

Lane County, Oregon  
**Statement of Net Assets**  
June 30, 2007

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
<u>Current assets</u>			
Cash and cash equivalents	\$ 120,535,262	\$ 30,620,052	\$ 151,155,314
Investments	-	3,528,792	3,528,792
Receivables (net of uncollectibles):			
Interest	1,640,570	269,313	1,909,883
Property taxes	1,591,897	-	1,591,897
Accounts	7,901,215	1,375,491	9,276,706
Intergovernmental	9,577,483	71,051	9,648,534
Other	300	1,297,835	1,298,135
Internal balances	(2,489,671)	2,489,671	-
Inventories	2,446,999	77,439	2,524,438
Prepays	187,842	71,879	259,721
<b>Total current assets</b>	<b>141,391,897</b>	<b>39,801,523</b>	<b>181,193,420</b>
<u>Noncurrent assets</u>			
Restricted assets:			
Cash	-	159,244	159,244
Investments	751,000	2,019,500	2,770,500
Investments in limited partnerships	-	2,028,463	2,028,463
Deferred charges	1,101,392	822,217	1,923,609
Deposits	830,549	1,144	831,693
Loans receivable	-	2,946,143	2,946,143
Net pension asset	65,744,452	-	65,744,452
Capital assets:			
Land and construction in progress	9,973,013	19,043,581	29,016,594
Other capital assets (net of accumulated depreciation)	302,336,675	43,911,908	346,248,583
<b>Total noncurrent assets</b>	<b>380,737,081</b>	<b>70,932,200</b>	<b>451,669,281</b>
<b>Total assets</b>	<b>522,128,978</b>	<b>110,733,723</b>	<b>632,862,701</b>
<u>Liabilities</u>			
<u>Current liabilities</u>			
Accounts payable	9,986,187	2,095,809	12,081,996
Wages and benefits payable	6,629,026	350,788	6,979,814
Compensated absences payable	5,687,570	936,600	6,624,170
Claims payable	2,880,000	-	2,880,000
Interest payable	481,402	4,252	485,654
Unearned revenue	99,602	1,096,394	1,195,996
Customer deposits	402,169	393,233	795,402
Notes payable	91,246	333,996	425,242
Bonds payable	4,430,000	45,000	4,475,000
<b>Total current liabilities</b>	<b>30,687,202</b>	<b>5,256,072</b>	<b>35,943,274</b>
<u>Noncurrent liabilities</u>			
Notes payable	6,216,575	6,142,159	12,358,734
Bonds payable (net of unamortized discounts)	106,632,530	885,241	107,517,771
Landfill closure and postclosure care liability	-	3,063,949	3,063,949
<b>Total noncurrent liabilities</b>	<b>112,849,105</b>	<b>10,091,349</b>	<b>122,940,454</b>
<b>Total liabilities</b>	<b>143,536,307</b>	<b>15,347,421</b>	<b>158,883,728</b>
<u>Net assets</u>			
Invested in capital assets, net of related debt	270,548,421	55,549,093	326,097,514
Restricted for:			
Capital projects	3,933,370	-	3,933,370
Debt service	269,986	-	269,986
Health and human services	5,803,340	-	5,803,340
Special revenue / services	3,790,053	-	3,790,053
Roads	39,428,033	-	39,428,033
Title III projects	1,548,325	-	1,548,325
LaneCare	8,995,921	-	8,995,921
Housing and community services	-	2,178,744	2,178,744
Self insurance	751,000	-	751,000
Other purposes	1,876,109	-	1,876,109
Unrestricted	41,648,113	37,658,465	79,306,578
<b>Total net assets</b>	<b>\$ 378,592,671</b>	<b>\$ 95,386,302</b>	<b>\$ 473,978,973</b>

