary	Land Management	Total
<u>Assets</u>			
<u>Current assets</u>			
Cash and cash equivalents	\$ 325,755	\$ 953,397	\$ 1,279,152
Receivables (net of uncollectibles):			
Investment earnings	1,785	5,038	6,823
Accounts	1,038	3,451	4,489
Total current assets	328,578	961,886	1,290,464
<u>Noncurrent assets</u>			
Equipment and furniture	-	58,168	58,168
Accumulated depreciation	-	(49,847)	(49,847)
Total noncurrent assets	-	8,321	8,321
Total assets	328,578	970,207	1,298,785
<u>Liabilities</u>			
<u>Current liabilities</u>			
Accounts payable	44,225	146,570	190,795
Wages and benefits payable	433	27,827	28,260
Compensated absences payable	-	113,867	113,867
Due to other funds	324	17,343	17,667
Total current liabilities	44,982	305,607	350,589
<u>Noncurrent liabilities</u>			
Total liabilities	44,982	305,607	350,589
<u>Net assets</u>			
Invested in capital assets, net of related debt	-	8,321	8,321
Unrestricted	283,596	656,279	939,875
Total net assets	\$ 283,596	\$ 664,600	\$ 948,196

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2012

	Corrections Commissary	Land Management	Total
<u>Operating revenues</u>			
Licenses and permits	\$ -	\$ 1,329,781	\$ 1,329,781
Charges for services	53,692	1,532,635	1,586,327
Fines, forfeitures and penalties	-	25,201	25,201
Administrative and facility charges	-	129,127	129,127
Sale and rental of property	1,210	89	1,299
Total operating revenues	54,902	3,016,833	3,071,735
<u>Operating expenses</u>			
Personnel services	38,820	2,834,814	2,873,634
Materials and services	216,664	2,590,540	2,807,204
Depreciation	-	362	362
Total operating expenses	255,484	5,425,716	5,681,200
Operating income (loss)	(200,582)	(2,408,883)	(2,609,465)
<u>Nonoperating revenues (expenses)</u>			
Intergovernmental	169,600	2,027	171,627
Investment earnings	2,789	8,829	11,618
Total nonoperating revenues (expenses)	172,389	10,856	183,245
Income (loss) before contributions and transfers	(28,193)	(2,398,027)	(2,426,220)
Transfers in	559	1,972,396	1,972,955
Change in net assets	(27,634)	(425,631)	(453,265)
Total net assets, June 30, 2011	311,230	1,090,231	1,401,461
Total net assets, June 30, 2012	\$ 283,596	\$ 664,600	\$ 948,196

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2012

	Corrections Commissary	Land Management	Total
<u>Cash flows from operating activities</u>			
Receipts from customers and users	\$ 53,956	\$ 3,055,188	\$ 3,109,144
Receipts from facilities rent	1,210	89	1,299
Payments to employees	(23,060)	(1,774,534)	(1,797,594)
Payments to suppliers	(210,068)	(1,847,421)	(2,057,489)
Payments for interfund services	(22,313)	(1,841,018)	(1,863,331)
Net cash provided (used) by operating activities	(200,275)	(2,407,696)	(2,607,971)
<u>Cash flows from noncapital financing activities</u>			
Intergovernmental subsidies	169,600	2,027	171,627
Transfers in	559	1,972,396	1,972,955
Net cash provided (used) by noncapital financing activities	170,159	1,974,423	2,144,582
<u>Cash flows from capital and related financing activities</u>			
Purchases of capital assets	-	(8,683)	(8,683)
Net cash provided (used) by capital and related financing activities	-	(8,683)	(8,683)
<u>Cash flows from investing activities</u>			
Investment earnings	2,979	8,803	11,782
Net cash provided (used) by investing activities	2,979	8,803	11,782
Net increase (decrease) in cash and cash equivalents	(27,137)	(433,153)	(460,290)
Cash and cash equivalents, June 30, 2011	352,892	1,386,550	1,739,442
Cash and cash equivalents, June 30, 2012	\$ 325,755	\$ 953,397	\$ 1,279,152
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (200,582)	\$ (2,408,883)	\$ (2,609,465)
<u>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities</u>			
Depreciation	-	362	362
(Increase) decrease in receivables	264	38,444	38,708
Increase (decrease) in accounts payable	1,565	53,462	55,027
Increase (decrease) in wages and benefits payable	(735)	(59,956)	(60,691)
Increase (decrease) in compensated absences payable	(258)	4,813	4,555
Increase (decrease) in due to other funds	(529)	(35,938)	(36,467)
Net cash provided (used) by operating activities	(200,275)	(2,407,696)	(2,607,971)
<u>Reconciliation to Statement of Fund Net Assets</u>			
Cash and cash equivalents	325,755	953,397	1,279,152
Cash and cash equivalents, June 30, 2012	\$ 325,755	\$ 953,397	\$ 1,279,152

Corrections Commissary Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Intergovernmental	\$ 195,000	\$ 169,600	\$ 169,600	\$ -
Charges for services	51,800	51,800	53,692	1,892
Investment earnings	5,000	5,000	2,979	(2,021)
Sale and rental of property	1,300	2,786	1,210	(1,576)
Interfund transfers in	559	559	559	-
Total revenues	253,659	229,745	228,040	(1,705)
Expenditures				
Current - departmental:				
Sheriff's office	520,659	539,259	255,742	(283,517)
Total expenditures	520,659	539,259	255,742	(283,517)
Net change in fund balance	(267,000)	(309,514)	(27,702)	281,812
Fund balance, June 30, 2011	267,000	309,514	309,513	(1)
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	281,811	\$ 281,811
Accrued investment earnings			1,785	
Total net assets, GAAP basis, June 30, 2012			\$ 283,596	

Land Management Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Licenses and permits	\$ 1,502,000	\$ 1,502,000	\$ 1,329,781	\$ (172,219)
Intergovernmental	1,178,690	1,178,690	816,834	(361,856)
Charges for services	1,792,193	1,792,193	1,532,635	(259,558)
Fines, forfeitures and penalties	84,000	84,000	25,201	(58,799)
Administrative and facility charges	126,842	126,842	129,127	2,285
Investment earnings	11,697	11,697	8,802	(2,895)
Sale and rental of property	-	-	89	89
Interfund transfers in	1,079,038	1,079,038	1,157,589	78,551
Intrafund transfers in	200,000	200,000	200,000	-
Total revenues	5,974,460	5,974,460	5,200,058	(774,402)
Expenditures				
Current - departmental:				
Public works	6,910,246	7,168,733	5,629,223	(1,539,510)
Total expenditures	6,910,246	7,168,733	5,629,223	(1,539,510)
Net change in fund balance	(935,786)	(1,194,273)	(429,165)	765,108
Fund balance, June 30, 2011	935,786	1,194,273	1,194,273	-
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	765,108	\$ 765,108
Accrued investment earnings			5,038	
Capital assets (net of accumulated depreciation)			8,321	
Accrued compensated benefits			(113,867)	
Total net assets, GAAP basis, June 30, 2012			\$ 664,600	

Lane Events Center Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes and assessments	\$ 750,000	\$ 750,000	\$ 692,739	\$ (57,261)
Intergovernmental	35,000	35,000	50,002	15,002
Charges for services	1,145,500	1,167,266	1,164,841	(2,425)
Investment earnings	9,500	9,500	6,653	(2,847)
Sale and rental of property	1,270,000	1,270,000	1,176,457	(93,543)
Capital contributions	-	-	5,000	5,000
Interfund transfers in	13,794	13,794	13,794	-
Intrafund transfers in	650,000	650,000	297,854	(352,146)
Total revenues	3,873,794	3,895,560	3,407,340	(488,220)
Expenditures				
Current - departmental:				
Lane events center	4,213,794	4,419,286	3,397,114	(1,022,172)
Total expenditures	4,213,794	4,419,286	3,397,114	(1,022,172)
 Net change in fund balance	 (340,000)	 (523,726)	 10,226	 533,952
 Fund balance, June 30, 2011	 340,000	 523,726	 523,725	 (1)
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	533,951	\$ 533,951
 Accrued investment earnings				
Capital assets (net of accumulated depreciation)			4,539	
Accrued compensated benefits			10,059,627	
			(33,634)	
Total net assets, GAAP basis, June 30, 2012			\$ 10,564,483	

Solid Waste Disposal Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 3,000	\$ 3,000	\$ 2,160	\$ (840)
Charges for services	14,292,627	14,292,627	14,127,670	(164,957)
Fines, forfeitures and penalties	900	900	222	(678)
Investment earnings	308,590	308,590	202,140	(106,450)
Sale and rental of property	655,000	655,000	912,996	257,996
Interfund transfers in	79,708	79,708	79,708	-
Total revenues	15,339,825	15,339,825	15,324,896	(14,929)
Expenditures				
Current - departmental:				
Public works	38,052,470	38,692,147	15,587,668	(23,104,479)
Total expenditures	38,052,470	38,692,147	15,587,668	(23,104,479)
Net change in fund balance	(22,712,645)	(23,352,322)	(262,772)	23,089,550
Fund balance, June 30, 2011	22,712,645	23,352,322	23,352,322	-
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	23,089,550	\$ 23,089,550
Unrealized gain (loss) on investments			18,292	
Accrued investment earnings			128,591	
Capital assets (net of accumulated depreciation)			20,768,821	
Accrued compensated benefits			(303,794)	
Landfill closure and postclosure care costs			(3,903,931)	
Total net assets, GAAP basis, June 30, 2012			\$ 39,797,529	

Lane County, Oregon

Regional Information Systems Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<u>Revenues</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>Expenditures</u>				
Current - departmental:				
Information services	-	3,899,941	3,899,941	-
Total expenditures	-	3,899,941	3,899,941	-
Net change in fund balance	-	(3,899,941)	(3,899,941)	-
Fund balance, June 30, 2011	-	3,899,941	3,899,941	-
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	-	\$ -

Note: Effective July 1, 2011, the Regional Information Systems Fund was closed.
Residual Fund Balance was transferred to the Information Services internal service fund.

INTERNAL SERVICE FUNDS

Combining statements for all internal service funds are reported in this section. The combined totals are reported alongside the individual enterprise funds in the basic financial statements.

Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual are also presented in this section for each individual internal service fund.

Self Insurance Fund – This fund accounts for the County's self-insurance program. Lane County is self-insured for both Workers' Compensation and general liability, including property, equipment, employee faithful performance, and certain special coverages. Revenues are generated from charges to other departments, with rates based on a combination of exposures and claims experience. The claims liability (reserve) held by this fund is established based on an actuarial valuation.

Employee Benefit Fund – The fund assesses charges to all County departmental budgets to pay for negotiated and statutory employee benefits, including FICA (Social Security), PERS, unemployment insurance, and certain benefit-related services including employee assistance, health promotion, and training.

Pension Bond Fund – This fund accounts for the receipt of the payroll surcharge assessed against operating departments and used to make the Limited Tax Pension bond payments.

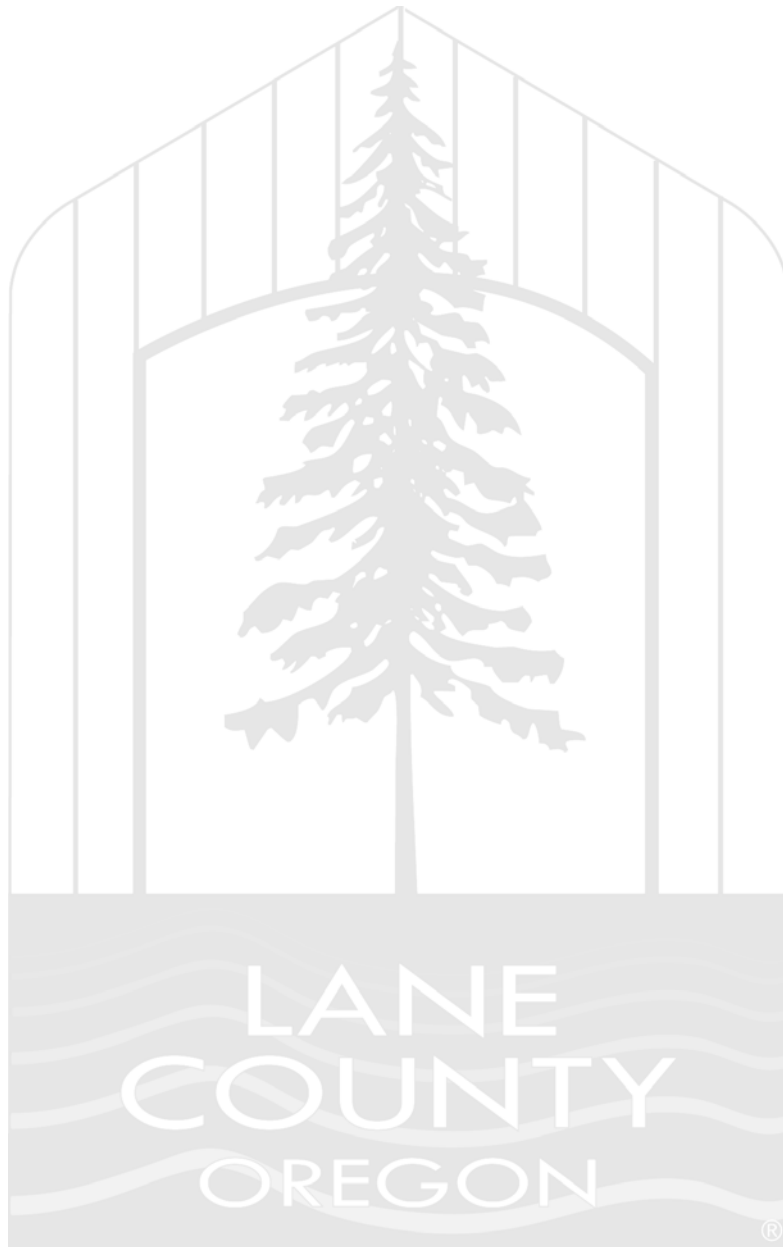
Motor and Equipment Pool Fund – This fund accounts for the purchase and maintenance of County vehicles and heavy equipment for use by County departments. Motor Pool user charges cover vehicle and equipment operation and maintenance expenses, as well as the replacement of vehicles and equipment.

Intergovernmental Services Fund – This fund accounts for certain administrative support services which are provided to County departments on a cost-reimbursement basis. Services include investment, debt management, mailroom, ready stores, and copier services. User charges cover the cost of operations and supplies.

PC Replacement Fund – This fund accounts for user charges assessed to County departments which intend to replace their personal computers on a scheduled replacement cycle. Periodic assessments are collected based upon the number and type of personal computers (PCs) used by the department, in order to provide sufficient resources for the replacement of the computer equipment according to a scheduled replacement cycle.

Information Services Fund – This fund accounts for user charges assessed to County departments and other local governments for delivery of essential information technology. Internal services include computer network and systems engineering, desktop and peripherals, security and web administration, the County's Help Desk, database development and maintenance, and project management services. Services to other local governments (previously provided by the Regional Information Services enterprise fund) include network and system infrastructure, internet access, electronic mail, data center services, Help Desk services, server procurement and configuration, data storage, backup, and restoration services on a per-agency basis.

Retiree Medical Benefit Trust Fund – This fund accounts for the accumulation and disbursement of resources for medical benefits available to certain retired employees.



Combining Statement of Fund Net Assets

All Internal Service Funds

June 30, 2012

	Self Insurance	Employee Benefits	Pension Bond
<u>Assets</u>			
<u>Current assets</u>			
Cash and cash equivalents	\$ 2,033,252	\$ 1,326,079	\$ 769,733
Receivables (net of uncollectibles):			
Investment earnings	13,258	13,063	12,928
Accounts	21,686	-	-
Due from other funds	5,262	873,588	-
Inventories	-	-	-
Prepays	-	-	-
Total current assets	2,073,458	2,212,730	782,661
<u>Noncurrent assets</u>			
Restricted assets:			
Investments	2,469,000	-	-
Deferred charges	-	-	468,804
Deposits	100,000	-	-
Net pension asset	-	-	58,525,137
Capital assets:			
Buildings and land improvements	-	-	-
Equipment and furniture	-	-	-
Construction in progress	-	-	-
Accumulated depreciation	-	-	-
Total noncurrent assets	2,569,000	-	58,993,941
Total assets	4,642,458	2,212,730	59,776,602
<u>Liabilities</u>			
<u>Current liabilities</u>			
Accounts payable	39,144	1,110,218	-
Wages and benefits payable	-	-	-
Compensated absences payable	-	-	-
Claims payable	5,318,000	-	-
Due to other funds	-	-	-
Interest payable	-	-	276,797
Unearned revenue	-	-	-
Bonds payable	-	-	2,210,000
Total current liabilities	5,357,144	1,110,218	2,486,797
<u>Noncurrent liabilities</u>			
Net OPEB obligation	-	-	-
Bonds payable (net of unamortized discounts)	-	-	64,553,335
Total noncurrent liabilities	-	-	64,553,335
Total liabilities	5,357,144	1,110,218	67,040,132
<u>Net assets</u>			
Invested in capital assets, net of related debt	-	-	-
Restricted	2,469,000	-	-
Unrestricted	(3,183,686)	1,102,512	(7,263,530)
Total net assets	\$ (714,686)	\$ 1,102,512	\$ (7,263,530)

Motor and Equipment Pool	Intergovernmental Services	PC Replacement	Information Services	Retiree Medical Benefit Trust	Total
\$ 27,405,733	\$ 218,016	\$ 2,060,589	\$ 6,357,454	\$ 12,631,275	\$ 52,802,131
145,931	712	11,313	35,096	67,206	299,507
5,255	41	-	293,307	-	320,289
-	-	-	-	73,719	952,569
781,967	-	-	-	-	781,967
-	-	-	44,297	-	44,297
28,338,886	218,769	2,071,902	6,730,154	12,772,200	55,200,760
-	-	-	-	-	2,469,000
-	-	-	-	-	468,804
-	-	-	-	-	100,000
-	-	-	-	-	58,525,137
235,597	-	-	-	-	235,597
28,516,471	257,980	471,237	6,327,108	-	35,572,796
3,808	-	-	-	-	3,808
(17,791,020)	(142,135)	(394,572)	(4,825,678)	-	(23,153,405)
10,964,856	115,845	76,665	1,501,430	-	74,221,737
39,303,742	334,614	2,148,567	8,231,584	12,772,200	129,422,497
459,387	29,831	-	1,336,059	149,756	3,124,395
21,372	-	-	94,584	-	115,956
103,490	-	-	389,484	-	492,974
-	-	-	-	-	5,318,000
15,050	-	-	52,817	-	67,867
-	-	-	-	-	276,797
2,280	-	-	-	-	2,280
-	-	-	-	-	2,210,000
601,579	29,831	-	1,872,944	149,756	11,608,269
-	-	-	-	3,046,620	3,046,620
-	-	-	-	-	64,553,335
-	-	-	-	3,046,620	67,599,955
601,579	29,831	-	1,872,944	3,196,376	79,208,224
10,964,856	115,845	76,665	1,501,430	-	12,658,796
-	-	-	-	-	2,469,000
27,737,307	188,938	2,071,902	4,857,210	9,575,824	35,086,477
\$ 38,702,163	\$ 304,783	\$ 2,148,567	\$ 6,358,640	\$ 9,575,824	\$ 50,214,273