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

**Statement of Activities**

For the Fiscal Year Ended June 30, 2007

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities</b>								
General government	\$ 32,509,257	\$ (9,166,121)	\$ 6,458,242	\$ 13,743,890	\$ -	\$ (3,141,004)	\$ -	\$ (3,141,004)
Public safety	69,421,874	3,090,555	26,060,493	10,160,694	-	(36,291,242)	-	(36,291,242)
Public health and welfare	74,506,248	3,316,905	30,852,880	44,636,414	-	(2,333,859)	-	(2,333,859)
Parks	2,009,147	89,444	1,352,350	433,683	-	(312,558)	-	(312,558)
Roads and bridges	36,526,348	1,626,097	7,078,702	38,376,534	-	7,302,791	-	7,302,791
Community development	9,807,127	436,598	7,939,401	662,681	-	(1,641,643)	-	(1,641,643)
Interest on long-term debt	6,811,425	-	-	-	-	(6,811,425)	-	(6,811,425)
<b>Total governmental activities</b>	<b>231,591,426</b>	<b>(606,522)</b>	<b>79,742,068</b>	<b>108,013,896</b>	<b>-</b>	<b>(43,228,940)</b>	<b>-</b>	<b>(43,228,940)</b>
<b>Business-type activities</b>								
Fair board	5,644,600	7,910	4,341,738	46,456	-	-	(1,264,316)	(1,264,316)
Solid waste disposal	11,098,575	245,819	12,794,524	-	-	-	1,450,130	1,450,130
Housing and community services	23,376,895	-	3,327,306	20,658,527	757,909	-	1,366,847	1,366,847
Corrections commissary	351,784	8,871	194,400	169,964	-	-	3,709	3,709
Regional information systems	4,994,557	343,922	6,867,825	-	-	-	1,529,346	1,529,346
<b>Total business-type activities</b>	<b>45,466,411</b>	<b>606,522</b>	<b>27,525,793</b>	<b>20,874,947</b>	<b>757,909</b>	<b>-</b>	<b>3,085,716</b>	<b>3,085,716</b>
<b>Total government</b>	<b>\$ 277,057,837</b>	<b>\$ -</b>	<b>\$ 107,267,861</b>	<b>\$ 128,888,843</b>	<b>\$ 757,909</b>	<b>(43,228,940)</b>	<b>3,085,716</b>	<b>(40,143,224)</b>
<b>General Revenues:</b>								
Property taxes						31,184,338	-	31,184,338
Transient room taxes						3,815,362	-	3,815,362
Car rental taxes						1,326,996	-	1,326,996
O&C timber receipts						15,068,243	-	15,068,243
Unrestricted investment earnings						3,329,094	1,647,545	4,976,639
Grants not restricted to specific programs						4,400,648	-	4,400,648
Transfers						(906,360)	906,360	-
<b>Total general revenues and transfers</b>						<b>58,218,321</b>	<b>2,553,905</b>	<b>60,772,226</b>
Change in net assets						14,989,381	5,639,621	20,629,002
Net assets, June 30, 2006, previously reported						358,581,711	89,746,681	448,328,392
Reclassification (Note IV.F.)						5,021,579	-	5,021,579
Net assets, June 30, 2006, restated						363,603,290	89,746,681	453,349,971
Net assets, June 30, 2007						<b>\$ 378,592,671</b>	<b>\$ 95,386,302</b>	<b>\$ 473,978,973</b>