Lane County, Oregon

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

All Internal Service Funds

For the Fiscal Year Ended June 30, 2012

	Self Insurance	Employee Benefits	Pension Bond
<u>Operating revenues</u>			
Charges for services	\$ 2,805,369	\$ 46,187,377	\$ 4,818,769
Administrative and facility charges	-	-	-
Sale and rental of property	-	-	-
Total operating revenues	2,805,369	46,187,377	4,818,769
<u>Operating expenses</u>			
Personnel services	-	-	-
Materials and services	2,624,889	47,319,536	13,033
Depreciation	-	-	-
Total operating expenses	2,624,889	47,319,536	13,033
Operating income (loss)	180,480	(1,132,159)	4,805,736
<u>Nonoperating revenues (expenses)</u>			
Intergovernmental	-	-	-
Investment earnings	11,607	14,518	14,735
Interest expense	-	-	(4,708,830)
Amortization of net pension asset	-	-	(1,725,518)
Amortization of bond issuance costs	-	-	(41,518)
Gain (loss) on capital asset disposal	-	-	-
Total nonoperating revenues (expenses)	11,607	14,518	(6,461,131)
Income (loss) before contributions and transfers	192,087	(1,117,641)	(1,655,395)
Capital contributions	-	-	-
Special items (Note IV.G)	-	-	-
Transfers in	-	-	-
Transfers out	-	(1,499,998)	-
Change in net assets	192,087	(2,617,639)	(1,655,395)
Total net assets, June 30, 2011	(906,773)	3,720,151	(5,608,135)
Total net assets, June 30, 2012	\$ (714,686)	\$ 1,102,512	\$ (7,263,530)

Motor and Equipment Pool	Intergovernmenta l Services	PC Replacement	Information Services	Retiree Medical Benefit Trust	Total
\$ 9,646,930	\$ 402,452	\$ 553,562	\$ 12,856,239	\$ 4,165,264	\$ 81,435,962
320,473	-	-	850,654	-	1,171,127
15,295	-	-	-	-	15,295
9,982,698	402,452	553,562	13,706,893	4,165,264	82,622,384
2,057,271	1,274	-	9,273,040	-	11,331,585
4,781,444	712,884	338,763	3,507,827	2,506,816	61,805,192
2,220,151	33,220	75,481	513,573	-	2,842,425
9,058,866	747,378	414,244	13,294,440	2,506,816	75,979,202
923,832	(344,926)	139,318	412,453	1,658,448	6,643,182
23,495	-	-	-	-	23,495
189,207	416,755	12,100	36,957	88,171	784,050
-	-	-	-	-	(4,708,830)
-	-	-	-	-	(1,725,518)
-	-	-	-	-	(41,518)
112,516	-	-	-	-	112,516
325,218	416,755	12,100	36,957	88,171	(5,555,805)
1,249,050	71,829	151,418	449,410	1,746,619	1,087,377
209,900	-	-	-	-	209,900
-	-	-	(11,330,373)	-	(11,330,373)
397,119	-	-	15,214,837	-	15,611,956
(318,056)	(13,326)	-	-	-	(1,831,380)
1,538,013	58,503	151,418	4,333,874	1,746,619	3,747,480
37,164,150	246,280	1,997,149	2,024,766	7,829,205	46,466,793
\$ 38,702,163	\$ 304,783	\$ 2,148,567	\$ 6,358,640	\$ 9,575,824	\$ 50,214,273

Combining Statement of Cash Flows

All Internal Service Funds

For the Fiscal Year Ended June 30, 2012

	Self Insurance	Employee Benefits	Pension Bond
<u>Cash flows from operating activities</u>			
Receipts from customers and users	\$ -	\$ -	\$ -
Receipts from facilities rent	-	-	-
Receipts from interfund services	2,792,725	45,495,049	4,818,769
Payments to employees	-	-	-
Payments to suppliers	(2,881,585)	(45,091,515)	(13,033)
Payments for interfund services	(26,426)	-	-
Net cash provided (used) by operating activities	(115,286)	403,534	4,805,736
<u>Cash flows from noncapital financing activities</u>			
Intergovernmental subsidies	-	-	-
Principal paid on pension bonds	-	-	(1,945,000)
Interest paid on pension bonds	-	-	(3,321,565)
Transfers in	-	-	-
Transfers out	-	(1,499,998)	-
Net cash provided (used) by noncapital financing activities	-	(1,499,998)	(5,266,565)
<u>Cash flows from capital and related financing activities</u>			
Proceeds from sale of property	-	-	-
Purchases of capital assets	-	-	-
Net cash provided (used) by capital and related financing activities	-	-	-
<u>Cash flows from investing activities</u>			
Purchase of investments	(953,500)	-	-
Investment earnings	15,580	16,915	14,121
Net cash provided (used) by investing activities	(937,920)	16,915	14,121
Net increase (decrease) in cash and cash equivalents	(1,053,206)	(1,079,549)	(446,708)
Cash and cash equivalents, June 30, 2011	3,086,458	2,405,628	1,216,441
Cash and cash equivalents, June 30, 2012	\$ 2,033,252	\$ 1,326,079	\$ 769,733
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 180,480	\$ (1,132,159)	\$ 4,805,736
<u>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities</u>			
Depreciation	-	-	-
(Increase) decrease in receivables	15,194	-	-
(Increase) decrease in due from other funds	10,835	1,706,275	-
(Increase) decrease in inventories	-	-	-
(Increase) decrease in prepaids	-	-	-
(Increase) decrease in deposits	(50,000)	-	-
Increase (decrease) in accounts payable	(271,795)	(170,582)	-
Increase (decrease) in wages and benefits payable	-	-	-
Increase (decrease) in compensated absences payable	-	-	-
Increase (decrease) in due to other funds	-	-	-
Increase (decrease) in unearned revenue	-	-	-
Increase (decrease) in net OPEB obligation	-	-	-
Net cash provided (used) by operating activities	(115,286)	403,534	4,805,736
<u>Reconciliation to Statement of Fund Net Assets</u>			
Cash and cash equivalents	2,033,252	1,326,079	769,733
Cash and cash equivalents, June 30, 2012	2,033,252	1,326,079	769,733
<u>Noncash investing, capital, and financing activities:</u>			
Net contributions of capital assets (to) from governmental funds	\$ -	\$ -	\$ -
Net transfers of capital assets (to) from other proprietary funds	-	-	-
Increase (decrease) in fair value of investments	(8,232)	(7,386)	(5,883)

		Retiree				
Motor and Equipment Pool	Intergovernmental Services	PC Replacement	Information Services	Medical Benefit Trust	Total	
\$ 1,073,048	\$ 56,000	\$ -	\$ 3,509,835	\$ -	\$ 4,638,883	
15,295	-	-	-	-	15,295	
8,930,900	356,745	551,833	9,909,155	4,070,264	76,925,440	
(1,243,275)	-	-	(5,845,016)	-	(7,088,291)	
(4,746,333)	(722,588)	(384,174)	(2,343,407)	(2,968,436)	(59,151,071)	
(961,773)	(1,607)	-	(3,557,538)	-	(4,547,344)	
3,067,862	(311,450)	167,659	1,673,029	1,101,828	10,792,912	
23,495	-	-	-	-	23,495	
-	-	-	-	-	(1,945,000)	
-	-	-	-	-	(3,321,565)	
341,553	-	-	3,874,671	-	4,216,224	
(318,056)	(13,326)	-	-	-	(1,831,380)	
46,992	(13,326)	-	3,874,671	-	(2,858,226)	
172,224	-	-	-	-	172,224	
(1,570,967)	(80,246)	(19,783)	(1,466,256)	-	(3,137,252)	
(1,398,743)	(80,246)	(19,783)	(1,466,256)	-	(2,965,028)	
-	-	-	-	-	(953,500)	
175,905	416,903	12,145	14,941	81,837	748,347	
175,905	416,903	12,145	14,941	81,837	(205,153)	
1,892,016	11,881	160,021	4,096,385	1,183,664	4,764,504	
25,513,717	206,135	1,900,568	2,261,069	11,447,611	48,037,627	
\$ 27,405,733	\$ 218,016	\$ 2,060,589	\$ 6,357,454	\$ 12,631,275	\$ 52,802,131	
\$ 923,832	\$ (344,926)	\$ 139,318	\$ 412,453	\$ 1,658,448	\$ 6,643,182	
2,220,151	33,220	75,481	513,573	-	2,842,425	
34,265	10,293	-	(287,903)	14,735	(213,416)	
-	-	-	-	153,545	1,870,655	
(73,345)	19,784	-	-	-	(53,561)	
-	-	-	(44,297)	-	(44,297)	
-	-	-	-	-	(50,000)	
28,459	(29,821)	(47,140)	1,156,384	5,598	671,103	
(38,536)	-	-	(116,037)	-	(154,573)	
(2,222)	-	-	96,559	-	94,337	
(27,022)	-	-	(57,703)	-	(84,725)	
2,280	-	-	-	-	2,280	
-	-	-	-	(730,498)	(730,498)	
3,067,862	(311,450)	167,659	1,673,029	1,101,828	10,792,912	
27,405,733	218,016	2,060,589	6,357,454	12,631,275	52,802,131	
27,405,733	218,016	2,060,589	6,357,454	12,631,275	52,802,131	
\$ 209,900	\$ -	\$ -	\$ -	\$ -	\$ 209,900	
55,566	-	-	11,340,167	-	11,395,733	
(44,904)	-	(5,426)	(6,249)	(19,521)	(97,601)	

Self Insurance Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 2,772,113	\$ 2,772,113	\$ 2,805,369	\$ 33,256
Investment earnings	46,000	46,000	23,812	(22,188)
Total revenues	2,818,113	2,818,113	2,829,181	11,068
Expenditures				
Current - departmental:				
General				
Materials and services	2,773,898	3,073,898	2,674,889	(399,009)
Contingency and reserves	4,744,215	4,079,979	-	(4,079,979)
Total expenditures	7,518,113	7,153,877	2,674,889	(4,478,988)
Net change in fund balance	(4,700,000)	(4,335,764)	154,292	4,490,056
Fund balance, June 30, 2011	4,700,000	4,335,764	4,335,764	-
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	4,490,056	\$ 4,490,056
Accrued investment earnings				
			13,258	
Deposits			100,000	
Claims payable			(5,318,000)	
Total net assets, GAAP basis, June 30, 2012			\$ (714,686)	

Employee Benefits FundSchedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<u>Revenues</u>				
Charges for services	\$ 49,806,067	\$ 50,493,067	\$ 46,187,377	\$ (4,305,690)
Investment earnings	45,000	45,000	24,302	(20,698)
Total revenues	49,851,067	50,538,067	46,211,679	(4,326,388)
<u>Expenditures</u>				
Current - departmental:				
General				
Materials and services	50,250,088	50,364,875	47,319,537	(3,045,338)
Fund transfers	1,499,998	1,499,998	1,499,998	-
Contingency and reserves	2,370,499	2,370,499	-	(2,370,499)
Total expenditures	54,120,585	54,235,372	48,819,535	(5,415,837)
Net change in fund balance	(4,269,518)	(3,697,305)	(2,607,856)	1,089,449
Fund balance, June 30, 2011	4,269,518	3,697,305	3,697,305	-
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	1,089,449	\$ 1,089,449
Accrued investment earnings			13,063	
Total net assets, GAAP basis, June 30, 2012			\$ 1,102,512	

Pension Bond Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Charges for services	\$ 4,801,179	\$ 4,875,061	\$ 4,818,770	\$ (56,291)
Investment earnings	30,000	30,000	20,003	(9,997)
Total revenues	4,831,179	4,905,061	4,838,773	(66,288)
Expenditures				
Current - departmental:				
General				
Materials and services	13,033	13,033	13,033	-
Debt service	5,568,146	5,568,146	5,266,565	(301,581)
Contingency and reserves	-	534,440	-	(534,440)
Total expenditures	5,581,179	6,115,619	5,279,598	(836,021)
Net change in fund balance	(750,000)	(1,210,558)	(440,825)	769,733
Fund balance, June 30, 2011	750,000	1,210,558	1,210,558	-
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	769,733	\$ 769,733
Accrued investment earnings			12,928	
Net pension asset			58,525,137	
Interest payable			(276,797)	
Unamortized bond issue costs			468,804	
Long-term debt			(66,763,335)	
Total net assets, GAAP basis, June 30, 2012			\$ (7,263,530)	

Motor and Equipment Pool Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<u>Revenues</u>				
Intergovernmental	\$ 9,000	\$ 9,000	\$ 23,495	\$ 14,495
Charges for services	9,008,886	9,008,886	9,501,654	492,768
Administrative and facility charges	120,110	120,110	320,473	200,363
Investment earnings	238,325	238,325	220,810	(17,515)
Sale and rental of property	125,150	150,150	187,519	37,369
Interfund transfers in	905,498	905,498	344,798	(560,700)
Total revenues	10,406,969	10,431,969	10,598,749	166,780
<u>Expenditures</u>				
Current - departmental:				
Public works	14,492,247	16,322,973	7,946,637	(8,376,336)
Sheriff's office	2,391,630	2,206,867	714,638	(1,492,229)
Total expenditures	16,883,877	18,529,840	8,661,275	(9,868,565)
 Net change in fund balance	 (6,476,908)	 (8,097,871)	 1,937,474	 10,035,345
 Fund balance, June 30, 2011	 23,336,000	 24,956,963	 24,956,966	 3
Fund balance, budget basis, June 30, 2012	\$ 16,859,092	\$ 16,859,092	26,894,440	\$ 10,035,348
			Unrealized gain (loss) on investments	18,459
			Accrued investment earnings	145,931
			Inventories	781,967
			Capital assets (net of accumulated depreciation)	10,964,856
			Accrued compensated benefits	(103,490)
			Total net assets, GAAP basis, June 30, 2012	\$ 38,702,163

Lane County, Oregon

Intergovernmental Services Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Charges for services	\$ 430,000	\$ 430,000	\$ 402,452	\$ (27,548)
Investment earnings	398,426	402,854	416,903	14,049
Total revenues	828,426	832,854	819,355	(13,499)
Expenditures				
Current - departmental:				
Management services	951,728	989,671	787,946	(201,725)
Total expenditures	951,728	989,671	787,946	(201,725)
 Net change in fund balance	 (123,302)	 (156,817)	 31,409	 188,226
 Fund balance, June 30, 2011	 123,302	 156,817	 156,817	 -
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	188,226	\$ 188,226
 Accrued investment earnings			712	
Capital assets (net of accumulated depreciation)			115,845	
Total net assets, GAAP basis, June 30, 2012			\$ 304,783	

Lane County, Oregon

PC Replacement Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Charges for services	\$ 680,863	\$ 553,333	\$ 553,562	\$ 229
Investment earnings	8,564	8,564	17,571	9,007
Total revenues	689,427	561,897	571,133	9,236
Expenditures				
Current - departmental:				
Information services	1,295,815	2,409,899	358,546	(2,051,353)
Total expenditures	1,295,815	2,409,899	358,546	(2,051,353)
Net change in fund balance	(606,388)	(1,848,002)	212,587	2,060,589
Fund balance, June 30, 2011	606,388	1,848,002	1,848,002	-
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	2,060,589	\$ 2,060,589
Accrued investment earnings			11,313	
Capital assets (net of accumulated depreciation)			76,665	
Total net assets, GAAP basis, June 30, 2012			\$ 2,148,567	

Information Services Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

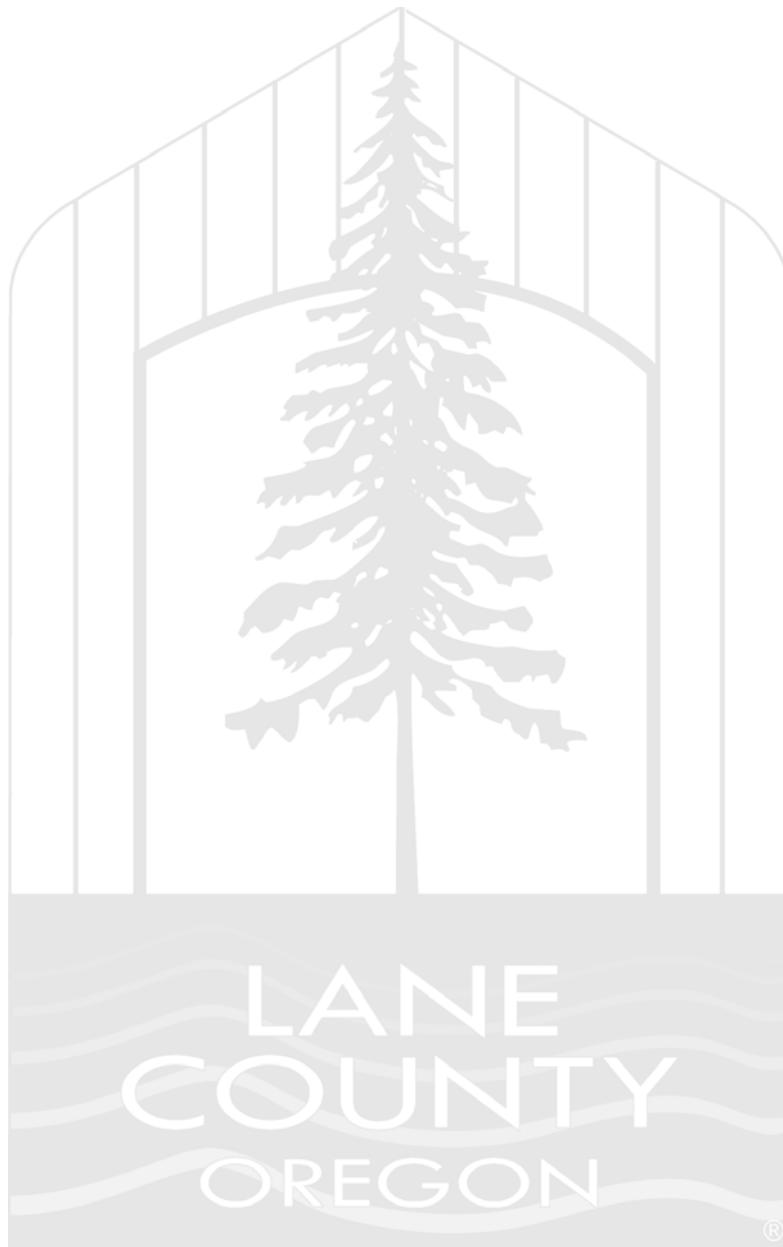
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Charges for services	\$ 13,457,924	\$ 13,087,076	\$ 12,856,239	\$ (230,837)
Administrative and facility charges	836,283	836,283	850,653	14,370
Investment earnings	-	-	53,692	53,692
Interfund transfers in	92,889	3,992,830	3,992,830	-
Total revenues	14,387,096	17,916,189	17,753,414	(162,775)
Expenditures				
Current - departmental:				
Information services	18,452,152	19,675,599	14,345,521	(5,330,078)
Total expenditures	18,452,152	19,675,599	14,345,521	(5,330,078)
Net change in fund balance	(4,065,056)	(1,759,410)	3,407,893	5,167,303
Fund balance, June 30, 2011	4,065,056	1,759,410	1,759,408	(2)
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	5,167,301	\$ 5,167,301
Accrued investment earnings			35,096	
Prepaid expenses			44,297	
Capital assets (net of accumulated depreciation)			1,501,430	
Accrued compensated benefits			(389,484)	
Total net assets, GAAP basis, June 30, 2012			\$ 6,358,640	

Lane County, Oregon

Retiree Medical Benefit Trust Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<u>Revenues</u>				
Charges for services	\$ 4,289,768	\$ 4,316,439	\$ 4,165,264	\$ (151,175)
Investment earnings	150,000	150,000	101,358	(48,642)
Total revenues	4,439,768	4,466,439	4,266,622	(199,817)
<u>Expenditures</u>				
Current - departmental:				
Materials and services	3,607,042	3,633,713	3,237,315	(396,398)
Contingency and reserves	12,078,706	12,349,097	-	(12,349,097)
Total expenditures	15,685,748	15,982,810	3,237,315	(12,745,495)
Net change in fund balance	(11,245,980)	(11,516,371)	1,029,307	12,545,678
Fund balance, June 30, 2011	11,245,980	11,516,371	11,516,371	-
Fund balance, budget basis, June 30, 2012	\$ -	\$ -	12,545,678	\$ 12,545,678
Unrealized gain (loss) on investments			9,560	
Accrued investment earnings			67,206	
OPEB payable			(3,046,620)	
Total net assets, GAAP basis, June 30, 2012			\$ 9,575,824	



FIDUCIARY FUNDS

The Statement of Fiduciary Net Assets and the Statement of Changes in Fiduciary Net Assets are reported in the basic financial statements. The Schedule of Changes in Assets and Liabilities for the Property Tax Agency Fund are presented in this section.

Property Tax Agency Fund – This fund accounts for property taxes received and held by the County in a purely custodial capacity for other taxing jurisdictions within the County.

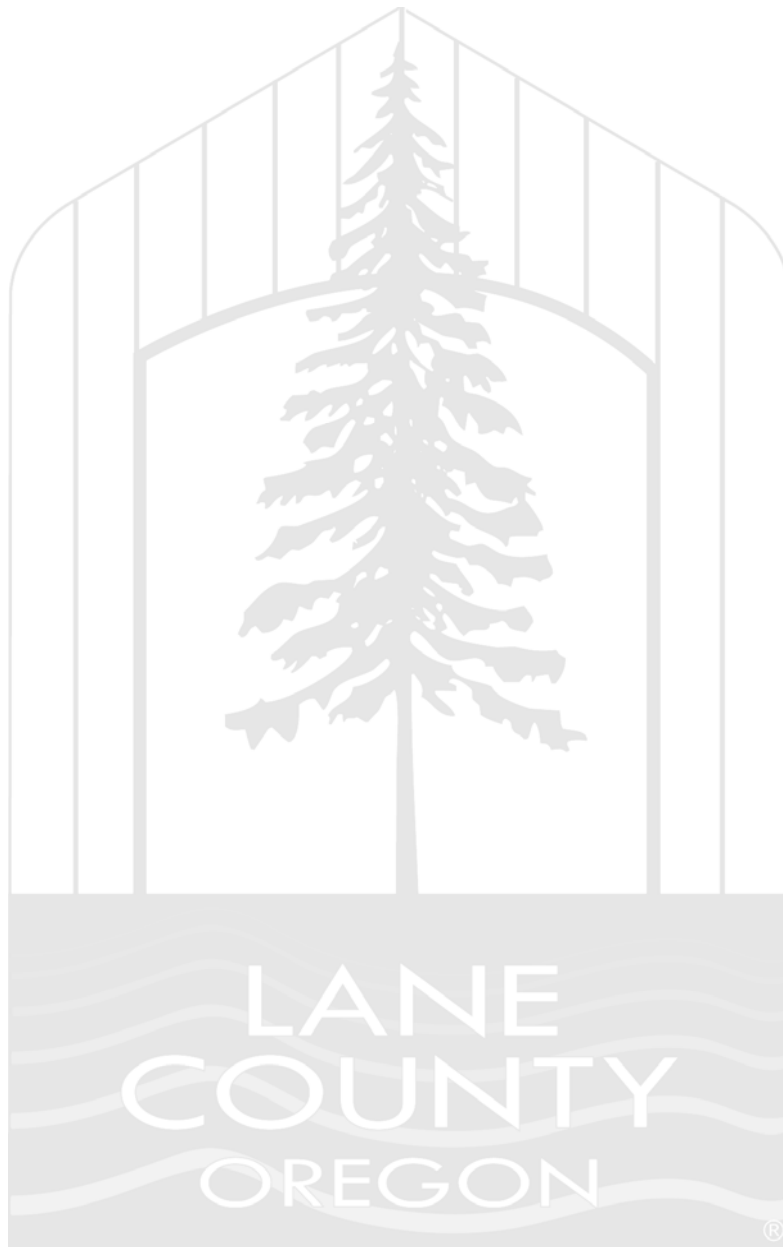
Lane County, Oregon

Statement of Changes in Assets and Liabilities

Property Tax Agency Fund

For the Fiscal Year Ended June 30, 2012

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
<u>Assets</u>				
Cash	\$ 5,891,819	\$ 772,140,134	\$ 773,356,123	\$ 4,675,830
Receivables:				
Interest	2,231	3,394	3,376	2,249
Property taxes	22,952,567	27,857,199	22,952,567	27,857,199
Accounts	79,947	4,677,913	4,647,989	109,871
Due from other funds	18,090	-	18,090	-
Total assets	\$ 28,944,654	\$ 804,678,640	\$ 800,978,145	\$ 32,645,149
<u>Liabilities</u>				
Accounts payable	\$ 72,354	\$ 7,716,238	\$ 7,728,754	\$ 59,838
Due to other governments	28,872,300	387,275,032	383,562,021	32,585,311
Total liabilities	\$ 28,944,654	\$ 394,991,270	\$ 391,290,775	\$ 32,645,149



OTHER SUPPLEMENTARY SCHEDULES

Schedule of Cash Receipts and Turnovers - Elected Officials

For the Fiscal Year Ended June 30, 2012

	Assessor's Office	Justice of the Peace			Sheriff - Civil and Criminal	District Attorney	Total
		Florence, Oregon	Oakridge, Oregon	Central Lane County			
Cash, June 30, 2011	\$ 3,250	\$ 12,519	\$ 16,560	\$ 255,197	\$ 55,253	\$ 7,500	\$ 350,279
<u>Receipts</u>							
Fines and fees	-	319,809	34	1,603,982	275,418	777,765	2,977,008
Other	396,313,966	-	-	-	11,242,932	1,382,042	408,938,940
Total receipts	396,313,966	319,809	34	1,603,982	11,518,350	2,159,807	411,915,948
<u>Turnovers</u>							
County	389,259,761	165,053	14,244	1,327,524	-	2,154,928	392,921,510
Others	7,054,205	71,939	2,350	521,586	11,514,075	4,879	19,169,034
Total turnovers	396,313,966	236,992	16,594	1,849,110	11,514,075	2,159,807	412,090,544
Cash, June 30, 2012	\$ 3,250	\$ 95,336	\$ -	\$ 10,069	\$ 59,528	\$ 7,500	\$ 175,683

Schedule of Property Tax Transactions

For the Fiscal Year ended June 30, 2012

<u>Tax Year</u>	<u>Taxes Receivable June 30, 2011</u>	<u>Add Current Levy</u>	<u>Deduct Discounts Allowed</u>	<u>Add Interest on Delinquent Taxes</u>	<u>Deduct Cash Collections</u>	<u>Deduct Corrections and Adjustments</u>	<u>Taxes Receivable June 30, 2012</u>
2011-12	\$ -	\$ 404,158,108	\$ (10,167,976)	\$ 176,093	\$ (379,877,296)	\$ (1,065,677)	\$ 13,223,252
2010-11	11,550,779	-	76,492	408,933	(3,897,311)	(534,938)	7,603,955
2009-10	6,180,366	-	68,395	481,458	(1,190,000)	(259,907)	5,280,312
2008-09	3,135,095	-	2,072	542,356	(2,218,804)	(122,560)	1,338,159
2007-08	1,079,252	-	519	236,318	(848,980)	(50,466)	416,643
2006-07	366,643	-	1,031	38,910	(88,159)	(54,142)	264,283
2005-06	253,252	-	24	13,036	2,563	(45,182)	223,693
Prior	2,659,306	-	31	59,529	(87,601)	(299,939)	2,331,326
	<u>25,224,693</u>	<u>-</u>	<u>148,564</u>	<u>1,780,540</u>	<u>(8,328,292)</u>	<u>(1,367,134)</u>	<u>17,458,371</u>
	<u>\$ 25,224,693</u>	<u>\$ 404,158,108</u>	<u>\$ (10,019,412)</u>	<u>\$ 1,956,633</u>	<u>\$ (388,205,588)</u>	<u>\$ (2,432,811)</u>	<u>\$ 30,681,623</u>

Schedule of Property Taxes Receivable by Levy Year by Fund

For the Fiscal Year Ended June 30, 2012

Tax Year	Total	General	Debt Service	Agency
			General Obligation Bond Retirement	Property Tax
2011-12	\$ 13,223,252	\$ 1,116,624	\$ 99,518	\$ 12,007,110
2010-11	7,603,955	632,993	55,342	6,915,620
2009-10	5,280,312	430,974	39,331	4,810,007
2008-09	1,338,159	110,786	10,428	1,216,945
2007-08	416,643	34,966	3,326	378,351
2006-07	264,283	21,575	2,187	240,521
2005-06	223,693	18,209	1,834	203,650
Prior	<u>2,331,326</u>	<u>213,293</u>	<u>33,038</u>	<u>2,084,995</u>
	<u>\$ 30,681,623</u>	<u>\$ 2,579,420</u>	<u>\$ 245,004</u>	<u>\$ 27,857,199</u>

Lane County, Oregon

Schedule of Property Tax Collections by Levy Year by Fund

For the Fiscal Year Ended June 30, 2012

Tax Year	Total	General	Debt Service	Agency
			General Obligation Bond Retirement	Property Tax
2011-12	\$ 379,877,296	\$ 32,078,372	\$ 2,858,935	\$ 344,939,989
2010-11	3,897,311	324,432	28,365	3,544,514
2009-10	1,190,000	97,127	8,864	1,084,009
2008-09	2,218,804	183,695	17,290	2,017,819
2007-08	848,980	71,248	6,778	770,954
2006-07	88,159	7,197	730	80,232
2005-06	(2,563)	(209)	(21)	(2,333)
Prior	87,601	8,015	1,241	78,345
	<u>\$ 388,205,588</u>	<u>\$ 32,769,877</u>	<u>\$ 2,922,182</u>	<u>\$ 352,513,529</u>

Lane County, Oregon

Schedule of Bonded Debt Transactions

For the Fiscal Year Ended June 30, 2012

	Issued			Amount	Outstanding		Fiscal Year 2011-2012			Outstanding	
	Interest	Issue	Maturity	Amount	July 1, 2011					June 30, 2012	
	Rates	Date	Date	Issued/ Authorized	Matured	Unmatured	Incurred	Matured	Redeemed	Matured	Unmatured
Governmental Activities											
General obligation bonds											
GO Refunding Bonds, Series 2003A	2.000 to	10/01/03	06/01/15	\$ 27,410,000	\$ -	\$ 10,610,000	\$ -	\$ 2,440,000	\$ 2,440,000	\$ -	\$ 8,170,000
Interest	5.250%			7,612,113	-	1,325,300	-	515,325	515,325	-	809,975
Subtotal general obligation bonds				35,022,113	-	11,935,300	-	2,955,325	2,955,325	-	8,979,975
Limited tax bonds											
Full Faith & Credit Obligations, Series 2002A	4.000 to	02/01/02	06/01/22	7,615,000	-	1,170,000	-	375,000	375,000	-	795,000
Interest	5.000%			5,165,802	-	290,188	-	53,905	53,905	-	236,283
Limited Tax Pension Bond, Series 2002 A & B	2.000 to	03/15/02	06/01/28	71,408,377	-	58,349,752	-	977,246	977,246	-	57,372,506
Interest	7.410%			108,973,522	-	63,511,800	-	4,289,319	4,289,319	-	59,222,481
Full Faith & Credit Obligations, Series 2003B	2.000 to	10/01/03	06/01/23	5,655,000	-	2,510,000	-	250,000	250,000	-	2,260,000
Interest	4.450%			1,675,501	-	628,745	-	97,372	97,372	-	531,373
Full Faith & Credit Obligations, Series 2009A	3.000 to	11/02/09	11/01/29	27,930,000	-	27,105,000	-	1,135,000	1,135,000	-	25,970,000
Interest	5.000%			14,749,265	-	12,923,566	-	1,185,882	1,185,882	-	11,737,684
Full Faith & Credit Obligations, Series 2011	2.000 to	03/30/11	06/01/31	10,345,000	-	10,345,000	-	380,000	380,000	-	9,965,000
Interest	4.250%			4,748,378	-	4,685,580	-	370,611	370,611	-	4,314,969
Full Faith & Credit Obligations, Series 2011R	3.000 to	06/02/11	06/01/22	4,945,000	-	4,945,000	-	90,000	90,000	-	4,855,000
Interest	4.000%			1,141,194	-	1,141,194	-	163,844	163,844	-	977,350
Subtotal limited tax bonds				264,352,039	-	187,605,825	-	9,368,179	9,368,179	-	178,237,646
Total long-term bonded debt - governmental activities				\$ 299,374,152	\$ -	\$ 199,541,125	\$ -	\$ 12,323,504	\$ 12,323,504	\$ -	\$ 187,217,621
Long-term bonded debt - governmental activities											
Principal				\$ 155,308,377	\$ -	\$ 115,034,752	\$ -	\$ 5,647,246	\$ 5,647,246	\$ -	\$ 109,387,506
Interest				144,065,774	-	84,506,373	-	6,676,258	6,676,258	-	77,830,115
Total long-term bonded debt - governmental activities				\$ 299,374,152	\$ -	\$ 199,541,125	\$ -	\$ 12,323,504	\$ 12,323,504	\$ -	\$ 187,217,621
Total long-term bonded debt											
Principal											\$ 109,387,506
Plus: Net unamortized (discounts)/premiums											1,137,249
Plus: Accretion of deep discount											9,510,545
Total net bonded debt											\$ 120,035,300



STATISTICAL SECTION

STATISTICAL SECTION

This section of the County'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 County's overall financial health.

Contents

	Page(s)
Financial Trends - These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	152 – 161
Revenue Capacity - These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	162 – 171
Debt Capacity - These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and its ability to issue additional debt in the future.	172 – 179
Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	180 – 183
Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	184 – 189



Net Assets by Component

Last Ten Fiscal Years - Unaudited

(Accrual Basis of Accounting)

	Fiscal Year			
	2003 ^a	2004 ^a	2005 ^a	2006 ^a
Governmental activities:				
Invested in capital assets, net of related debt	\$ 224,867,340	\$ 239,359,713	\$ 250,951,896	\$ 256,437,510
Restricted	57,510,657	57,013,836	59,990,004	60,133,434
Unrestricted	28,337,319	40,472,157	41,294,598	42,010,767
Total governmental activities net assets	<u>\$ 310,715,316</u>	<u>\$ 336,845,706</u>	<u>\$ 352,236,498</u>	<u>\$ 358,581,711</u>
Business-type activities:				
Invested in capital assets, net of related debt ^{a, c}	\$ 28,383,412	\$ 27,680,989	\$ 26,996,064	\$ 26,951,773
Unrestricted ^{a, b, c}	9,251,201	12,360,570	15,400,755	25,823,174
Total business-type activities net assets	<u>\$ 37,634,613</u>	<u>\$ 40,041,559</u>	<u>\$ 42,396,819</u>	<u>\$ 52,774,947</u>
Primary government:				
Invested in capital assets, net of related debt	\$ 253,250,752	\$ 267,040,702	\$ 277,947,960	\$ 283,389,283
Restricted	57,510,657	57,013,836	59,990,004	60,133,434
Unrestricted	37,588,520	52,832,727	56,695,353	67,833,941
Total primary government net assets	<u>\$ 348,349,929</u>	<u>\$ 376,887,265</u>	<u>\$ 394,633,317</u>	<u>\$ 411,356,658</u>

Notes

- a. In accordance with GASB No. 61, the Housing and Community Services Agency (HACSA) has been reclassified as a discretely presented component unit. In order to enhance comparability, HACSA has been removed from the business-type activities of the primary government for fiscal years 2011 and prior.
- b. Net assets in the Solid Waste Disposal Fund increased dramatically in 2006 due to a reduction in the estimate of closure and postclosure care costs at the Short Mountain Landfill.
- c. In 2012, the Regional Information Systems enterprise fund was closed, and residual assets and liabilities transferred to the Information Services internal service fund.