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

**Balance Sheet**

Governmental Funds

June 30, 2007

	General	Road	Special Revenue / Services	Health and Human Services	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 12,028,448	\$ 40,872,766	\$ 2,187,734	\$ 7,018,721	\$ 19,266,320	\$ 81,373,989
Receivables (net of uncollectibles):						
Interest	459,645	397,286	29,913	80,583	300,096	1,267,523
Property taxes	1,415,791	-	-	-	176,106	1,591,897
Accounts	373,288	499,925	6,182,908	226,019	552,077	7,834,217
Intergovernmental	2,466,117	1,182,242	2,131,466	1,805,501	1,992,157	9,577,483
Other	300	-	-	-	-	300
Due from other funds	78,541	-	-	-	-	78,541
Inventories	175,939	1,510,893	-	17,699	49,856	1,754,387
<b>Total assets</b>	<b>\$ 16,998,069</b>	<b>\$ 44,463,112</b>	<b>\$ 10,532,021</b>	<b>\$ 9,148,523</b>	<b>\$ 22,336,612</b>	<b>\$ 103,478,337</b>
<b>Liabilities</b>						
Accounts payable	\$ 1,158,088	\$ 3,354,586	\$ 931,341	\$ 1,941,959	\$ 2,165,723	\$ 9,551,697
Wages and benefits payable	1,529,837	448,695	177,632	451,955	246,867	2,854,986
Due to other funds	780,277	250,668	97,219	262,744	165,003	1,555,911
Deferred revenue	1,257,874	160,192	4,949,563	-	162,190	6,529,819
Interfund loans payable	-	-	-	-	8,750	8,750
Customer deposits	202,460	-	99,347	100,362	-	402,169
<b>Total liabilities</b>	<b>4,928,536</b>	<b>4,214,141</b>	<b>6,255,102</b>	<b>2,757,020</b>	<b>2,748,533</b>	<b>20,903,332</b>
<b>Fund balances</b>						
Reserved for inventories	175,939	1,510,893	-	17,699	49,856	1,754,387
Unreserved	11,893,594	38,738,078	4,276,919	6,373,804	-	61,282,395
Unreserved, reported in nonmajor:						
Special revenue funds	-	-	-	-	13,454,042	13,454,042
Debt service funds	-	-	-	-	282,057	282,057
Capital projects funds	-	-	-	-	5,802,124	5,802,124
<b>Total fund balances</b>	<b>12,069,533</b>	<b>40,248,971</b>	<b>4,276,919</b>	<b>6,391,503</b>	<b>19,588,079</b>	<b>82,575,005</b>
<b>Total liabilities and fund balances</b>	<b>\$ 16,998,069</b>	<b>\$ 44,463,112</b>	<b>\$ 10,532,021</b>	<b>\$ 9,148,523</b>	<b>\$ 22,336,612</b>	<b>\$ 103,478,337</b>

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, 2007

Total fund balances - governmental funds \$ 82,575,005

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.

\$ 38,819,968

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.

(2,671,425) 36,148,543

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

Land	9,402,839	
Construction in progress	570,174	
Buildings and improvements	112,090,575	
Machinery and equipment	12,712,201	
Infrastructure	<u>296,671,895</u>	
	431,447,684	

Less accumulated depreciation	<u>(131,538,240)</u>	299,909,444
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Prepaid expenses are not financial assets in governmental funds, but are reported in the statement of net assets at cost.

28,080

Deposits are not financial assets in governmental funds, but are reported in the statement of net assets.

780,549

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	1,419,254	
Court fines, forfeitures, and penalties	4,949,563	
Road assessments	<u>61,400</u>	

6,430,217

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:

Notes payable	121,254
Bonds payable	298,334

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

Compensated absences payable	(5,357,653)	
Interest payable	(160,247)	
Notes payable	(6,307,821)	
Bonds payable, net of premiums and discounts	<u>(35,873,034)</u>	<u>(47,698,755)</u>