Source

Lane County Management Services

Fiscal Year					
2007 ^a	2008 ^a	2009 ^a	2010 ^a	2011 ^a	2012 ^c
\$ 270,548,421	\$ 280,364,178	\$ 303,124,109	\$ 292,767,770	\$ 295,107,779	\$ 298,026,559
66,396,137	68,603,080	72,830,234	77,672,275	85,578,785	69,669,857
<u>41,648,113</u>	<u>46,688,141</u>	<u>46,065,805</u>	<u>59,736,037</u>	<u>56,434,134</u>	<u>54,213,594</u>
<u>\$ 378,592,671</u>	<u>\$ 395,655,399</u>	<u>\$ 422,020,148</u>	<u>\$ 430,176,082</u>	<u>\$ 437,120,698</u>	<u>\$ 421,910,010</u>
\$ 30,150,188	\$ 38,667,537	\$ 32,130,819	\$ 42,301,510	\$ 43,050,094	\$ 30,836,769
<u>26,644,731</u>	<u>26,445,461</u>	<u>37,657,583</u>	<u>30,357,189</u>	<u>31,065,278</u>	<u>25,554,519</u>
<u>\$ 56,794,919</u>	<u>\$ 65,112,998</u>	<u>\$ 69,788,402</u>	<u>\$ 72,658,699</u>	<u>\$ 74,115,372</u>	<u>\$ 56,391,288</u>
\$ 300,698,609	\$ 319,031,715	\$ 335,254,928	\$ 335,069,280	\$ 338,157,873	\$ 328,863,328
66,396,137	68,603,080	72,830,234	77,672,275	85,578,785	58,690,216
<u>68,292,844</u>	<u>73,133,602</u>	<u>83,723,388</u>	<u>90,093,226</u>	<u>87,499,412</u>	<u>90,747,754</u>
<u>\$ 435,387,590</u>	<u>\$ 460,768,397</u>	<u>\$ 491,808,550</u>	<u>\$ 502,834,781</u>	<u>\$ 511,236,070</u>	<u>\$ 478,301,298</u>

Changes in Net Assets

Last Ten Fiscal Years - Unaudited
(Accrual Basis of Accounting)

	Fiscal Year			
	2003 ^e	2004 ^e	2005 ^e	2006 ^e
Expenses^a				
Governmental activities:				
General government ^b	\$ 20,003,101	\$ 25,677,149	\$ 20,684,187	\$ 21,950,844
Public safety	59,508,664	58,046,441	62,244,262	70,057,914
Public health and welfare	71,695,857	64,125,992	71,475,097	75,762,316
Parks	1,789,210	1,773,709	1,924,541	2,035,860
Roads and bridges	28,453,554	28,917,037	36,081,022	41,358,541
Community development	5,431,845	5,470,721	6,398,603	10,260,759
Interest on long-term debt	7,023,610	6,450,474	6,890,642	6,844,822
Total governmental activities expenses	<u>193,905,841</u>	<u>190,461,523</u>	<u>205,698,354</u>	<u>228,271,056</u>
Business-type activities:				
Lane events center	4,947,412	4,700,236	4,906,169	5,908,357
Solid waste disposal ^f	8,585,878	8,701,073	10,299,106	2,966,023
Corrections commissary	297,202	293,399	335,199	342,594
Regional information systems ⁱ	5,298,810	6,239,573	5,991,388	5,400,384
Land management ^h	-	-	-	-
Total business-type activities expenses	<u>19,129,302</u>	<u>19,934,281</u>	<u>21,531,862</u>	<u>14,617,358</u>
Total primary government expenses	<u>\$ 213,035,143</u>	<u>\$ 210,395,804</u>	<u>\$ 227,230,216</u>	<u>\$ 242,888,414</u>
Program revenues				
Governmental activities:				
Charges for services:				
Public safety	\$ 18,230,185	\$ 18,044,651	\$ 18,902,962	\$ 21,172,926
Public health and welfare	30,252,591	25,661,211	27,583,443	29,508,827
Other activities	17,634,511	18,188,506	15,138,696	22,381,056
Operating grants and contributions ^b	<u>89,425,471</u>	<u>96,087,545</u>	<u>106,325,155</u>	<u>105,782,045</u>
Total governmental activities program revenues	<u>155,542,758</u>	<u>157,981,913</u>	<u>167,950,256</u>	<u>178,844,854</u>
Business-type activities:				
Charges for services:				
Lane events center	3,663,972	3,394,473	3,531,203	4,521,866
Solid waste disposal	11,032,907	11,268,211	11,742,382	12,269,872
Other activities ^{h, i}	5,663,312	6,222,498	6,828,672	6,303,274
Operating grants and contributions	1,044,436	447,800	367,726	198,635
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>21,404,627</u>	<u>21,332,982</u>	<u>22,469,983</u>	<u>23,293,647</u>
Total primary government program revenues	<u>\$ 176,947,385</u>	<u>\$ 179,314,895</u>	<u>\$ 190,420,239</u>	<u>\$ 202,138,501</u>
Net expense (revenue)				
Governmental activities	\$ (38,363,083)	\$ (32,479,610)	\$ (37,748,098)	\$ (49,426,202)
Business-type activities	<u>2,275,325</u>	<u>1,398,701</u>	<u>938,121</u>	<u>8,676,289</u>
Total primary government net expense	<u>\$ (36,087,758)</u>	<u>\$ (31,080,909)</u>	<u>\$ (36,809,977)</u>	<u>\$ (40,749,913)</u>
General revenues and other changes in net assets				
Governmental activities:				
Property taxes, net of refunds	\$ 26,749,214	\$ 27,945,869	\$ 28,720,929	\$ 29,942,571
Transient room taxes	3,373,285	2,988,634	3,157,614	3,516,149
Car rental taxes	1,295,209	1,143,458	1,206,280	1,254,723
O&C timber receipts	14,225,766	14,396,475	14,583,629	14,919,053
Unrestricted investment earnings	1,423,222	1,034,827	1,594,662	2,124,384
Grants not restricted to specific programs	4,294,896	4,268,635	4,751,161	5,013,070
Special Items ^k	-	-	-	-
Transfers ⁱ	(1,125,357)	(794,282)	(875,385)	(967,824)
Total governmental activities	<u>50,236,235</u>	<u>50,983,616</u>	<u>53,138,890</u>	<u>55,802,126</u>
Business-type activities:				
Transient room taxes ^j	-	-	-	-
Unrestricted investment earnings	548,335	213,963	541,754	734,015
Transfers ⁱ	1,125,357	794,282	875,385	967,824
Total business-type activities	<u>1,673,692</u>	<u>1,008,245</u>	<u>1,417,139</u>	<u>1,701,839</u>
Total primary government	<u>\$ 51,909,927</u>	<u>\$ 51,991,861</u>	<u>\$ 54,556,029</u>	<u>\$ 57,503,965</u>

Fiscal Year					
2007 ^e	2008 ^e	2009 ^e	2010 ^e	2011 ^e	2012
\$ 23,343,136	\$ 24,314,130	\$ 23,707,850	\$ 22,969,227	\$ 24,407,716	\$ 22,793,457
72,512,429	69,773,674	68,306,961	72,156,772	77,099,943	75,317,947
77,823,153	65,143,716	72,141,928	80,727,605	86,423,729	90,154,259
2,098,591	2,034,627	2,228,917	2,265,231	2,477,150	2,643,327
38,152,445	34,269,244	36,963,176	38,029,493	36,816,737	35,913,841
10,243,725	6,735,178	6,833,436	6,436,605	6,913,731	6,306,754
6,811,425	7,087,061	6,764,497	6,981,018	6,927,479	6,945,867
<u>230,984,904</u>	<u>209,357,630</u>	<u>216,946,765</u>	<u>229,565,951</u>	<u>241,066,485</u>	<u>240,075,452</u>
5,652,510	5,487,557	4,624,038	3,940,841	3,751,770	3,791,913
11,344,394	12,224,474	12,994,158	13,482,367	14,733,559	14,271,131
360,655	316,331	255,331	256,750	254,748	248,701
5,338,479	5,861,680	5,803,740	6,184,926	5,542,377	-
-	5,127,797	4,716,148	4,434,762	5,312,174	5,281,661
<u>22,696,038</u>	<u>29,017,839</u>	<u>28,393,415</u>	<u>28,299,646</u>	<u>29,594,628</u>	<u>23,593,406</u>
\$ <u>253,680,942</u>	\$ <u>238,375,469</u>	\$ <u>245,340,180</u>	\$ <u>257,865,597</u>	\$ <u>270,661,113</u>	\$ <u>263,668,858</u>
\$ 26,060,493	\$ 20,311,315	\$ 19,587,163	\$ 19,303,348	\$ 21,607,400	\$ 17,170,939
30,852,880	35,477,860	38,017,323	42,441,369	51,148,840	46,356,092
22,828,695	17,846,049	23,520,029	14,600,633	14,764,188	16,669,493
<u>108,013,896</u>	<u>93,546,525</u>	<u>103,273,501</u>	<u>102,466,765</u>	<u>103,636,208</u>	<u>87,286,212</u>
<u>187,755,964</u>	<u>167,181,749</u>	<u>184,398,016</u>	<u>178,812,115</u>	<u>191,156,636</u>	<u>167,482,736</u>
4,341,738	4,217,533	2,775,494	2,639,207	2,405,440	2,341,298
12,794,524	16,722,858	15,375,416	15,197,089	15,051,354	15,040,888
7,062,225	12,757,558	11,882,552	11,711,600	11,229,313	3,071,735
216,420	343,594	287,460	229,937	232,835	223,789
-	-	-	-	-	5,000
<u>24,414,907</u>	<u>34,041,543</u>	<u>30,320,922</u>	<u>29,777,833</u>	<u>28,918,942</u>	<u>20,682,710</u>
\$ <u>212,170,871</u>	\$ <u>201,223,292</u>	\$ <u>214,718,938</u>	\$ <u>208,589,948</u>	\$ <u>220,075,578</u>	\$ <u>188,165,446</u>
\$ (43,228,940)	\$ (42,175,881)	\$ (32,548,749)	\$ (50,753,836)	\$ (49,909,849)	\$ (72,592,716)
1,718,869	5,023,704	1,927,507	1,478,187	(675,686)	(2,910,696)
<u>\$ (41,510,071)</u>	<u>\$ (37,152,177)</u>	<u>\$ (30,621,242)</u>	<u>\$ (49,275,649)</u>	<u>\$ (50,585,535)</u>	<u>\$ (75,503,412)</u>
\$ 31,184,338	\$ 32,435,442	\$ 34,349,397	\$ 36,042,688	\$ 35,852,438	\$ 37,054,469
3,815,362	4,297,827	3,893,241	3,617,406	3,248,744	3,468,800
1,326,996	1,323,636	1,072,906	1,097,859	1,208,685	1,245,574
15,068,243	15,037,319	13,561,419	12,205,277	10,999,817	4,917,036
3,329,094	3,195,356	2,567,673	1,745,829	1,305,825	1,073,438
4,400,648	5,033,509	5,301,445	5,063,935	5,325,256	5,266,754
-	-	-	-	-	(11,330,373)
<u>(906,360)</u>	<u>(2,084,480)</u>	<u>(1,832,583)</u>	<u>(863,224)</u>	<u>(1,086,300)</u>	<u>15,686,330</u>
<u>58,218,321</u>	<u>59,238,609</u>	<u>58,913,498</u>	<u>58,909,770</u>	<u>56,854,465</u>	<u>57,382,028</u>
-	-	-	-	716,031	692,739
1,394,743	1,209,895	915,314	528,886	330,028	180,203
906,360	2,084,480	1,832,583	863,224	1,086,300	(15,686,330)
<u>2,301,103</u>	<u>3,294,375</u>	<u>2,747,897</u>	<u>1,392,110</u>	<u>2,132,359</u>	<u>(14,813,388)</u>
\$ <u>60,519,424</u>	\$ <u>62,532,984</u>	\$ <u>61,661,395</u>	\$ <u>60,301,880</u>	\$ <u>58,986,824</u>	\$ <u>42,568,640</u>

Continued

Changes in Net Assets, continuedLast Ten Fiscal Years - Unaudited
(Accrual Basis of Accounting)

	Fiscal Year			
	2003 ^e	2004 ^e	2005 ^e	2006 ^e
Change in net assets				
Governmental activities	\$ 11,873,152	\$ 18,504,006	\$ 15,390,792	\$ 6,375,924
Business-type activities	3,949,017	2,406,946	2,355,260	10,378,128
Total primary government	15,822,169	20,910,952	17,746,052	16,754,052
Net assets, beginning of year, as previously reported				
Governmental activities	298,841,938	310,715,316	336,845,706	352,236,498
Business-type activities	34,238,943	37,634,613	40,041,559	42,396,819
Total primary government	333,080,881	348,349,929	376,887,265	394,633,317
Prior period adjustments and reclassifications				
Governmental activities ^{d, g}	226	7,626,384	-	(30,711)
Business-type activities ^c	(553,347)	-	-	-
Total primary government	(553,121)	7,626,384	-	(30,711)
Net assets, beginning of year, restated				
Governmental activities	298,842,164	318,341,700	336,845,706	352,205,787
Business-type activities	33,685,596	37,634,613	40,041,559	42,396,819
Total primary government	332,527,760	355,976,313	376,887,265	394,602,606
Net assets, end of year				
Governmental activities	310,715,316	336,845,706	352,236,498	358,581,711
Business-type activities	37,634,613	40,041,559	42,396,819	52,774,947
Total primary government	\$ 348,349,929	\$ 376,887,265	\$ 394,633,317	\$ 411,356,658

Notes

- Expenses have been reported net of the indirect expense allocation.
- The County School fund was incorrectly reported as an agency fund in fiscal year 2003. As a result, general government expenses, operating grants and contributions, and change in net assets in governmental activities are understated by \$6,885,235, \$6,890,212, and \$(4,977), respectively.
- A prior period adjustment of \$(553,347) was made in fiscal year 2003 to correct for understating accumulated depreciation in the Lane Events Center fund.
- A prior period adjustment of \$7,626,384 was made in fiscal year 2004 to correct for overstating expenses in the LaneCare program.
- In accordance with GASB No. 61, the Housing and Community Services Agency (HACSA) has been reclassified as a discretely presented component unit. In order to enhance comparability, HACSA has been removed from the business-type activities of the primary government for fiscal years 2011 and prior.
- Expenses in the Solid Waste Disposal Fund decreased dramatically in 2006 due to a reduction in the estimate of closure and postclosure care costs at the Short Mountain Landfill.
- The Retiree medical benefit trust was reclassified from fiduciary to internal service in fiscal year 2007.
- The Land management fund was moved from the general fund to a new enterprise fund on July 1, 2007.
- In 2012, the Regional Information Systems enterprise fund was closed, and residual assets and liabilities transferred to the Information Services internal service fund.
- In accordance with GASB 54, transient room taxes were recorded directly into the Lane Events Center enterprise fund beginning fiscal year 2011.
- Represents the write-off of the AIRS conversion project when the Regional Executive Group disbanded.

Source

Lane County Management Services

Fiscal Year					
2007 ^e	2008 ^e	2009 ^e	2010 ^e	2011 ^e	2012
\$ 14,989,381	\$ 17,062,728	\$ 26,364,749	\$ 8,155,934	\$ 6,944,616	\$ (15,210,688)
<u>4,019,972</u>	<u>8,318,079</u>	<u>4,675,404</u>	<u>2,870,297</u>	<u>1,456,673</u>	<u>(17,724,084)</u>
<u>19,009,353</u>	<u>25,380,807</u>	<u>31,040,153</u>	<u>11,026,231</u>	<u>8,401,289</u>	<u>(32,934,772)</u>
358,581,711	378,592,671	395,655,399	422,020,148	430,176,082	437,120,698
<u>52,774,947</u>	<u>56,794,919</u>	<u>65,112,998</u>	<u>69,788,402</u>	<u>72,658,699</u>	<u>74,115,372</u>
<u>411,356,658</u>	<u>435,387,590</u>	<u>460,768,397</u>	<u>491,808,550</u>	<u>502,834,781</u>	<u>511,236,070</u>
5,021,579	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>5,021,579</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
363,603,290	378,592,671	395,655,399	422,020,148	430,176,082	437,120,698
<u>52,774,947</u>	<u>56,794,919</u>	<u>65,112,998</u>	<u>69,788,402</u>	<u>72,658,699</u>	<u>74,115,372</u>
<u>416,378,237</u>	<u>435,387,590</u>	<u>460,768,397</u>	<u>491,808,550</u>	<u>502,834,781</u>	<u>511,236,070</u>
378,592,671	395,655,399	422,020,148	430,176,082	437,120,698	421,910,010
<u>56,794,919</u>	<u>65,112,998</u>	<u>69,788,402</u>	<u>72,658,699</u>	<u>74,115,372</u>	<u>56,391,288</u>
<u>\$ 435,387,590</u>	<u>\$ 460,768,397</u>	<u>\$ 491,808,550</u>	<u>\$ 502,834,781</u>	<u>\$ 511,236,070</u>	<u>\$ 478,301,298</u>

Fund Balances, Governmental Funds

Last Nine Fiscal Years ^a - Unaudited
 (Modified Accrual Basis of Accounting)

	Fiscal Year			
	2003	2004	2005	2006
General fund:				
Reserved	\$ 216,108	\$ 212,018	\$ 185,681	\$ 188,814
Unreserved	7,014,906	10,704,920	13,913,395	14,068,655
Nonspendable	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$ 7,231,014</u>	<u>\$ 10,916,938</u>	<u>\$ 14,099,076</u>	<u>\$ 14,257,469</u>
All other governmental funds:				
Reserved	\$ 1,843,397	\$ 1,468,612	\$ 1,512,973	\$ 1,539,137
Unreserved, reported in:				
Special revenue funds	55,876,996	63,510,995	65,270,101	64,362,755
Debt service funds	1,051,323	508,000	316,635	225,974
Capital project funds	7,254,200	8,055,958	6,596,441	7,328,778
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Total all other governmental funds	<u>\$ 66,025,916</u>	<u>\$ 73,543,565</u>	<u>\$ 73,696,150</u>	<u>\$ 73,456,644</u>
Total government funds	<u>\$ 73,256,930</u>	<u>\$ 84,460,503</u>	<u>\$ 87,795,226</u>	<u>\$ 87,714,113</u>

Notes

a. In accordance with GASB 54, beginning in 2011 new classifications of fund balance for governmental funds are reported that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Source

Lane County Management Services

Exhibit 3

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 175,939	\$ 202,978	\$ 197,711	\$ 206,086	\$ -	\$ -
11,893,594	12,287,027	25,427,566	23,751,858	-	-
-	-	-	-	179,302	153,686
-	-	-	-	5,792,117	964,248
-	-	-	-	13,475,981	11,286,812
<u>\$ 12,069,533</u>	<u>\$ 12,490,005</u>	<u>\$ 25,625,277</u>	<u>\$ 23,957,944</u>	<u>\$ 19,447,400</u>	<u>\$ 12,404,746</u>
\$ 1,578,448	\$ 1,742,213	\$ 1,657,862	\$ 1,675,088	\$ -	\$ -
62,842,843	64,570,416	72,058,102	76,228,937	-	-
282,057	231,154	257,550	314,856	-	-
5,802,124	6,672,026	1,633,554	9,194,058	-	-
-	-	-	-	1,657,375	1,607,155
-	-	-	-	80,029,722	57,493,079
-	-	-	-	22,044,864	21,018,332
<u>\$ 70,505,472</u>	<u>\$ 73,215,809</u>	<u>\$ 75,607,068</u>	<u>\$ 87,412,939</u>	<u>\$ 103,731,961</u>	<u>\$ 80,118,566</u>
<u>\$ 82,575,005</u>	<u>\$ 85,705,814</u>	<u>\$ 101,232,345</u>	<u>\$ 111,370,883</u>	<u>\$ 123,179,361</u>	<u>\$ 92,523,312</u>

Change in Fund Balances, Governmental Funds

Last Ten Fiscal Years - Unaudited

(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2003	2004	2005	2006
Revenues				
Taxes and assessments, net of refunds	\$ 31,726,556	\$ 32,542,502	\$ 33,305,019	\$ 35,106,931
Licenses and permits	2,600,122	2,812,295	3,399,950	3,812,853
Intergovernmental ^a	141,607,697	146,436,413	158,731,960	160,955,118
Charges for services	19,683,185	17,860,953	15,408,932	22,023,213
Fines, forfeitures and penalties	3,140,180	3,366,450	3,418,380	3,553,574
Administrative and facility charges	2,209,594	2,384,872	2,656,558	2,981,799
Investment earnings	2,967,996	1,265,636	2,341,195	2,961,721
Sale and rental of property	1,785,355	1,969,665	2,193,759	2,623,219
Total revenues	<u>205,720,685</u>	<u>208,638,786</u>	<u>221,455,753</u>	<u>234,018,428</u>
Expenditures				
General government ^a	16,222,972	22,009,921	17,387,104	18,524,329
Public safety	59,835,688	59,715,098	63,652,169	71,021,181
Public health and welfare	72,722,151	66,295,457	73,706,607	77,533,692
Parks	1,757,697	1,784,247	1,921,599	2,016,747
Roads and bridges	26,408,672	26,728,802	29,437,491	30,082,088
Community development	5,513,922	5,668,654	6,462,511	10,498,191
Debt service:				
Principal	3,455,000	3,235,000	2,880,000	2,995,000
Interest	2,517,466	1,503,788	1,833,151	1,727,138
Bond issuance costs	-	313,555	-	-
Capital outlay	17,598,519	20,463,997	20,010,877	18,863,055
Total expenditures	<u>206,032,087</u>	<u>207,718,519</u>	<u>217,291,509</u>	<u>233,261,421</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(311,402)</u>	<u>920,267</u>	<u>4,164,244</u>	<u>757,007</u>
Other financing sources (uses)				
Refunding bonds issued	-	34,530,870	-	-
Bonds issued	-	-	-	-
Bond premium	-	-	-	-
Payment to refunded bond escrow agent	-	(31,853,125)	-	-
Transfers in	11,629,947	23,498,661	13,433,209	13,374,172
Transfers out	(12,725,304)	(23,300,609)	(14,360,754)	(14,341,996)
Assumed mortgage	-	-	-	-
Total other financing sources (uses)	<u>(1,095,357)</u>	<u>2,875,797</u>	<u>(927,545)</u>	<u>(967,824)</u>
Net change in fund balances ^a	<u>(1,406,759)</u>	<u>3,796,064</u>	<u>3,236,699</u>	<u>(210,817)</u>
Fund balances				
Fund balances, beginning of year, as previously reported	74,877,769	73,256,930	84,460,503	87,795,226
Prior period adjustments and reclassifications ^b	<u>(68,039)</u>	<u>7,626,384</u>	<u>-</u>	<u>100,407</u>
Fund balances, beginning of year, restated	74,809,730	80,883,314	84,460,503	87,895,633
Increase (decrease) in inventory reserve	<u>(146,041)</u>	<u>(218,875)</u>	<u>98,024</u>	<u>29,297</u>
Fund balances, end of year	<u>\$ 73,256,930</u>	<u>\$ 84,460,503</u>	<u>\$ 87,795,226</u>	<u>\$ 87,714,113</u>
Debt service as a percentage of noncapital expenditures ^{c, d}	3.26%	2.78%	2.40%	2.17%

Notes

- a. The County School fund was incorrectly reported as an agency fund in fiscal year 2003. As a result, intergovernmental revenues, general government expenditures, and net change in fund balances are understated by \$6,885,235, \$6,890,212, and \$(4,977), respectively.
- b. A prior period adjustment of \$7,626,384 was made in fiscal year 2004 to correct for overstating expense in the LaneCare program.
- c. Debt service represents principal and interest incurred during the year. Noncapital expenditures do not include capital outlay for land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure incurred during the year.
- d. In years 2011 and prior, debt service for purposes of this computation included bond issuance costs. The percentages for 2011 and prior have been restated to exclude bond issuance costs.

Source

Lane County Management Services

Exhibit 4

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 36,605,500	\$ 38,147,658	\$ 40,113,028	\$ 41,097,983	\$ 40,960,755	\$ 41,816,511
4,012,263	2,106,298	2,118,541	2,161,194	2,179,051	2,138,195
163,092,969	153,720,151	171,636,741	169,269,499	177,023,215	148,700,315
21,768,535	15,645,577	17,224,627	17,730,743	17,935,018	17,373,813
3,275,525	2,620,485	3,635,194	2,743,154	2,520,150	1,934,097
3,917,538	1,650,954	1,646,491	1,671,523	1,692,353	1,781,417
4,931,183	4,243,843	3,153,030	1,987,713	1,313,101	845,357
2,875,683	5,977,250	3,559,489	3,344,838	2,120,659	2,151,857
<u>240,479,196</u>	<u>224,112,216</u>	<u>243,087,141</u>	<u>240,006,647</u>	<u>245,744,302</u>	<u>216,741,562</u>
21,329,948	20,818,688	20,425,732	21,917,106	20,645,620	15,104,348
74,283,587	71,382,878	68,855,238	74,001,285	77,335,059	76,789,023
80,023,012	66,923,629	73,532,375	84,092,788	87,950,402	92,244,498
2,082,756	2,009,411	2,195,450	2,275,498	2,419,679	2,519,308
31,822,086	29,668,260	30,296,752	30,468,803	31,237,542	30,058,494
10,540,101	6,725,765	6,825,573	6,433,506	6,948,831	6,309,160
3,338,782	3,522,221	3,240,887	9,164,713	4,020,000	4,670,000
1,729,816	2,075,841	1,957,013	2,109,905	2,302,907	2,390,689
75,242	-	-	74,054	183,856	-
25,871,713	15,494,893	19,378,532	23,284,094	11,751,536	17,736,187
<u>251,097,043</u>	<u>218,621,586</u>	<u>226,707,552</u>	<u>253,821,752</u>	<u>244,795,432</u>	<u>247,821,707</u>
<u>(10,617,847)</u>	<u>5,490,630</u>	<u>16,379,589</u>	<u>(13,815,105)</u>	<u>948,870</u>	<u>(31,080,145)</u>
-	-	-	3,805,000	4,945,000	-
-	-	-	24,125,000	10,345,000	-
-	-	-	1,374,381	554,650	-
-	-	-	(4,035,596)	(5,199,681)	-
15,908,055	17,766,028	13,762,956	14,762,950	21,355,431	18,077,704
(16,782,355)	(20,316,653)	(14,526,396)	(16,103,693)	(21,096,295)	(17,577,772)
6,326,603	-	-	-	-	-
<u>5,452,303</u>	<u>(2,550,625)</u>	<u>(763,440)</u>	<u>23,928,042</u>	<u>10,904,105</u>	<u>499,932</u>
<u>(5,165,544)</u>	<u>2,940,005</u>	<u>15,616,149</u>	<u>10,112,937</u>	<u>11,852,975</u>	<u>(30,580,213)</u>
87,714,113	82,575,005	85,705,814	101,232,345	111,370,883	123,179,361
-	-	-	-	-	-
87,714,113	82,575,005	85,705,814	101,232,345	111,370,883	123,179,361
26,436	190,804	(89,618)	25,601	(44,497)	(75,836)
<u>\$ 82,575,005</u>	<u>\$ 85,705,814</u>	<u>\$ 101,232,345</u>	<u>\$ 111,370,883</u>	<u>\$ 123,179,361</u>	<u>\$ 92,523,312</u>
2.30%	2.81%	2.54%	4.96%	2.85%	3.13%

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years - Unaudited

	Fiscal Year			
	2003	2004	2005	2006
Property Class				
Residential	\$ 8,955,117,306	\$ 9,522,959,872	\$ 9,989,431,512	\$ 10,502,688,478
Commercial	2,103,738,367	2,185,533,393	2,302,417,337	2,449,674,221
Industrial	1,854,390,409	1,919,557,441	1,957,339,447	2,032,880,568
Tract	2,103,491,893	2,161,911,275	2,308,999,165	2,425,269,060
Farm and Range	394,294,409	414,253,706	440,370,096	468,602,706
Forest	533,563,049	568,973,019	542,464,517	563,131,668
Multiple Housing	732,656,705	758,745,092	778,798,291	820,527,442
Recreation	370,344,717	378,899,180	405,885,969	424,572,910
Small Tract Forestland	28,807,941	-	81,123,446	85,315,051
Miscellaneous	32,525,469	5,217,328	3,054,968	2,717,555
Personal	618,865,151	623,347,004	629,866,384	699,049,095
Manufactured Structures	376,116,986	317,905,282	326,733,010	343,158,137
Utilities	586,197,304	555,389,096	604,715,749	522,590,588
	18,690,109,706	19,412,691,688	20,371,199,891	21,340,177,479
Other				
Plus Nonprofit Housing	7,316,912	7,536,419	7,762,512	7,995,387
Less Urban Renewal Excess	(220,766,804)	(228,971,647)	(219,576,480)	(209,003,975)
Total Taxable Assessed Value ^{a, b}	<u>\$ 18,476,659,814</u>	<u>\$ 19,191,256,460</u>	<u>\$ 20,159,385,923</u>	<u>\$ 21,139,168,891</u>
Total Direct Tax Rate ^c	1.4378	1.4264	1.4069	1.4070
Estimated Actual Value of Property	<u>\$ 23,022,376,114</u>	<u>\$ 24,256,098,187</u>	<u>\$ 26,749,361,683</u>	<u>\$ 30,422,495,849</u>
Actual Value of Property per Capita	70,158	73,637	80,244	90,520
Total Assessed Value to Estimated Actual Value of Taxable Property	80.26%	79.12%	75.36%	69.49%

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.

Source

Lane County Department of Assessment and Taxation

Exhibit 5

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 11,090,299,584	\$ 11,669,538,072	\$ 12,238,252,806	\$ 12,738,935,537	\$ 13,182,948,833	\$ 13,632,435,080
2,566,299,522	2,648,462,926	2,741,402,996	2,952,788,580	3,122,253,063	3,196,797,665
2,149,473,463	2,293,935,760	2,144,226,025	2,193,056,565	1,891,268,723	1,869,301,503
2,546,657,884	2,700,717,402	2,872,632,830	3,320,335,139	3,564,939,764	3,677,573,128
489,415,814	515,361,179	548,688,937	554,752,761	546,310,962	540,685,754
595,563,995	622,589,415	642,533,655	659,628,419	672,286,396	686,965,719
850,025,101	1,025,875,403	1,131,366,250	1,139,612,646	1,184,602,539	1,231,657,010
443,672,771	466,972,883	486,392,156	194,649,646	75,114,951	77,096,961
90,899,787	93,510,612	96,112,182	99,675,432	100,182,200	100,853,981
3,178,931	2,181,525	1,994,500	1,841,079	1,665,266	1,586,352
682,280,293	737,126,581	764,432,164	742,435,555	699,549,325	672,963,916
353,034,694	348,267,868	349,767,857	327,511,572	274,857,036	273,342,593
513,314,800	549,141,809	545,274,620	694,125,923	698,150,851	718,537,083
22,374,116,639	23,673,681,435	24,563,076,978	25,619,348,854	26,014,129,909	26,679,796,745
8,235,249	8,289,461	8,538,145	8,794,289	9,058,117	9,329,861
(216,778,574)	(245,618,775)	(273,863,735)	(288,676,272)	(290,901,476)	(302,973,107)
\$ 22,165,573,314	\$ 23,436,352,121	\$ 24,297,751,388	\$ 25,339,466,871	\$ 25,732,286,550	\$ 26,386,153,499
1.4086	1.4020	1.4007	1.3971	1.3921	1.3942
\$ 36,563,388,894	\$ 41,729,282,436	\$ 43,631,332,946	\$ 41,711,522,728	\$ 38,108,802,366	\$ 37,261,878,627
107,622	121,610	126,146	119,968	109,335	105,511
60.62%	56.16%	55.69%	60.75%	67.52%	70.81%

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			
	2003	2004	2005	2006
<u>County Direct Rate</u>				
Lane County ^c	1.2712	1.2710	1.2763	1.2773
General Obligation Debt Service	0.1666	0.1554	0.1306	0.1297
Total Direct Rate	1.4378	1.4264	1.4069	1.4070
<u>Lane Community College</u>	0.8848	0.8790	0.8850	0.8814
<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	5.4155	5.2941	5.2232	5.0811
Bethel	7.2583	7.0612	7.0725	6.8802
Blachly	5.1023	5.1023	5.1023	5.1023
Creswell	8.2003	8.6097	8.2889	7.1900
Crow-Applegate	7.8422	6.4255	6.4255	6.4255
Eugene	7.5571	7.2850	7.2819	7.6460
Fern Ridge	5.9498	7.5838	7.3979	7.2300
Harrisburg	6.9592	6.9097	6.8023	6.2940
Harrisburg/Wyatt ^d	0.7066	-	-	-
Junction City	6.0418	6.1773	4.5604	4.5604
Lincoln County	5.9321	5.8102	5.7579	5.7893
Lowell	5.6540	5.6716	5.6514	5.0409
Mapleton	4.8917	4.8917	4.8917	4.8917
Marcola	4.6887	4.6687	4.6687	4.6687
McKenzie	7.0227	6.5633	6.7114	6.7077
Monroe	5.7285	5.5369	4.7740	4.6341
Oakridge	6.2731	6.2736	6.3333	6.0645
Pleasant Hill	6.7918	6.8636	7.2862	7.4557
Siuslaw	5.4296	5.3695	5.3728	5.2274
South Lane	6.2689	6.6472	6.5484	6.4694
Springfield	5.5210	5.5664	5.6143	5.4978
<u>Cities</u>				
Coburg	3.7506	3.7506	3.7506	3.7506
Cottage Grove	6.5907	6.1687	6.4687	7.2087
Creswell	2.6705	2.6705	2.6705	2.6705
Eugene	8.4130	9.0446	9.0866	9.0222
Florence	3.5261	3.4718	3.4453	3.4019
Junction City	6.0445	6.0445	6.0445	6.0445
Lowell	2.3348	2.3204	2.2569	2.2434
Oakridge	8.6504	7.7722	7.8283	7.9370
Springfield	5.1514	6.1743	6.1473	6.1078
Veneta	8.3047	6.2568	6.1732	6.1149
Westfir	9.3035	9.3036	9.3036	9.3036
<u>Water Districts</u>				
Blue River	0.9488	0.9488	0.9488	0.9488
Glenwood	1.8983	3.1855	4.1425	4.1425
Heceta	0.2202	0.3453	0.3200	0.2896
Junction City	0.3239	0.3378	0.3200	0.2893
Marcola	0.4037	0.4037	0.4037	0.4037
McKenzie-Palisades	0.6969	0.6817	0.6695	0.6635
Rainbow Water & Fire	3.0955	3.2471	3.2122	3.1816
River Road	1.9694	1.9694	1.9694	1.9694
River Road Subdistrict #1	0.2796	0.2796	0.2796	0.2796
Shangri La ^f	-	-	-	-

Exhibit 6

Fiscal Year Taxes and Payable ^b					
2007	2008	2009	2010	2011	2012
1.2793	1.2793	1.2793	1.2793	1.2793	1.2793
0.1305	0.1227	0.1214	0.1178	0.1128	0.1149
1.4098	1.4020	1.4007	1.3971	1.3921	1.3942
0.8496	0.8306	0.8705	0.8534	0.8589	0.8782
0.2232	0.2232	0.2232	0.2232	0.2232	0.2232
0.3049	0.3049	0.3049	0.3049	0.3049	0.3049
5.0811	5.0811	5.0811	5.0811	5.0811	5.0811
6.8494	6.8041	7.1555	6.8780	6.1279	6.1057
5.1023	5.1023	5.1023	5.1023	5.1023	5.1023
7.1185	8.5743	8.7008	8.3737	8.2917	8.3599
6.4255	6.4255	6.4255	6.4255	6.4255	6.4255
7.8435	7.5889	7.6242	7.6414	7.5509	7.5351
7.0595	6.6965	6.8578	6.8415	6.9201	6.9724
6.2797	6.2815	6.3056	6.1016	6.1666	6.0778
-	-	-	-	-	-
4.5604	4.5604	4.5604	4.5604	4.5604	4.5604
5.6715	5.6203	5.6348	5.6986	5.6593	5.6566
5.0409	5.0409	5.0409	5.0409	5.0409	5.0409
4.8917	4.8917	4.8917	4.8917	4.8917	4.8917
4.6687	4.6687	4.6687	4.6687	4.6687	4.6687
6.6651	6.7239	6.6563	6.6893	6.6121	6.6207
4.6341	4.6341	4.6341	4.6341	4.6341	4.6341
6.3211	6.4086	6.7461	6.5203	5.4935	5.6758
7.4033	7.0455	6.8934	7.2296	6.7206	6.3620
5.1293	5.0516	5.0849	5.7716	5.7613	5.5488
6.4217	6.4317	6.3478	6.4016	6.4495	6.3893
5.5181	5.5456	5.6192	5.6126	5.6212	5.6529
3.7506	3.7506	3.7506	3.7506	3.7506	3.7506
7.2087	7.2087	7.2087	7.2087	7.2087	7.2087
2.6705	2.6705	2.6705	2.6705	2.6705	2.6705
8.9011	8.0085	7.8380	8.4257	8.4380	8.1528
3.3723	3.3540	3.3004	3.2765	3.2291	2.8665
6.0445	6.0445	6.0445	6.0445	6.0445	6.0445
2.2858	2.1613	2.1613	2.1613	2.1613	2.1613
7.8872	7.8231	7.7599	7.7166	7.7100	7.7251
6.1403	6.1614	7.2308	7.1768	7.0948	7.0275
6.0530	6.0053	5.9763	5.9524	6.2412	6.3307
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	4.1425	4.1425	4.1425
0.2656	0.2708	0.2573	0.2525	0.2438	0.2432
0.3111	0.3115	0.2965	0.2859	0.2886	0.2806
0.4037	0.4037	0.4037	0.4037	0.4037	0.4037
0.6482	0.3620	0.3620	0.3620	0.3620	0.3620
3.1485	3.7303	3.6749	3.6241	3.5816	3.7598
1.9694	1.9694	1.9694	1.9694	1.9694	1.9694
0.2796	0.2796	0.2796	0.2796	0.2796	0.2796
-	-	-	-	3.5000	2.0000

Continued

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			
	2003	2004	2005	2006
<u>Rural Fire Protection Districts</u>				
Bailey-Spencer	2.3930	2.3930	2.3930	2.3930
Coburg	1.3277	1.7791	1.7750	1.7259
Creswell ^e	1.0180	-	-	-
Dexter	1.4151	1.6151	1.6151	1.6151
Eugene	2.5417	2.5417	1.7199	2.5417
Goshen	1.7196	1.7196	1.7196	1.7196
Hazeldell	-	2.7115	2.7115	2.7115
Junction City	0.9844	0.9844	0.9844	1.6694
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	2.8587	2.9589	2.9159
Lowell	3.5903	3.6349	3.4430	3.3938
Mapleton	1.3869	1.3869	1.3869	1.3869
McKenzie	2.3106	2.3106	2.3106	2.3106
Mohawk Valley	2.6784	2.5642	2.5126	2.5451
Monroe	2.2554	2.1732	1.7298	1.6854
Pleasant Hill	1.1031	1.1031	1.1031	1.1031
Santa Clara	1.0439	1.0439	1.0439	1.0439
Siuslaw	1.5417	1.5417	1.5417	1.5417
South Lane ^e	-	1.0335	1.0335	1.0335
Southern Lane ^e	1.0476	-	-	-
Swishome-Deadwood	2.1452	2.1452	2.1452	2.1452
Upper McKenzie	1.1951	1.1951	1.1951	1.1951
Willakenzie	1.8796	3.0669	3.0669	3.0669
Zumwalt	2.3419	2.3419	2.3419	2.3419
<u>Miscellaneous Districts</u>				
Fern Ridge Library	0.4212	0.3824	0.3824	0.6324
Lane Library	-	-	-	0.5900
Port of Siuslaw	0.1474	0.1474	0.1474	0.1474
River Road Park & Recreation	3.5176	3.4794	3.5123	3.5010
Siuslaw Library	0.6228	0.6175	0.6118	0.6060
Western Lane Ambulance	0.3198	0.3198	0.3198	0.4198
Willamalane Park & Recreation	2.4203	2.3491	2.3344	2.3255

Notes

- 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.
- Rates may vary based on map code combination of taxing districts and application of Oregon Ballot Measure 5 limits.
- Lane County rate is shown net of timber offset
- Represents Wyatt school district bonds
- For 2004 Creswell Fire District merged with Southern Lane County FPD to form South Lane County Fire & Rescue.
- New Shangri La Water District. Measure 20-155 passed in November 2009.