Total net assets - governmental activities \$ 378,592,671

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, 2007

	General	Road	Special Revenue / Services	Health and Human Services	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Taxes and assessments	\$ 28,783,509	\$ -	\$ 3,813,970	\$ -	\$ 4,048,176	\$ 36,645,655
Licenses and permits	2,755,409	182,335	-	730,411	344,108	4,012,263
Intergovernmental	32,158,380	36,327,483	8,942,093	42,517,775	43,147,238	163,092,969
Charges for services	5,919,400	5,037,853	648,953	4,281,885	5,840,289	21,728,380
Fines, forfeitures and penalties	693,553	-	2,529,219	2,588	50,165	3,275,525
Administrative and facility charges	1,448,169	825,851	27,393	-	1,616,125	3,917,538
Investment earnings	922,798	2,070,880	174,501	451,990	1,311,014	4,931,183
Sale and rental of property	1,056,810	157,891	146,818	13,934	1,500,230	2,875,683
<b>Total revenues</b>	<b>73,738,028</b>	<b>44,602,293</b>	<b>16,282,947</b>	<b>47,998,583</b>	<b>57,857,345</b>	<b>240,479,196</b>
<b>Expenditures:</b>						
Current:						
General government	10,182,057	194,347	982,800	-	9,970,744	21,329,948
Public safety	55,097,560	-	10,165,289	7,341,333	1,679,405	74,283,587
Public health and welfare	-	-	2,701,025	45,364,365	31,957,622	80,023,012
Parks	-	-	66,992	-	2,015,764	2,082,756
Roads and bridges	-	31,760,132	-	-	61,954	31,822,086
Community development	4,973,360	-	2,643,934	-	2,922,807	10,540,101
Debt service:						
Principal	-	-	-	-	3,338,782	3,338,782
Interest	-	-	-	-	1,729,816	1,729,816
Bond issuance costs	-	-	-	-	75,242	75,242
Capital outlay	174,573	15,146,311	1,060,891	22,159	9,467,779	25,871,713
<b>Total expenditures</b>	<b>70,427,550</b>	<b>47,100,790</b>	<b>17,620,931</b>	<b>52,727,857</b>	<b>63,219,915</b>	<b>251,097,043</b>
Excess (deficiency) of revenues over (under) expenditures	3,310,478	(2,498,497)	(1,337,984)	(4,729,274)	(5,362,570)	(10,617,847)
<b>Other financing sources (uses):</b>						
Transfers in	2,455,272	868,674	3,722,576	4,241,709	4,619,824	15,908,055
Transfers out	(7,940,811)	-	(1,679,860)	(320,770)	(6,840,914)	(16,782,355)
Assumed mortgage	-	-	-	-	6,326,603	6,326,603
<b>Total other financing sources (uses)</b>	<b>(5,485,539)</b>	<b>868,674</b>	<b>2,042,716</b>	<b>3,920,939</b>	<b>4,105,513</b>	<b>5,452,303</b>
<b>Net change in fund balances</b>	<b>(2,175,061)</b>	<b>(1,629,823)</b>	<b>704,732</b>	<b>(808,335)</b>	<b>(1,257,057)</b>	<b>(5,165,544)</b>
Fund balance, June 30, 2006	14,257,469	41,855,044	3,572,187	7,212,704	20,816,709	87,714,113
Increase (decrease) in inventories	(12,875)	23,750	-	(12,866)	28,427	26,436
<b>Fund balance, June 30, 2007</b>	<b>\$ 12,069,533</b>	<b>\$ 40,248,971</b>	<b>\$ 4,276,919</b>	<b>\$ 6,391,503</b>	<b>\$ 19,588,079</b>	<b>\$ 82,575,005</b>

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, 2007

Net change in fund balances - governmental funds \$ (5,165,544)

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 \$ 4,523,157

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.

(649,416) 3,873,741

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:

Land	3,600	
Construction in progress	224,090	
Buildings and improvements	9,522,943	
Machinery and equipment	1,466,479	
Infrastructure	16,471,875	
Depreciation expense	<u>(11,844,151)</u>	15,844,836

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

23,209

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	54,623	
Court fines, forfeitures, and penalties	4,107,492	
Road assessments	<u>(58,641)</u>	4,103,474

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:

Note proceeds	(6,326,603)	
Issuance costs	121,524	
Deposits (mortgage reserves)	780,549	
Note principal payments	18,782	
Bond principal payments	<u>3,320,000</u>	(2,085,748)

Increases in inventory in governmental funds increase expenses

26,436

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	1,131	
Bond discount amortization	(17,118)	
Note issuance cost amortization	(271)	
Bond issuance cost amortization	<u>(54,654)</u>	(70,912)

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	2,578	
Decrease in accrued compensated benefits	<u>165,971</u>	168,549

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

(1,728,660)

Change in net assets - governmental activities \$ 14,989,381

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

**Statement of Fund Net Assets**

Proprietary Funds

June 30, 2007

	Business-Type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Fair Board	Solid Waste Disposal	Housing and Community Services	Other Enterprise Funds	Total Enterprise Funds	
<b>Assets</b>						
<u>Current assets</u>						
Cash and cash equivalents	\$ 565,573	\$ 24,363,534	\$ 2,318,057	\$ 3,372,888	\$ 30,620,052	\$ 39,161,273
Investments	-	-	3,528,792	-	3,528,792	-
Receivables (net of uncollectibles):						
Interest	-	234,141	-	35,172	269,313	373,047
Property taxes	-	-	-	-	-	-
Accounts	89,328	949,090	29,330	307,743	1,375,491	66,998
Intergovernmental	-	900	70,151	-	71,051	-
Other	-	-	1,297,835	-	1,297,835	-
Due from other funds	-	-	-	-	-	1,745,823
Interfund loans receivable	-	-	-	-	-	8,750
Inventories	13,168	-	55,637	8,634	77,439	692,612
Prepays	15,302	-	56,577	-	71,879	159,762
<b>Total current assets</b>	<b>683,371</b>	<b>25,547,665</b>	<b>7,356,379</b>	<b>3,724,437</b>	<b>37,311,852</b>	<b>42,208,265</b>
<u>Noncurrent assets</u>						
Restricted assets:						
Cash	-	-	159,244	-	159,244	-
Investments	-	-	2,019,500	-	2,019,500	751,000
Investments in limited partnerships	-	-	2,028,463	-	2,028,463	-
Deferred charges	-	-	822,217	-	822,217	681,804
Deposits	-	-	1,144	-	1,144	50,000
Loans receivable	-	-	2,946,143	-	2,946,143	-
Net pension asset	-	-	-	-	-	65,744,452
Capital assets:						
Land	1,165,165	1,805,607	8,082,679	-	11,053,451	-
Buildings and land improvements	24,148,389	9,719,220	41,681,595	-	75,549,204	235,597
Equipment and furniture	2,725,086	1,308,241	2,090,238	4,650,341	10,773,906	28,901,873
Construction in progress	68,031	5,026,536	1,117,418	1,778,145	7,990,130	-
Accumulated depreciation	(13,604,734)	(5,765,118)	(20,438,449)	(2,602,901)	(42,411,202)	(16,737,226)
<b>Total noncurrent assets</b>	<b>14,501,937</b>	<b>12,094,486</b>	<b>40,510,192</b>	<b>3,825,585</b>	<b>70,932,200</b>	<b>79,627,500</b>
<b>Total assets</b>	<b>15,185,308</b>	<b>37,642,151</b>	<b>47,866,571</b>	<b>7,550,022</b>	<b>108,244,052</b>	<b>121,835,765</b>
<u>Liabilities</u>						
<u>Current liabilities</u>						
Accounts payable	123,753	1,013,234	508,529	450,293	2,095,809	434,490
Wages and benefits payable	66,905	137,404	60,772	85,707	350,788	3,774,040
Compensated absences payable	50,312	249,434	435,637	201,217	936,600	329,917
Claims payable	-	-	-	-	-	2,880,000
Due to other funds	55,941	84,146	-	41,667	181,754	86,699
Interest payable	743	-	3,509	-	4,252	321,155
Unearned revenue	343,832	-	738,932	13,630	1,096,394	-
Customer deposits	-	-	393,233	-	393,233	-
Notes payable	66,974	-	267,022	-	333,996	-
Bonds payable	-	-	45,000	-	45,000	990,000
<b>Total current liabilities</b>	<b>708,460</b>	<b>1,484,218</b>	<b>2,452,634</b>	<b>792,514</b>	<b>5,437,826</b>	<b>8,816,301</b>
<u>Noncurrent liabilities</u>						
Notes payable	204,846	-	5,937,313	-	6,142,159	-
Bonds payable (net of unamortized discounts)	-	-	885,241	-	885,241	74,199,496
Landfill closure and postclosure care liability	-	3,063,949	-	-	3,063,949	-
<b>Total noncurrent liabilities</b>	<b>204,846</b>	<b>3,063,949</b>	<b>6,822,554</b>	<b>-</b>	<b>10,091,349</b>	<b>74,199,496</b>
<b>Total liabilities</b>	<b>913,306</b>	<b>4,548,167</b>	<b>9,275,188</b>	<b>792,514</b>	<b>15,529,175</b>	<b>83,015,797</b>
<u>Net assets</u>						
Invested in capital assets, net of related debt	14,230,117	12,094,486	25,398,905	3,825,585	55,549,093	12,400,244
Restricted for:						
Housing and community services	-	-	2,178,744	-	2,178,744	-
Self insurance	-	-	-	-	-	751,000
Unrestricted	41,885	20,999,498	11,013,734	2,931,923	34,987,040	25,668,724
<b>Total net assets</b>	<b>\$ 14,272,002</b>	<b>\$ 33,093,984</b>	<b>\$ 38,591,383</b>	<b>\$ 6,757,508</b>	<b>92,714,877</b>	<b>\$ 38,819,968</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					2,671,425	
Net assets of business-type activities					<b>\$ 95,386,302</b>	