Source

Lane County Department of Assessment and Taxation

Exhibit 6, continued

Fiscal Year Taxes and Payable ^b					
2007	2008	2009	2010	2011	2012
2.3930	2.3930	2.3930	2.3930	2.3930	2.3930
1.6498	1.6353	1.6028	1.6090	1.5885	1.5826
-	-	-	-	-	-
1.6151	2.4151	2.4151	2.4151	2.4151	2.4151
2.5417	2.5417	2.5417	2.5417	2.5417	1.8500
1.7196	1.7196	1.7196	1.7196	1.7196	1.7196
2.7115	2.7115	2.7115	2.7115	2.7115	2.7115
1.6118	1.6575	1.4661	1.4717	1.4357	1.4386
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
2.8211	2.7770	2.7458	2.9186	2.8854	2.8618
3.3046	3.2265	3.1681	3.1059	2.9855	2.6970
1.3869	2.0869	2.0869	2.0869	2.0869	2.0869
2.3106	2.3106	2.3106	2.3106	2.0606	2.0606
2.4784	2.4095	2.4133	1.9126	1.9126	1.9126
1.6854	1.6854	1.6854	1.6854	1.6854	1.6854
1.1031	1.1031	1.1031	1.1031	1.1031	1.1031
1.0439	1.0439	1.0439	1.6439	1.6439	1.6439
1.5417	1.5417	1.5417	1.5417	1.5417	0.8717
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	1.1951	1.1951	1.1951	1.1951
3.0669	3.0669	3.0669	3.0669	3.0669	3.0669
2.3419	2.3419	2.3419	2.3419	2.3419	2.3419
0.6324	0.6324	0.6324	0.6324	0.6324	0.6324
0.5900	0.5900	0.5900	0.5900	0.5900	0.5900
0.1474	0.1474	0.1474	0.1474	0.1474	0.1474
3.4814	3.4789	3.4631	3.9026	3.8946	3.8791
0.5993	0.5928	0.5885	0.5163	0.5163	0.5163
0.4198	0.4198	0.5698	0.5698	0.5698	0.5698
2.1836	2.1457	2.1487	2.0074	2.0074	2.0074

Principal Property Tax Payers

Current Year and Nine Years Ago

Taxpayer	2012		
	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value
Peacehealth	\$ 531,238,672	1	2.01%
IP Eat Three LLC (International Paper)	221,301,298	2	0.84%
Comcast Corporation	139,792,400	3	0.53%
Weyerhaeuser Co.	122,212,346	4	0.46%
Qwest Corp. (formerly U.S. West Communications)	115,530,400	5	0.44%
Valley River Center LLC	104,445,512	6	0.40%
Northwest Natural Gas Co.	87,866,000	7	0.33%
Symantec Corporation	77,845,836	8	0.30%
Verizon Communications	72,679,100	9	0.28%
Gateway Mall Partners	61,378,057	10	0.23%
Hynix Semiconductor Mfg America Inc.			
Emerald PUD			
SHLP Financing LLC			
	<u>\$ 1,534,289,621</u>		<u>5.82%</u>

Source*Lane County Department of Assessment and Taxation*

Exhibit 7

2003			
Taxable Assessed		Rank	Percent of Total
Value			Taxable Assessed
			Value
\$	32,176,173	8	0.17%
	402,454,772	2	2.18%
	203,819,287	3	1.10%
	74,780,663	4	0.40%
	59,650,600	5	0.32%
	31,726,527	9	0.17%
	42,424,088	7	0.23%
	471,489,547	1	2.55%
	46,051,984	6	0.25%
	27,647,044	10	0.15%
<u>\$ 1,392,220,685</u>			<u>7.52%</u>

Lane County, Oregon

Property Tax Levies and Collections

Last Ten Fiscal Years - Unaudited

Fiscal Year Ended June 30,	Tax Levied for the Fiscal Year (Original Levy) ^b	Adjustments ^c	Total Adjusted Levy	Collections within the Fiscal Year of the Levy ^d	
				Amount	Percentage of Original Levy
2003 ^a	26,881,843	(958,126)	25,923,717	25,057,005	93.21%
2004 ^a	27,680,401	(881,560)	26,798,841	26,090,543	94.26%
2005 ^a	28,662,936	(985,206)	27,677,730	26,985,683	94.15%

Total outstanding delinquent taxes prior to 2005

2006	30,053,013	(1,027,396)	29,025,617	28,441,934	94.64%
2007	31,543,590	(1,016,379)	30,527,211	29,895,155	94.77%
2008	33,199,799	(1,213,302)	31,986,497	31,134,259	93.78%
2009	34,389,468	(1,063,094)	33,326,374	32,317,778	93.98%
2010	36,291,264	(1,153,668)	35,137,596	33,996,773	93.68%
2011	36,237,023	(1,039,141)	35,197,882	34,193,768	94.36%
2012	37,170,413	(1,033,159)	36,137,254	34,921,112	93.95%

- Notes**
- a. The Lane County Department of Assessment and Taxation does not report property tax adjustments and collections by year for levies more than seven years old. As a result, complete statistical information for 2003, 2004, and 2005 have not been updated for years eight, nine, and ten subsequent to the levy.*
 - b. The information in this schedule relates to the County's own property tax levies, and does not include those it collects on behalf of other governments.*
 - c. Adjustments include discounts allowed and corrections.*
 - d. Collections do not include interest on delinquent taxes.*

Source

Lane County Department of Assessment and Taxation

Exhibit 8

Total Collections to Date ^d			
Collections in Subsequent Years	Total Tax Collections	Percentage of Adjusted Levy	Outstanding Delinquent Taxes
842,362	25,899,367	99.91%	
688,197	26,778,740	99.92%	
671,825	27,657,508	99.93%	
			\$ 246,331
563,640	29,005,574	99.93%	20,043
608,294	30,503,449	99.92%	23,762
813,946	31,948,205	99.88%	38,292
887,382	33,205,160	99.64%	121,214
670,518	34,667,291	98.66%	470,305
315,779	34,509,547	98.04%	688,335
-	34,921,112	96.63%	1,216,142
			<u>\$ 2,824,424</u>

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years - Unaudited

	Fiscal Year			
	2003 ^c	2004 ^c	2005 ^c	2006 ^c
Governmental Activities ^{a,b}				
Notes Payable	\$ -	\$ -	\$ -	\$ -
General Obligation Bonds	27,233,559	25,160,000	23,300,000	21,360,000
Certificates of Participation	1,820,000	-	-	-
Limited Tax Bonds	88,768,418	93,003,565	92,827,491	92,474,776
Total Governmental Activities Debt	<u>117,821,977</u>	<u>118,163,565</u>	<u>116,127,491</u>	<u>113,834,776</u>
Business-Type Activities ^{a,b,c}				
Lines of Credit	68,900	1,575	-	-
Notes Payable	548,775	483,136	415,406	338,258
Total Business Type Activities Debt	<u>617,675</u>	<u>484,711</u>	<u>415,406</u>	<u>338,258</u>
Total Primary Government Debt ^d	<u>\$ 118,439,652</u>	<u>\$ 118,648,276</u>	<u>\$ 116,542,897</u>	<u>\$ 114,173,034</u>

Ratios of Outstanding Debt

Total Primary Government Debt as a % of Personal Income ^e	1.36%	1.29%	1.17%	1.09%
Total Primary Government Debt Per Capita ^e	361	360	350	340

Notes

- Details regarding the County's outstanding debt can be found in the notes to the financial statements.
- All debt is shown net of unamortized premiums and discounts.
- In accordance with GASB No. 61, the Housing and Community Services Agency (HACSA) has been reclassified as a discretely presented component unit. In order to enhance comparability, HACSA has been removed from this exhibit for fiscal years 2011 and prior.
- Total Primary Government Debt is the sum of Governmental Activities Debt and Business-Type Activities Debt.
- Percentage of Personal Income and Total Debt Per Capita were calculated using personal income and population data located in the Exhibit 13 - Demographic and Economic Statistics.

Source

Lane County Management Services

Exhibit 9

Fiscal Year					
2007 ^c	2008 ^c	2009 ^c	2010 ^c	2011 ^c	2012
\$ 6,307,821	\$ 6,225,600	\$ 6,134,713	\$ -	\$ -	\$ -
19,360,000	17,290,000	15,155,000	12,940,000	10,610,000	8,170,000
-	-	-	-	-	-
91,702,530	84,205,039	83,368,661	106,229,085	114,787,424	111,865,300
117,370,351	107,720,639	104,658,374	119,169,085	125,397,424	120,035,300
-	-	-	-	-	-
271,820	204,892	114,732	42,304	3,475	-
271,820	204,892	114,732	42,304	3,475	-
\$ 117,642,171	\$ 107,925,531	\$ 104,773,106	\$ 119,211,389	\$ 125,400,899	\$ 120,035,300
1.04%	0.92%	0.89%	1.02%	1.08%	1.02%
346	315	303	343	360	340

Ratios of General Bonded/Gross Direct, Net Direct, and Overlapping Debt Outstanding

Last Ten Fiscal Years - Unaudited

General Bonded/Gross Direct Debt

	Fiscal Year			
	2003	2004	2005	2006
General Obligation Bonds	\$ 27,233,559	\$ 25,160,000	\$ 23,300,000	\$ 21,360,000
Limited Tax Bonds	88,768,418	93,003,565	92,827,491	92,474,776
Total General Bonded/Gross Direct ^a Debt	<u>\$ 116,001,977</u>	<u>\$ 118,163,565</u>	<u>\$ 116,127,491</u>	<u>\$ 113,834,776</u>

Net Direct and Overlapping Debt

Net Direct Debt ^b	\$ 108,386,977	\$ 110,548,565	\$ 108,512,491	\$ 106,219,776
Net Overlapping Debt ^c	458,600,586	445,606,180	354,180,127	382,027,782
Net Direct and Overlapping Debt ^a	<u>\$ 566,987,563</u>	<u>\$ 556,154,745</u>	<u>\$ 462,692,618</u>	<u>\$ 488,247,558</u>

Ratios of Outstanding Debt*Debt as a % of Assessed Value of Taxable Property^e:*

General Bonded/Gross Direct Debt as a % of Assessed Value of Taxable Property	0.63%	0.62%	0.58%	0.54%
-------------------------------------------------------------------------------	-------	-------	-------	-------

Debt as a % of Real Market Value (RMV) of Taxable Property^f:

General Bonded/Gross Direct Debt as a % of RMV	0.50%	0.49%	0.43%	0.37%
Net Direct Debt as a % of RMV	0.47%	0.46%	0.41%	0.35%
Net Overlapping Debt as a % of RMV	1.99%	1.84%	1.32%	1.26%
Net Direct and Net Overlapping Debt as a % of RMV	2.46%	2.29%	1.73%	1.60%

Debt per Capita^g:

General Bonded/Gross Direct Debt per Capita	\$ 354	\$ 359	\$ 348	\$ 339
Net Direct Debt per Capita	330	336	326	316
Net Overlapping Debt per Capita	1,398	1,353	1,062	1,137
Net Direct and Net Overlapping Debt per Capita	1,728	1,688	1,388	1,453

Notes

- a. General Bonded/Gross Direct Debt includes all voter approved General Obligation bonds, Limited Tax bonds, and any other obligations, Certificates of Participation, or leases backed by the full faith and credit of the County. Details regarding the County's outstanding debt can be found in the notes to the financial statements.
- b. Net Direct Debt is Gross Direct Debt less Series 1996, 1998, 2002A, and 2011R (all Lane events center) bonds, self supporting obligations whose debt is paid by Transient Room Tax revenue and other non-property tax source revenue.
- c. Net Overlapping Debt is obtained from the Municipal Debt Advisory Commission, Oregon State Treasury.
- d. Net Direct and Overlapping Debt is Net Direct Debt plus Net Overlapping Debt.
- e. Debt as a % of Assessed Value of Taxable Property was calculated using property values located in Exhibit 5 - Assessed Value and Estimated Actual Value of Taxable Property.
- f. Debt as a % of Real Market Value of Taxable Property was calculated using property values located in Exhibit 5 - Assessed Value and Estimated Actual Value of Taxable Property.
- g. Debt per Capita was calculated using population numbers from Exhibit 13 - Demographic and Economic Statistics.

Source

Lane County Management Services

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 19,360,000	\$ 17,290,000	\$ 15,155,000	\$ 12,940,000	\$ 10,610,000	\$ 8,170,000
91,702,530	84,205,039	83,368,661	106,229,085	114,787,424	111,865,300
<u>\$ 111,062,530</u>	<u>\$ 101,495,039</u>	<u>\$ 98,523,661</u>	<u>\$ 119,169,085</u>	<u>\$ 125,397,424</u>	<u>\$ 120,035,300</u>
\$ 103,692,530	\$ 94,395,039	\$ 91,718,661	\$ 112,684,085	\$ 119,282,424	\$ 114,385,300
443,169,537	421,489,922	451,455,374	407,702,255	524,596,748	522,860,586
<u>\$ 546,862,067</u>	<u>\$ 515,884,961</u>	<u>\$ 543,174,035</u>	<u>\$ 520,386,340</u>	<u>\$ 643,879,172</u>	<u>\$ 637,245,886</u>
0.50%	0.43%	0.41%	0.47%	0.49%	0.45%
0.30%	0.24%	0.23%	0.29%	0.33%	0.32%
0.28%	0.23%	0.21%	0.27%	0.31%	0.31%
1.21%	1.01%	1.03%	0.98%	1.38%	1.40%
1.50%	1.24%	1.24%	1.25%	1.69%	1.71%
\$ 327	\$ 296	\$ 285	\$ 343	\$ 360	\$ 340
305	275	265	324	342	324
1,304	1,228	1,305	1,173	1,505	1,481
1,610	1,503	1,570	1,497	1,847	1,804

Legal Debt Margin - General Obligation Bonded Indebtedness

Last Ten Fiscal Years - Unaudited

	Fiscal Year			
	2003	2004	2005	2006
Real market value of property	\$ 23,022,376,114	\$ 24,256,098,187	\$ 26,749,361,683	\$ 30,422,495,849
Debt limit (2% of real market value) ^a	\$ 460,447,522	\$ 485,121,964	\$ 534,987,234	\$ 608,449,917
Debt applicable to limit:				
GO Juvenile Justice Center Bonds, Series 1995	27,415,000	-	-	-
GO Refunding Bonds, Series 2003A	-	25,160,000	23,300,000	21,360,000
Total debt applicable to limit	27,415,000	25,160,000	23,300,000	21,360,000
Legal debt margin ^b	\$ 433,032,522	\$ 459,961,964	\$ 511,687,234	\$ 587,089,917
Total debt applicable to the limit as a percentage of debt limit	5.95%	5.19%	4.36%	3.51%

Notes

- a. Oregon Revised Statutes 287A.100 provides a debt limit on general obligation bonds of 2% of the real market value of all taxable property within the County's boundaries.
- b. The legal debt margin is the difference between the debt limit and the County's outstanding general obligation debt, and represents the County's legal general obligation borrowing authority.

Source

Lane County Management Services

Exhibit 11

Fiscal Year					
2007	2008	2009	2010	2011	2012
<u>\$ 36,563,388,894</u>	<u>\$ 41,729,282,436</u>	<u>\$ 43,631,332,946</u>	<u>\$ 41,711,522,728</u>	<u>\$ 38,108,802,366</u>	<u>\$ 37,261,878,627</u>
<u>\$ 731,267,778</u>	<u>\$ 834,585,649</u>	<u>\$ 872,626,659</u>	<u>\$ 834,230,455</u>	<u>\$ 762,176,047</u>	<u>\$ 745,237,573</u>
-	-	-	-	-	-
<u>19,360,000</u>	<u>17,290,000</u>	<u>15,155,000</u>	<u>12,940,000</u>	<u>10,610,000</u>	<u>8,170,000</u>
<u>19,360,000</u>	<u>17,290,000</u>	<u>15,155,000</u>	<u>12,940,000</u>	<u>10,610,000</u>	<u>8,170,000</u>
<u>\$ 711,907,778</u>	<u>\$ 817,295,649</u>	<u>\$ 857,471,659</u>	<u>\$ 821,290,455</u>	<u>\$ 751,566,047</u>	<u>\$ 737,067,573</u>
2.65%	2.07%	1.74%	1.55%	1.39%	1.10%

Legal Debt Margin - Limited Tax Bonded Indebtedness

Last Ten Fiscal Years - Unaudited

Limited Tax Bonds ^a (excluding Pension Bonds)

	Fiscal Year			
	2003	2004	2005	2006
Real market value of property	\$ 23,022,376,114	\$ 24,256,098,187	\$ 26,749,361,683	\$ 30,422,495,849
Debt limit (1% of real market value) ^c	\$ 230,223,761	\$ 242,560,982	\$ 267,493,617	\$ 304,224,958
Debt applicable to limit:				
Special Obligations, Series 1993A	1,820,000	-	-	-
Limited Tax Revenue Bonds, Series 1995A	1,275,000	-	-	-
Limited Tax Revenue Bond, Series 1997	-	-	-	-
Municipal Loan Agreement, 1998	-	-	-	-
Limited Tax Full Faith and Credit Bonds, Series 2000	7,060,000	6,665,000	6,255,000	5,825,000
Limited Tax Full Faith and Credit Bonds, Series 2002A	7,615,000	7,615,000	7,615,000	7,615,000
Limited Tax Full Faith and Credit Bonds, Series 2002B	615,000	485,000	360,000	235,000
Limited Tax Full Faith and Credit Bonds, Series 2003B	-	5,195,000	4,710,000	4,210,000
Limited Tax Full Faith and Credit Bonds, Series 2009A	-	-	-	-
Limited Tax Full Faith and Credit Bonds, Series 2011	-	-	-	-
Limited Tax Full Faith and Credit Bonds, Series 2011R	-	-	-	-
	18,385,000	19,960,000	18,940,000	17,885,000
Less funds to be applied to the payment of principal thereof per ORS 287.053(1):				
Lane Events Center Debt Service Fund	(94,960)	(98,891)	(102,255)	(107,669)
Special Obligation Bond Retirement Fund	(729,951)	-	-	-
Total net debt applicable to limit	17,560,089	19,861,109	18,837,745	17,777,331
Legal debt margin ^d	\$ 212,663,672	\$ 222,699,873	\$ 248,655,872	\$ 286,447,627
Total debt applicable to the limit as a percentage of debt limit	7.63%	8.19%	7.04%	5.84%

Limited Tax Pension Bonds ^b

Debt limit (5% of real market value) ^c	\$ 1,151,118,806	\$ 1,212,804,909	\$ 1,337,468,084	\$ 1,521,124,792
Debt applicable to limit:				
Limited Tax Pension Bonds, Series 2002	72,442,684	73,365,834	74,172,925	74,843,064
Legal debt margin ^d	\$ 1,078,676,122	\$ 1,139,439,075	\$ 1,263,295,159	\$ 1,446,281,728
Total debt applicable to the limit as a percentage of debt limit	6.29%	6.05%	5.55%	4.92%

Notes

a. Limited Tax Bonds are governed by ORS 287A.105

b. Limited Tax Pension Bonds are governed by ORS 238.694

c. Calculated using the real market value of all taxable property within the County's boundaries.

d. The legal debt margin is the difference between the debt limit and the County's net outstanding limited tax or limited tax pension debt, and represents the County's legal limited tax borrowing authority.