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, 2007

	Business-Type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Fair Board	Solid Waste Disposal	Housing and Community Services	Other Enterprise Funds	Total Enterprise Funds	
<u>Operating revenues</u>						
Intergovernmental	\$ -	\$ -	\$ 20,658,527	\$ -	\$ 20,658,527	\$ -
Charges for services	3,139,162	12,413,214	3,327,306	7,061,199	25,940,881	66,019,848
Fines, forfeitures and penalties	-	-	-	-	-	914
Administrative and facility charges	-	-	-	-	-	991,962
Sale and rental of property	1,202,577	366,120	-	1,026	1,569,723	30,024
<b>Total operating revenues</b>	<b>4,341,739</b>	<b>12,779,334</b>	<b>23,985,833</b>	<b>7,062,225</b>	<b>48,169,131</b>	<b>67,042,748</b>
<u>Operating expenses</u>						
Personnel services	1,491,600	5,576,197	5,382,443	3,243,238	15,693,478	6,792,140
Materials and services	3,253,040	5,554,050	16,711,965	2,224,713	27,743,768	50,808,060
Landfill closure and postclosure care costs	-	220,959	-	-	220,959	-
Depreciation	1,045,647	317,970	1,010,784	394,507	2,768,908	2,441,654
<b>Total operating expenses</b>	<b>5,790,287</b>	<b>11,669,176</b>	<b>23,105,192</b>	<b>5,862,458</b>	<b>46,427,113</b>	<b>60,041,854</b>
<b>Operating income (loss)</b>	<b>(1,448,548)</b>	<b>1,110,158</b>	<b>880,641</b>	<b>1,199,767</b>	<b>1,742,018</b>	<b>7,000,894</b>
<u>Nonoperating revenues (expenses)</u>						
Intergovernmental	46,456	15,190	-	169,964	231,610	16,445
Investment earnings	29,198	1,210,240	252,802	155,305	1,647,545	2,219,848
Interest expense	(23,534)	-	(271,703)	-	(295,237)	(5,160,621)
Amortization of net pension asset	-	-	-	-	-	(1,067,620)
Amortization of bond issuance costs	-	-	-	-	-	(43,962)
Gain (loss) on fixed asset disposal	-	-	-	-	-	40,393
<b>Total nonoperating revenues (expenses)</b>	<b>52,120</b>	<b>1,225,430</b>	<b>(18,901)</b>	<b>325,269</b>	<b>1,583,918</b>	<b>(3,995,517)</b>
<b>Income (loss) before contributions and transfers</b>	<b>(1,396,428)</b>	<b>2,335,588</b>	<b>861,740</b>	<b>1,525,036</b>	<b>3,325,936</b>	<b>3,005,377</b>
Capital grants	-	-	757,909	-	757,909	-
Capital contributions	-	(261,650)	-	2,326	(259,324)	1,809,164
Transfers in	952,974	-	-	291,384	1,244,358	-
Transfers out	-	(78,674)	-	-	(78,674)	(291,384)
<b>Change in net assets</b>	<b>(443,454)</b>	<b>1,995,264</b>	<b>1,619,649</b>	<b>1,818,746</b>	<b>4,990,205</b>	<b>4,523,157</b>
Total net assets, June 30, 2006, previously reported	14,715,456	31,098,720	36,971,734	4,938,762		29,275,232
Reclassification (Note IV.F)	-	-	-	-		5,021,579
<b>Total net assets, June 30, 2006, restated</b>	<b>14,715,456</b>	<b>31,098,720</b>	<b>36,971,734</b>	<b>4,938,762</b>		<b>34,296,811</b>
<b>Total net assets, June 30, 2007</b>	<b>\$ 14,272,002</b>	<b>\$ 33,093,984</b>	<b>\$ 38,591,383</b>	<b>\$ 6,757,508</b>		<b>\$ 38,819,968</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					649,416	
Change in net assets of business-type activities					<u>\$ 5,639,621</u>	

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

Lane County, Oregon  
**Statement of Cash Flows**  
 Proprietary Funds  
 For the Fiscal Year Ended June 30, 2007

Business-Type Activities - Enterprise Funds						
	Fair Board	Solid Waste Disposal	Housing and Community Services	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities-Internal Service Funds
<b>Cash flows from operating activities</b>						
Receipts from customers and users	\$ 3,229,342	\$ 12,308,806	\$ 24,208,960	\$ 6,994,786	\$ 46,741,894	\$ 1,090,535
Receipts from facilities rent	1,202,577	366,120	-	1,026	1,569,723	30,024
Receipts from interfund services	-	-	-	-	-	66,066,657
Payments to employees	(1,507,830)	(5,542,913)	(5,434,653)	(3,212,042)	(15,697,438)	(6,829,289)
Payments to suppliers	(3,502,731)	(689,360)	(16,802,459)	(717,864)	(21,712,414)	(47,850,142)
Payments for interfund services	-	(4,828,530)	-	(1,199,760)	(6,028,290)	(3,024,614)
<b>Net cash provided (used) by operating activities</b>	<b>(578,642)</b>	<b>1,614,123</b>	<b>1,971,848</b>	<b>1,866,146</b>	<b>4,873,475</b>	<b>9,483,171</b>
<b>Cash flows from noncapital financing activities</b>						
Intergovernmental subsidies	46,456	21,865	-	169,964	238,285	19,485
Principal paid on pension bonds	-	-	-	-	-	(775,000)
Interest paid on pension bonds	-	-	-	-	-	(3,853,854)
Interfund loan repayment received	-	-	-	-	-	8,750
Transfers in	952,974	-	-	291,384	1,244,358	-
Transfers out	-	(78,674)	-	-	(78,674)	(291,384)
<b>Net cash provided (used) by noncapital financing activities</b>	<b>999,430</b>	<b>(56,809)</b>	<b>-</b>	<b>461,348</b>	<b>1,403,969</b>	<b>(4,892,003)</b>
<b>Cash flows from capital and related financing activities</b>						
Capital Grants	-	-	757,909	-	757,909	-
Payment of finance costs	-	-	(669,230)	-	(669,230)	-
Principal paid on long-term debt	(66,438)	-	1,917,900	-	1,851,462	-
Interest paid on long-term debt	(23,685)	-	(269,935)	-	(293,620)	-
Proceeds from sale of property	-	-	-	-	-	163,298
Purchases of capital assets	(274,771)	(1,959,976)	(1,878,120)	(2,168,000)	(6,280,867)	(3,687,339)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(364,894)</b>	<b>(1,959,976)</b>	<b>(141,476)</b>	<b>(2,168,000)</b>	<b>(4,634,346)</b>	<b>(3,524,041)</b>
<b>Cash flows from investing activities</b>						
Purchase of investments	-	-	(1,339,444)	-	(1,339,444)	-
Change in loans receivable	-	-	2,821	-	2,821	-
Investment earnings	29,198	1,122,899	252,802	136,277	1,541,176	2,066,946
<b>Net cash provided (used) by investing activities</b>	<b>29,198</b>	<b>1,122,899</b>	<b>(1,083,821)</b>	<b>136,277</b>	<b>204,553</b>	<b>2,066,946</b>
Net increase (decrease) in cash and cash equivalents	85,092	720,237	746,551	295,771	1,847,651	3,134,073