Source

Lane County Management Services

Exhibit 12

Fiscal Year						
2007	2008	2009	2010	2011	2012	
<u>\$ 36,563,388,894</u>	<u>\$ 41,729,282,436</u>	<u>\$ 43,631,332,946</u>	<u>\$ 41,711,522,728</u>	<u>\$ 38,108,802,366</u>	<u>\$ 37,261,878,627</u>	
<u>\$ 365,633,889</u>	<u>\$ 417,292,824</u>	<u>\$ 436,313,329</u>	<u>\$ 417,115,227</u>	<u>\$ 381,088,024</u>	<u>\$ 372,618,786</u>	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
5,370,000	4,895,000	4,395,000	280,000	-	-	
7,370,000	7,100,000	6,805,000	6,485,000	1,170,000	795,000	
115,000	-	-	-	-	-	
3,710,000	3,200,000	2,980,000	2,750,000	2,510,000	2,260,000	
-	-	-	27,930,000	27,105,000	25,970,000	
-	-	-	-	10,345,000	9,965,000	
-	-	-	-	4,945,000	4,855,000	
16,565,000	15,195,000	14,180,000	37,445,000	46,075,000	43,845,000	
(109,770)	(103,698)	(103,370)	(101,025)	(108,920)	(112,102)	
-	-	-	-	-	-	
16,455,230	15,091,302	14,076,630	37,343,975	45,966,080	43,732,898	
<u>\$ 349,178,659</u>	<u>\$ 402,201,522</u>	<u>\$ 422,236,699</u>	<u>\$ 379,771,252</u>	<u>\$ 335,121,944</u>	<u>\$ 328,885,888</u>	
4.50%	3.62%	3.23%	8.95%	12.06%	11.74%	
\$ 1,828,169,445	\$ 2,086,464,122	\$ 2,181,566,647	\$ 2,085,576,136	\$ 1,905,440,118	\$ 1,863,093,931	
<u>75,363,604</u>	<u>69,214,133</u>	<u>69,371,912</u>	<u>67,748,305</u>	<u>67,451,388</u>	<u>66,883,051</u>	
<u>\$ 1,752,805,841</u>	<u>\$ 2,017,249,989</u>	<u>\$ 2,112,194,735</u>	<u>\$ 2,017,827,831</u>	<u>\$ 1,837,988,730</u>	<u>\$ 1,796,210,880</u>	
4.12%	3.32%	3.18%	3.25%	3.54%	3.59%	

Demographic and Economic Statistics

Last 10 Fiscal Years - Unaudited

Exhibit 13

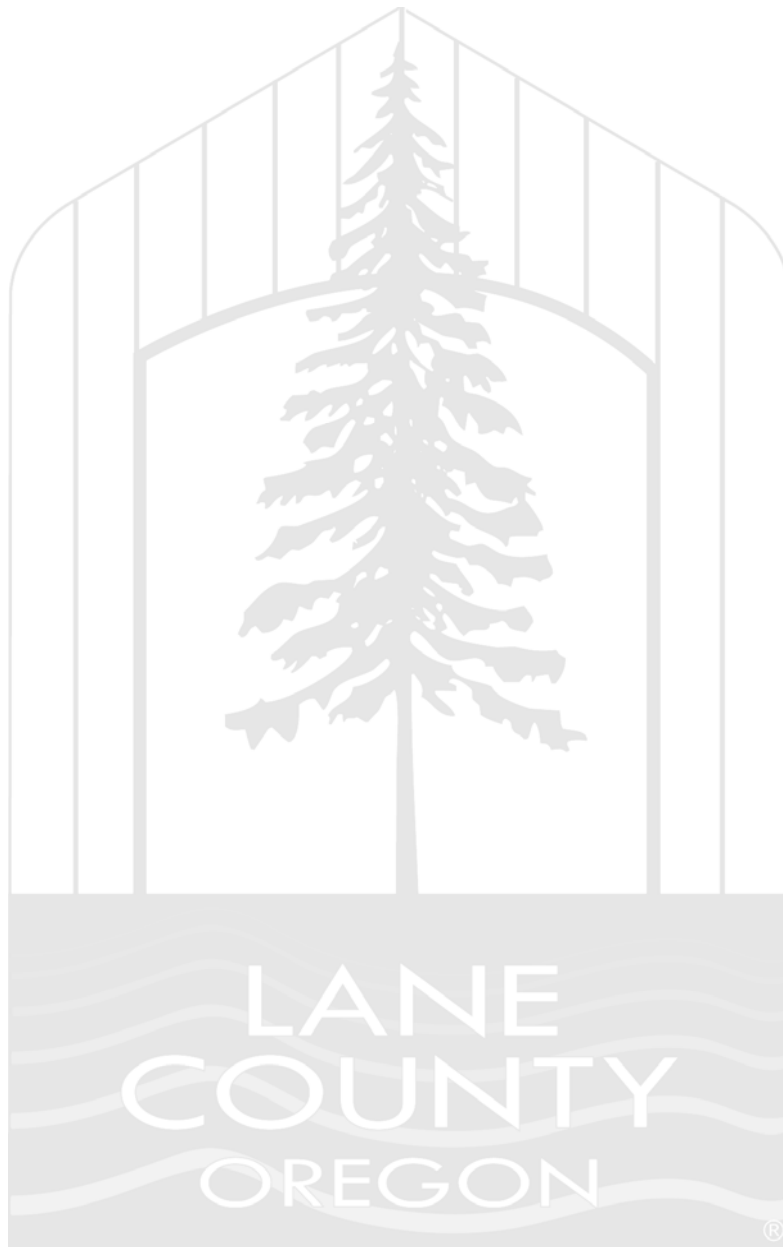
Fiscal Year	Population ^c	Personal Income (in thousands) ^{a, d}	Per Capita Income ^{b, d}	Unemployment Rate ^e
2003	328,150	8,698,081	26,344	7.1%
2004	329,400	9,213,725	27,788	8.0%
2005	333,350	9,981,276	29,841	7.4%
2006	336,085	10,483,145	30,825	6.1%
2007	339,740	11,269,508	32,877	5.5%
2008	343,140	11,679,994	33,522	5.3%
2009	345,880	11,783,941	33,562	6.6%
2010	347,690	11,709,176	33,277	11.9%
2011	348,550	11,598,698	33,277	11.1%
2012	353,155	11,751,939	33,277	9.5%

Notes

- a. The 2011 and 2012 personal income was not available and has been estimated by multiplying population by per capita income.
- b. The 2011 and 2012 per capita income was not available and has been estimated to be the same as 2010.

Source

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



Principal Employers

Current Year and Nine Years Ago

Employer	2012		
	Employees ^a	Rank	Percentage of County Employment
PeaceHealth Corp	4,212	1	2.62%
University of Oregon	4,038	2	2.51%
Eugene School District	2,794	3	1.74%
Lane County	2,000	4	1.24%
State of Oregon	1,781	5	1.11%
US Government	1,667	6	1.04%
City of Eugene	1,310	7	0.82%
Springfield School District	1,300	8	0.81%
Lane Community College	1,118	9	0.70%
Wal-Mart	1,050	10	0.65%
Monaco Coach Corporation			
	<u>21,270</u>		<u>13.24%</u>

Notes

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

Source

Eugene Chamber of Commerce and Oregon Employment Department

Exhibit 14

2003		
<hr/>		
Employees ^a	Rank	Percentage of County Employment
<hr/>		
4,125	1	2.58%
3,760	2	2.35%
1,651	7	1.03%
1,786	6	1.12%
1,200	10	0.75%
2,000	3	1.25%
1,465	9	0.92%
1,500	8	0.94%
2,000	4	1.25%
2,000	5	1.25%
<hr/>		
21,487		13.44%
<hr/>		

Authorized Number of Employees^a by Function/Program

Last Ten Fiscal Years - Unaudited

Function/Program	Fiscal Year				
	2003 ⁱ	2004 ⁱ	2005 ⁱ	2006 ⁱ	2007 ⁱ
General government:					
Assessment and taxation	55.08	54.00	55.00	59.00	61.00
Management services ^{c, g, h}	75.08	74.33	71.00	70.80	55.80
Human resources ^c	-	-	-	-	17.51
Information services ^j	44.00	45.00	45.00	49.00	51.00
County administration	19.75	19.75	18.50	19.50	19.50
Public works	23.00	23.00	23.00	23.00	23.00
County counsel ^{g, h}	10.50	9.50	9.00	9.00	9.50
Public safety:					
Sheriff's Office ^e	386.60	398.40	371.95	373.95	373.75
District attorney	77.50	77.50	70.35	72.00	72.00
Youth services	69.91	73.20	71.95	70.95	66.55
Justice courts	14.00	12.00	15.75	12.58	11.95
Management services ^d	13.00	11.00	14.00	15.00	15.00
Health and human services ^{d, e}	66.00	62.31	64.62	66.32	66.44
Public health and welfare:					
Children and families	10.00	10.00	8.00	6.49	8.01
Health and human services	191.58	185.94	226.41	235.03	244.30
Parks:					
Public works	20.00	20.00	19.00	19.00	17.00
Roads and bridges:					
Public works	237.92	237.00	237.60	233.60	221.25
Sheriff's office	11.90	12.10	13.10	13.10	13.10
Community development:					
County administration	2.00	2.00	1.00	1.00	1.00
Public works	28.60	29.60	35.80	36.80	40.00
Workforce partnership	50.00	42.00	35.00	35.00	35.00
Lane events center	31.00	21.00	21.00	21.00	21.00
Solid waste disposal	76.26	76.28	77.58	77.33	79.06
Corrections commissary	1.00	1.00	1.00	0.80	0.50
Regional information systems ^j	43.50	41.00	36.25	36.25	32.75
	<u>1,558.18</u>	<u>1,537.91</u>	<u>1,541.86</u>	<u>1,556.50</u>	<u>1,555.97</u>
Percent of County employees to County population ^b	0.475%	0.467%	0.463%	0.463%	0.458%

Notes

- a. Number of employees is provided per Full Time Equivalent (FTE) as of the final adopted budget.
- b. Number of employees as a percentage of county population was calculated using population data located in Exhibit 13 - Demographic and Economic Statistics.
- c. Human resources moved from management services to become its own department in 2007.
- d. Animal services moved from management services to health and human services in 2008.
- e. Parole & probation moved from health and human services to the Sheriff's office in 2009.
- f. The decline in authorized number of employees in 2009 and 2012 was the result of budget cuts in anticipation of the loss of Secure Rural Schools funding.
- g. County Clerk moved from management services to county counsel in 2010.
- h. County Clerk moved from county counsel to management services in 2011.
- i. In accordance with GASB No. 61, the Housing and Community Services Agency (HACSA) has been reclassified as a discretely presented component unit. In order to enhance comparability, HACSA has been removed from this exhibit for fiscal years 2011 and prior.
- j. Regional information systems merged with the information services in 2012.

Source

Lane County Budget Division

Exhibit 15

Fiscal Year				
2008 ⁱ	2009 ^{f, i}	2010 ⁱ	2011 ⁱ	2012 ^f
60.00	60.00	60.00	60.00	58.00
55.80	53.80	42.00	58.00	57.00
17.50	17.50	17.50	17.50	18.00
50.00	52.00	53.00	53.00	74.75
20.00	18.50	21.00	21.00	16.50
22.00	22.00	22.00	22.00	22.00
10.00	10.00	23.00	10.00	10.50
362.75	337.60	371.80	370.00	337.50
71.00	70.00	75.00	75.00	76.00
70.55	67.62	70.00	72.50	67.30
11.95	11.95	10.95	9.95	7.42
-	-	-	-	-
81.55	22.32	21.11	22.17	17.82
10.50	9.02	5.90	5.85	5.85
250.53	243.16	285.71	309.62	320.81
14.00	14.00	15.50	15.50	15.50
205.35	203.00	202.00	200.50	200.00
3.00	3.00	3.00	3.00	3.00
1.00	2.00	2.00	3.50	3.00
42.50	22.00	30.00	30.00	30.00
36.50	36.00	36.00	36.00	25.00
21.00	20.00	17.50	17.50	19.50
79.31	79.81	80.31	80.31	80.31
0.50	0.50	0.50	0.50	0.50
37.75	36.75	35.75	34.75	-
1,535.04	1,412.53	1,501.53	1,528.15	1,466.26
0.447%	0.408%	0.432%	0.438%	0.415%

Operating Indicators by Function/Program

Last Ten Fiscal Years - Unaudited

	Fiscal Year			
	2003 ^{b, e}	2004 ^{b, e}	2005 ^{b, e}	2006 ^e
Function/Program				
<u>Public safety</u>				
Sheriff's office:				
Response to calls for service ^d	-	-	-	44,280
Jail Book Ins	17,845	17,672	15,689	15,120
District attorney:				
Criminal cases processed	-	-	-	8,557
Juvenile delinquency cases referred ^a	-	-	-	1,847
Victim services volunteer hours	-	-	-	7,324
Youth services:				
Juvenile referrals	-	-	-	2,823
Justice courts:				
Citations processed	-	-	-	23,988
<u>Public health and welfare</u>				
Children and families:				
First-Birth families screened	-	-	-	351
Health and human services:				
Community Health Centers:				
Medical, dental, and mental health encounters	-	-	-	18,905
LaneCare:				
Clients served ^c	-	-	-	7,462
<u>Roads and bridges</u>				
Miles of road receiving surface maintenance	-	-	-	-
Building permits issued	-	-	2,370	2,056
<u>Lane events center</u>				
County fair attendance	-	170,618	161,452	165,848
<u>Solid waste disposal</u>				
Tons of waste added to landfill	-	250,242	265,698	285,908

Notes

- a. Includes all delinquencies handled by the system. The juvenile intake team handles a large amount of work normally processed by a DA as only one prosecutor is assigned to juvenile.
- b. Complete operating statistics are not available for years prior to 2006.
- c. LaneCare contract is based on a 12 month calendar year.
- d. Represents the number of responses to priority calls 1-6.
- e. In accordance with GASB No. 61, the Housing and Community Services Agency (HACSA) has been reclassified as a discretely presented component unit. In order to enhance comparability, HACSA has been removed from this exhibit for fiscal years 2011 and prior.

Source

Lane County Performance Management Data Base

Exhibit 16

Fiscal Year					
2007 ^e	2008 ^e	2009 ^e	2010 ^e	2011 ^e	2012
48,584	52,034	60,157	49,962	56,654	61,210
13,891	13,205	12,603	11,673	12,045	12,504
8,543	8,821	9,538	6,777	7,989	7,057
2,820	2,949	2,710	2,308	2,400	2,394
9,192	8,937	9,658	9,348	9,031	9,090
2,820	2,592	2,308	2,306	2,429	2,334
21,562	20,320	25,502	15,467	12,844	6,375
634	747	889	1,109	1,102	1,099
22,167	25,159	28,220	33,649	46,191	46,477
7,806	8,550	7,857	12,416	9,670	11,117
107	115	154	126	115	103
1,889	1,860	1,514	1,400	1,494	1,618
169,373	162,542	151,763	150,000	150,309	147,053
291,305	271,108	230,302	223,812	216,232	214,678

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years - Unaudited

	Fiscal Year			
	2003 ^{c, e}	2004 ^{c, e}	2005 ^{c, e}	2006 ^e
Function/Program				
<u>Public safety</u>				
Sheriff's office:				
Corrections:				
Capacity (beds) ^a				
County jail	-	-	-	499
Community corrections center ^b	-	-	-	116
Forest work camp ^d	-	-	-	95
Youth services:				
Youth detention/secure treatment beds	-	-	-	96
Youth treatment beds ^b	-	-	-	42
<u>Parks</u>				
Recreation:				
Acreage	4,255	4,368	4,528	4,528
Recreational sites	59	68	71	71
<u>Roads and bridges</u>				
Miles of Roads	-	-	1,443	1,444
Number of Bridges	-	-	-	414
<u>Solid waste disposal</u>				
Municipal solid waste landfill	-	-	-	1
Public disposal sites	-	-	-	16

Notes

- a. Use of county jail beds is limited by the Federal Consent Decree Limitation to 93% capacity and further limited by the closure of beds due to lack of adequate/safe staffing levels.
- b. Lack of program funding has reduced operational capacity.
- c. Complete capital statistics are not available for years prior to 2006.
- d. The decline in Forest work camp beds in 2009 was the result of budget cuts in anticipation of the loss of Secure Rural Schools funding.
- e. In accordance with GASB No. 61, the Housing and Community Services Agency (HACSA) has been reclassified as a discretely presented component unit. In order to enhance comparability, HACSA has been removed from this exhibit for fiscal years 2011 and prior.

Source

Lane County Performance Management Data Base

Exhibit 17

Fiscal Year					
2007 ^e	2008 ^e	2009 ^e	2010 ^e	2011 ^e	2012
499	504	507	507	507	507
116	116	116	122	122	33
95	100	-	-	-	-
96	96	96	96	96	96
42	42	42	42	42	16
4,528	4,528	4,528	4,528	4,528	4,528
73	73	73	73	73	73
1,440	1,444	1,447	1,446	1,443	1,443
414	414	415	415	418	418
1	1	1	1	1	1
16	16	16	16	16	16



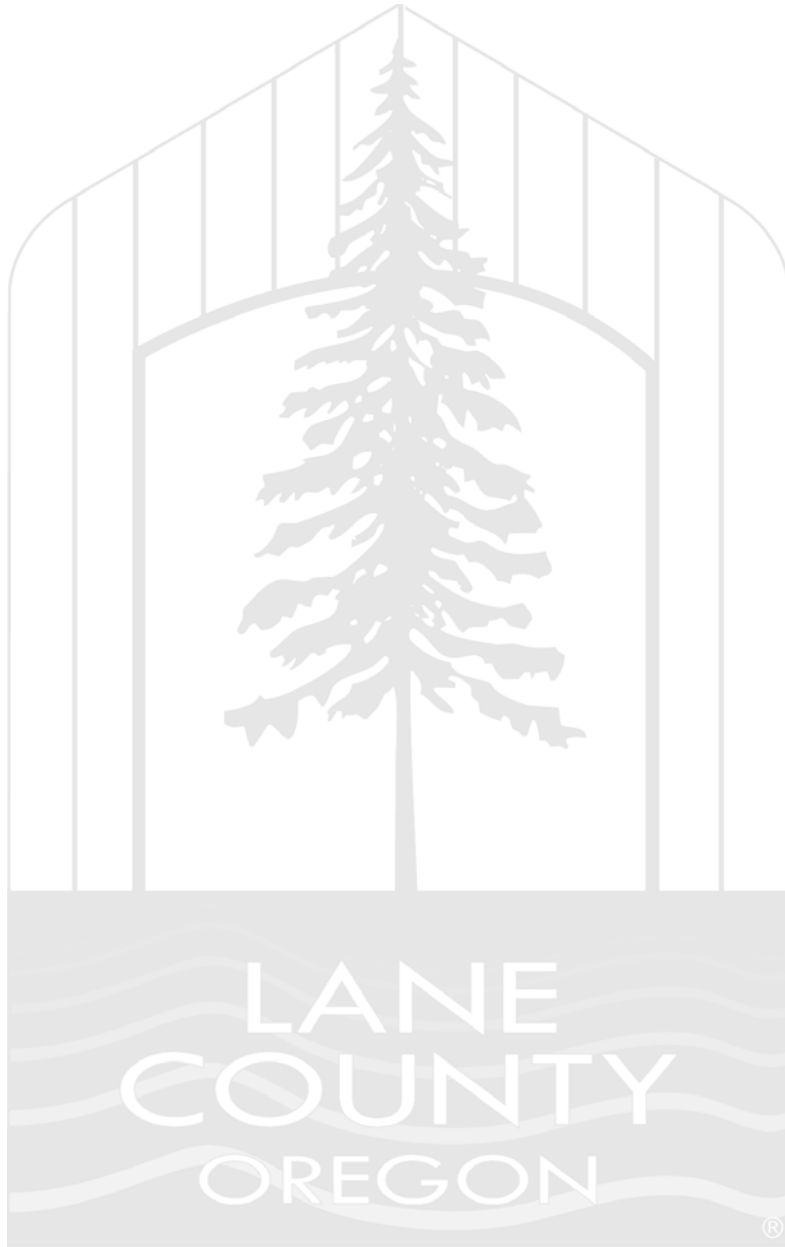
AUDIT COMMENTS AND GOVERNMENT
AUDITING STANDARDS SECTIONS

AUDIT COMMENTS

AUDIT COMMENTS

(Comments and Disclosure Required by State Regulators)

Oregon Administrative Rules 162-010-0000 through 162-010-0330, of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments and disclosures required in audit reports. The required financial statements and schedules are set forth in preceding sections of this report. Required comments and disclosures related to the audit of such statements are set forth following.



**REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE AND
 ON INTERNAL CONTROL OVER FINANCIAL REPORTING
 BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
 ACCORDANCE WITH OREGON MINIMUM AUDIT STANDARDS**

Board of Commissioners
 Lane County, Oregon

We have audited the basic financial statements of Lane County ("the County") as of and for the year ended June 30, 2012 and have issued our report thereon dated December 11, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

Compliance

As part of obtaining reasonable assurance about whether the County's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-330, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

- The use of approved depositories to secure the deposit of public funds.
- The requirements relating to debt.
- The requirements relating to the preparation, adoption and execution of the annual budgets for fiscal years 2012 and 2013.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.
- The requirements pertaining to the use of revenue from taxes on motor vehicle use fuel funds.
- The statutory requirements pertaining to the investment of public funds.
- The requirements pertaining to the awarding of public contracts and the construction of public improvements.

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 test disclosed one instance of noncompliance that is required to be reported under Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State. The County experienced a budgetary over-expenditure in the Special Revenue/Services Fund which is disclosed in the notes to the financial statements.



Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County'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 County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County'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.

We noted certain matters that we reported separately to the County Commissioners in the 'other observations' section of the 'required communications to those charged with governance' under Statement on Auditing Standards No. 114 dated December 11, 2012.

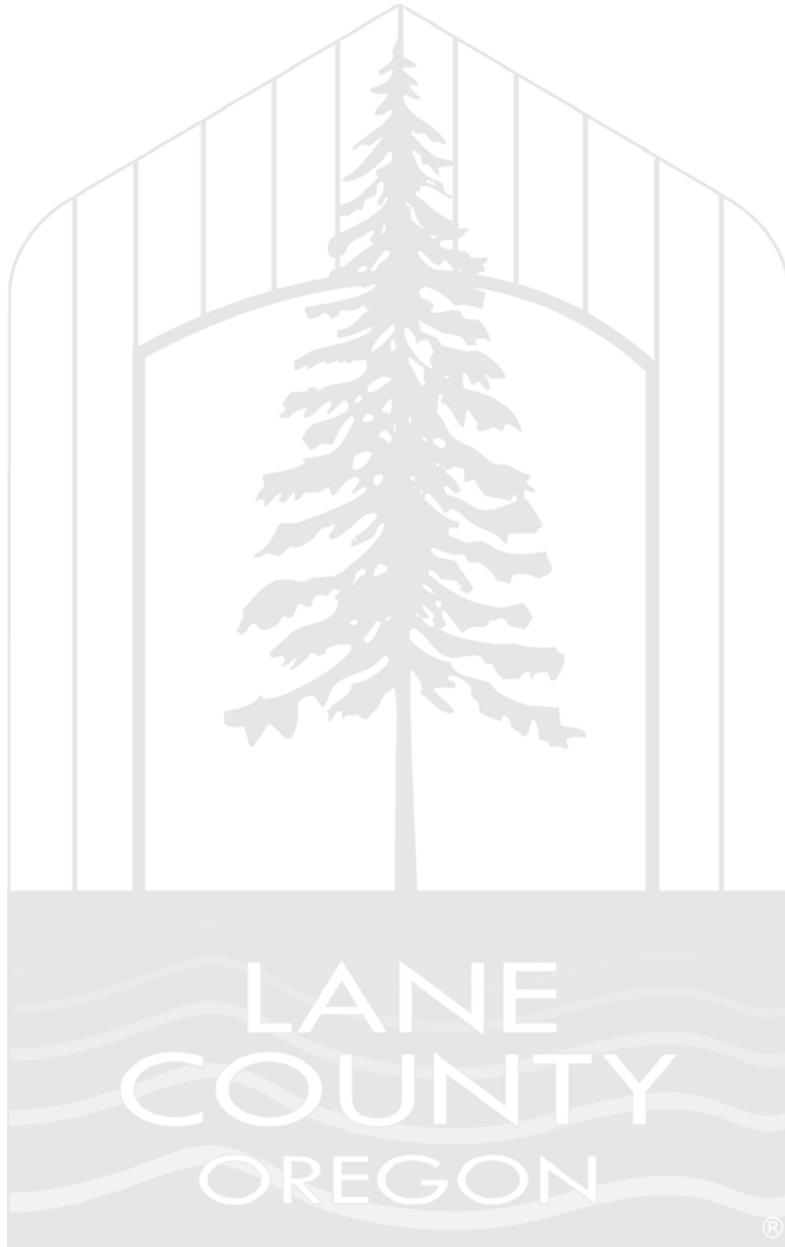
This report is intended solely for the information of the County Commissioners, management, others within the entity, federal and state awarding agencies, and pass-through entities, is not intended to be, and should not be used by anyone other than those specified parties.

A handwritten signature in black ink, reading "James C. Lazzarotto".

For Moss Adams LLP
Eugene, Oregon
December 11, 2012

GOVERNMENT AUDITING STANDARDS

Government Auditing Standards Report



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

The Board of County Commissioners
Lane County, Oregon

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lane County, Oregon (the County) as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 11, 2012. Our report includes a reference to 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. Other auditors audited the financial statements of the Housing and Community Services Agency of Lane County, a discretely presented component unit, as described in our report of the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of Lane County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County'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 County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County'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 previously.



COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the County'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 management, others within the entity, Board of County Commissioners, the Secretary of State, Divisions of Audits, of the State of Oregon, 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.

A handwritten signature in black ink that reads "Moss Adams, LLP". The signature is written in a cursive, flowing style.

Eugene, Oregon
December 11, 2012

OMB Circular A-133 (Single Audit) Report



**REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133**

The Board of County Commissioners
Lane County, Oregon

COMPLIANCE

We have audited Lane County's (the County) 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 the County's major federal programs for the year ended June 30, 2012. The County's major federal programs are identified in the summary of auditor's 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 the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County'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 the County's compliance with those requirements.

In our opinion, the County 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, 2012.

INTERNAL CONTROL OVER COMPLIANCE

Management of the County 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 the County'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 the County's internal control over compliance.

MOSS-ADAMS_{LLP}

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 management, others within the entity, Board of County Commissioners, the Secretary of State, Divisions of Audits, of the State of Oregon, 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.

Moss Adams, LLP

Eugene, Oregon
December 11, 2012

Lane County, Oregon
Schedule for Expenditures of Federal Awards
For Fiscal Year ended June 30, 2012

Federal Grantor and Program Title	CFDA Number	Pass Through Entity Number	Expenditures
<u>US Department of Agriculture</u>			
Passed through Oregon Department of Administrative Services:			
Schools and Roads Grants to States	10.665	PL 106-393	10,988,951
Passed through Oregon Department of Education:			
School Breakfast Program	10.553		22,036
School Lunch Program	10.555		36,775
Passed through Oregon Health Department:			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557		1,240,147
WIC Grants to States	10.578		7,500
US Department of Agriculture Total			12,295,409
<u>US Department of Defense</u>			
Passed through Oregon Department of Administrative Services:			
Federal Flood Control Lease	12.112		4,861
US Department of Defense Total			4,861
<u>US Department of Energy</u>			
Passed through Oregon Housing & Community Services:			
Weatherization Assistance for Low-Income Persons	81.042		406,533
Weatherization Assistance for Low-Income Persons	81.042 ARRA		1,147,852
Energy Efficient Appliance Rebate Program	81.127		8,721
US Department of Energy Total			1,563,106
<u>US Department of Education</u>			
Passed through Oregon Department of Human Services:			
DHS Community Programs	84.186		54,544
US Department of Education Total			54,544
<u>US Department of Environmental Quality</u>			
Passed through Oregon Department of Human Services:			
State Public Water System Supervision	66.432		55,916
Capitalization Grants for Drinking Water State Revolving Funds	66.468		57,880
US Department of Environmental Quality Total			113,796
<u>US Department of Health & Human Services</u>			
Direct:			
Consolidated Health Centers	93.224		838,361
Health Care and Other Facilities-Riverstone Equip	93.887		20,935
Affordable Care Act (ACA) Grants for New and Expanded Services	93.527		571,970
Passed through Oregon Department of Human Services:			
Youth Suicide Prevention	93.243		14,500
West Nile Surveillance	93.283		4,828
Medical Assistance Program	93.778		882,090
Passed through Oregon Commission on Children and Families:			
Promoting Safe and Stable Families	93.556		72,065
Casey Partnership	93.658		7,773
Social Services Block Grant	93.667		383,764
Medical Assistance Program	93.778		118,203
Passed through Oregon Department of Justice:			
Drug Court Enhancement Grant	93.243		253,197
Child Support Enforcement	93.563		1,107,285
Passed through Oregon Health & Sciences University:			
Oregon Health & Sciences University Cocoon	93.994		48,517
Passed through Oregon Health Department:			
Public Health Emergency Preparedness-Bio Terrorism	93.069		178,781
Healthy Communities	93.070		20,884
Tuberculosis Control Programs	93.116		9,303
Mental Health Services for the Homeless Block Grant	93.150		81,092
Family Planning Services	93.217		81,020
Substance Abuse and Mental Health Services	93.243		180,000
Immunization Grants	93.268		1,660
Immunization Grants-noncash assistance	93.268		117,811
Healthy Communities	93.283		60,570

Lane County, Oregon

Schedule for Expenditures of Federal Awards

For Fiscal Year ended June 30, 2012

Federal Grantor and Program Title	CFDA Number	Pass Through Entity Number	Expenditures
Nursing Family Authority	93.505		23,429
Social Services Block Grant	93.667		48,122
Medical Assistance Program	93.778		38,249
Hospital Preparedness Program Grant	93.889		17,059
HIV Block Grant	93.940		56,099
Community Mental Health Services Block Grant	93.958		295,434
Prevention and Treatment of Substance Abuse Block Grant	93.959		1,610,894
Maternal and Child Health Services Block Grant	93.994		172,200
Passed through Oregon Secretary of State, Elections Division:			
Elections	93.617		9,194
Passed through Oregon Housing & Community Services:			
Housing Stabilization Program	93.558		48,814
Low Income Energy Assistance Program	93.568		3,794,061
Community Services Block Grant	93.569		433,879
US Department of Health & Human Services Total			11,602,043
US Department of Homeland Security			
Passed through Oregon Emergency Management:			
Emergency Management Performance Grant	97.042		159,921
Homeland Security Program	97.053		2,889
Homeland Security Program	97.073		4,326
Buffer Zone Protection Program Grant	97.078		199,218
Passed through Oregon State Marine Board:			
Boating Safety Financial Assistance	97.012		464,067
US Department of Homeland Security Total			830,421
US Department of Housing & Urban Development			
Passed through City of Eugene:			
Community Development Block Grant	14.218		350,000
Passed through City of Springfield:			
Community Development Block Grant	14.218		82,890
Homeless Prevention & Rapid Rehousing	14.257 ARRA		28,549
Passed through Oregon Department of Human Services:			
Supportive Housing Program	14.235		921,254
Passed through Oregon Housing & Community Services:			
Emergency Shelter Grants Program	14.231		175,959
HOME Investments Partnerships Program	14.239	HOME TBA	192,702
US Department of Housing & Urban Development Total			1,751,354
US Department of Justice			
Direct:			
Marijuana Eradication Project	16.580		12,056
State Criminal Alien Assist Program	16.606		59,591
COPS Meth Grant	16.710		71,089
Edward Byrne Memorial Justice Assistance Grant Program	16.738		65,277
Second Chance Act Prisoner Reentry Initiative	16.812		373,811
Recovery Act -Edward Byrne Memorial Justice Assistance Grant (JAG)	16.804 ARRA		1,831
Public Safety Partnership and Community Policing Grants	16.710 ARRA		232,207
Public Safety Partnership and Community Policing Grants	16.710		11,216
DV Pre-trial monitoring Victim Safety Through Enforcement	16.590		175,347
Passed through Bureau of Justice Assistance:			
Drug Court Enhancement Grant	16.585		49,357
Intensive Treatment and Supervision and Reentry Programs	16.753		392,290
Regional Shared Public Safety Technology Improvements	16.753		168,823
Second Chance Act Prisoner Reentry Initiative	16.812		83,522
Passed through National Institute of Justice:			
Paul Coverdell Forensic Science Grant	16.742		83,147
Passed through Oregon Commission on Children and Families:			
Juvenile Accountability Block grant	16.523		27,076
Disproportionate Minority Contact Asmnt	16.540		73,594
Passed through Oregon Criminal Justice Commission:			
Drug Court-Oregon Criminal Justice Comm Support	16.738		135,461
Drug Interdiction support for small city law enforcement	16.738		73,062
Edward Byrne Memorial Justice Assistance Grant Program	16.738		74,055

Lane County, Oregon

Schedule for Expenditures of Federal Awards

For Fiscal Year ended June 30, 2012

Federal Grantor and Program Title	CFDA Number	Pass Through Entity Number	Expenditures
Eward Byrne Memorial Justice Assistance Grant (JAG)	16.803 ARRA		6,880
Passed through Oregon Department of Justice:			
Crime Victim Assistance	16.575		159,067
STOP Violence Against Women Formula Grant	16.588		83,969
US Department of Justice Total			2,412,728
US Department of Labor			
Passed through Lane Workforce Partnership:			
Workforce Initiative Act	17.259		86,894
US Department of Labor Total			86,894
US Department of the Interior			
Direct:			
Payment in Lieu of Taxes	15.226	PILT	592,557
Distribution of Receipts to State and Local Governments (O&C)	15.227		5,321,969
Passed through Bureau of Land Management:			
Secure Rural Schools and Community Self-Determination	15.234		88,079
Passed through Oregon State Marine Board:			
Maintenance Assistance Payment Clean Vessel (CVA)	15.616		69,225
US Department of the Interior Total			6,071,830
US Department of Transportation			
Passed through Lane Council of Governments:			
Unified Planning Work Program	20.205		15,249
Passed through Oregon Department of Transportation:			
ARRA-ODOT-Highway Planning and Construction	20.205 ARRA		4,494
High Priority 7-County Comm Project	20.205		29,406
Highway Planning and Construction	20.205		985,210
State and Community Highway Safety MUTT Grant	20.600	SC-10-35-05 LCS	78,549
Passed through Western Federal Lands Highway Division:			
Highway Planning and Construction	20.205		1,728,720
Passed through Oregon State Sheriffs Association:			
State and Community Highway Safety	20.600	Lane County	17,441
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	Lane County	40,483
US Department of Transportation Total			2,899,552
US Federal Flood Control Leases			
Passed through Oregon Department of Administrative Services:			
Federal Flood Control Lease	12.112		14,584
US Federal Flood Control Leases Total			14,584
US Forest Service			
Direct:			
Schools and Roads Grants to States-Youth Services US Forest Maint.	10.665		107,055
US Forest Service Total			107,055
Total Expenditures of Federal Awards			39,808,177

Notes to Schedule of Expenditures of Federal Awards

For the Fiscal Year Ended June 30, 2012

1. Purpose of the Schedule

The accompanying schedule of expenditures of federal awards is a supplementary schedule to Lane County, Oregon's (the "County") basic financial statements and is presented for purposes of additional analysis. Because the schedule presents only a selected portion of the activities of the County, it does not present the financial position, changes in financial position, or the cash flows of the County.

2. Significant Accounting Policies

Reporting Entity

The reporting entity is fully described in Note I.A. to the County's basic financial statements. The schedule includes all federal programs administered by the primary government for the fiscal year ended June 30, 2012. The Housing and Community Services Agency of Lane County, a discretely presented component unit of Lane County, receives federal monies under its own employer identification number and independently submits its schedule and related internal control and compliance reports as required by *OMB Circular A-133*.

Basis of Presentation

The information in the schedule is presented in accordance with *OMB Circular A-133*.

Federal Financial Assistance

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

Major Programs

The *Single Audit Act* and *OMB Circular A-133* establish criteria to be used in defining major programs. Major programs are those programs selected for testing using a risk-assessment model, as well as certain minimum expenditure requirements, as outlined in *OMB Circular A-133*. Programs with similar requirements may be grouped into a cluster for testing purposes.

Basis of Accounting

Receipts and expenditures are accounted for using the modified accrual basis of accounting. Revenues are recorded when measurable and available, or in the case of grants where expenditure is the prime factor for determining eligibility, when the expenditure is made. Expenditures are recorded when a liability is incurred.

3. Insurance Coverage

For the year ended June 30, 2012, the County had insurance in effect as recommended by their agent of record which was comparable in coverage to other counties of similar size and circumstance.

4. Non-cash Assistance

A total of \$117,811 was received in non-cash assistance and is included in federal awards expended.

LANE COUNTY, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? _____ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
10.665	Schools and Roads – Grants to States
16.710	Public Safety Partnership and Community Policing Grants
16.710	ARRA - Public Safety Partnership and Community Policing Grants
81.042	Weatherization Assistance for Low-Income Persons
81.042	ARRA - Weatherization Assistance for Low-Income Persons
93.959	Block Grants for Prevention and Treatment of Substance Abuse
Various	Health Centers Cluster

Dollar threshold used to distinguish between type A and type B programs: \$1,194,245

Auditee qualified as low-risk auditee? X yes _____ no

**LANE COUNTY, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

None reported

Lane County, Oregon

Summary Schedule of Prior Audit Findings

For the Fiscal Year Ended June 30, 2012

Follow-up on findings reported June 30, 2011

Findings – Financial Statement Audit

None

Findings and Questioned Costs – Major Federal Award Programs Audit

None