Cash and cash equivalents, June 30, 2006	480,481	23,643,297	1,730,750	3,077,117	28,931,645	36,027,200
<b>Cash and cash equivalents, June 30, 2007</b>	<b>\$ 565,573</b>	<b>\$ 24,363,534</b>	<b>\$ 2,477,301</b>	<b>\$ 3,372,888</b>	<b>\$ 30,779,296</b>	<b>\$ 39,161,273</b>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (1,448,548)	\$ 1,110,158	\$ 880,641	\$ 1,199,767	\$ 1,742,018	\$ 7,000,894
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities</b>						
Landfill closure and postclosure care costs	-	220,959	-	-	220,959	-
Depreciation	1,045,647	317,970	1,010,784	394,507	2,768,908	2,441,654
(Increase) decrease in receivables	(20,131)	(95,203)	(52,094)	34,957	(132,471)	19,512
(Increase) decrease in due from other funds	-	-	-	-	-	70,689
(Increase) decrease in inventories	(215)	-	(4,130)	(2,234)	(6,579)	(50,902)
(Increase) decrease in prepaids	(3,539)	-	106,931	-	103,392	159,762
(Increase) decrease in deposits	-	-	-	-	-	(50,000)
Increase (decrease) in accounts payable	(129,318)	20,718	(193,295)	303,443	1,548	(486,478)
Increase (decrease) in wages and benefits payable	11,684	15,137	(41,721)	13,794	(1,106)	(109,081)
Increase (decrease) in compensated absences payable	(27,914)	18,147	(10,489)	17,402	(2,854)	(34,221)
Increase (decrease) in claims payable	-	-	-	-	-	516,000
Increase (decrease) in due to other funds	(116,618)	15,442	-	5,880	(95,296)	5,342
Increase (decrease) in unearned revenue	110,310	(9,205)	311,022	(101,370)	310,757	-
Increase (decrease) in customer deposits	-	-	(35,801)	-	(35,801)	-
<b>Net cash provided (used) by operating activities</b>	<b>\$ (578,642)</b>	<b>\$ 1,614,123</b>	<b>\$ 1,971,848</b>	<b>\$ 1,866,146</b>	<b>\$ 4,873,475</b>	<b>\$ 9,483,171</b>

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

Lane County, Oregon

**Statement of Fiduciary Net Assets**

Property Tax Agency

June 30, 2007

	<u>Property Tax Agency</u>
<b><u>Assets</u></b>	
<u>Current assets</u>	
Cash and cash equivalents	\$ 3,040,746
Receivables (net of uncollectibles):	
Interest	2,607
Property taxes	15,634,223
Accounts	100,581
<u>Total current assets</u>	<u>18,778,157</u>
<b>Total assets</b>	<b>\$ 18,778,157</b>
<b><u>Liabilities</u></b>	
<u>Current liabilities</u>	
Due to other governments	\$ 18,778,157
<u>Total current liabilities</u>	<u>18,778,157</u>
<b>Total liabilities</b>	<b>\$ 18,778,157</b>

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

Lane County, Oregon

**Statement of Changes in Fiduciary Net Assets**

Retiree Medical Benefit Trust Fund

For the Fiscal Year Ended June 30, 2007

	<u>Retiree Medical Benefit Trust</u>
Total net assets, June 30, 2006	\$ 5,021,579
Reclassification (Note IV.F.)	(5,021,579)
<b>Total net assets, June 30, 2007</b>	<b>\$ -</b>

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