LANE TRANSIT DISTRICT

EUGENE, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

2014-2015 Comprehensive Annual Financial Report

Lane Transit District
Eugene, Oregon

For Fiscal Years Ended June 30, 2015 and 2014

Prepared by the Finance Department
Todd Lipkin, Finance Manager/CFO
Tom Schamber, Controller

Comprehensive Annual Financial Report
June 30, 2015 and 2014

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INTRODUCTORY SECTION

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December 14, 2015

Board of Directors
Lane Transit District
P.O. Box 7070
Springfield, Oregon 97475-0470

It is our pleasure to submit to you the "Comprehensive Annual Financial Report" (CAFR) of the Lane Transit District for the fiscal year ended June 30, 2015.

Oregon Statutes require that Lane Transit District publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed, certified public accountants.

The accuracy of the District's financial statements and the completeness and fairness of their presentation is the responsibility of District management. The District maintains a system of internal accounting controls designed to provide a reasonable assurance that assets are safeguarded against loss or unauthorized use and that financial records can be relied upon to produce financial statements in accordance with GAAP. The concept of reasonable assurance recognizes that the cost of maintaining the system of internal accounting controls should not exceed benefits likely to be derived.

The District's financial statements were audited by Grove, Mueller & Swank, P.C., a firm of licensed, certified public accountants. The goal of this independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2015, are free of material misstatements. The independent audit involved 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, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's basic financial statements for the fiscal year ended June 30, 2015, are fairly presented in all material respects in conformity with GAAP. The independent auditor's report is presented in the Financial Section of this report.

In addition to meeting the requirements set forth above, the independent audit also was designed to meet the special needs of federal grantor agencies as provided for in the Federal Single Audit Act and the Office of Management and Budget's (OMB) Circular A-133. These standards require the independent auditor to report not only on the fair presentation of the basic financial statements but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The results of the independent audit for the fiscal year ended June 30, 2015, indicated no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations. The independent auditor's reports, related specifically to the Single Audit and OMB Circular A-133, are contained in a separate report.

P.O. Box 7070, Springfield, OR 97475-0470 | Phone: 541-687-5555 | Fax: 541-682-6111 | 7-1-1 TTY | LTD.org

Management's Discussion and Analysis (MD&A) is located in the Financial Section immediately following the independent auditor's report and precedes the basic financial statements. The MD&A provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A.

District Overview

Lane Transit District (LTD) was established in 1970 under the laws of the State of Oregon that allowed the formation of transit districts as special taxing entities. The District began operating in the Eugene-Springfield area in 1970. LTD serves a population base of approximately 302,200, with a fleet of 113 buses that travel more than 3.5 million miles annually. Passenger boardings were approximately 10.6 million for FY15. In FY15, LTD provided more than 254,000 revenue hours of fixed-route service.

The boundaries of Lane Transit District fall entirely within Lane County, encompassing approximately 522 square miles. LTD serves the Eugene-Springfield metropolitan area; the incorporated cities of Coburg, Creswell, Cottage Grove, Lowell, Veneta, and Junction City; and the unincorporated area along Highway 126 between Springfield and the McKenzie Bridge Ranger Station.

LTD is governed by a Board of Directors composed of seven members, each appointed by the governor of Oregon. Each Board member represents a subdistrict of LTD's service area. The Board is responsible for development of District policies and hires and directs the activities of the general manager. The general manager, in turn, directs the daily activities of the District and is responsible for the overall management of the District and its employees.

The District is committed to the successful implementation of total fixed-route accessibility and the successful operation of a demand-response/paratransit service for persons unable to use the fixed-route system. All of LTD's fixed-route buses are equipped with wheelchair lifts or ramps. The District also provides comparable demand-response services for those persons who are unable to use the fixed-route system. In addition to the fixed-route and demand-response services, LTD also offers Point2point, a transportation management service that promotes the use of alternative modes to area residents, groups, and businesses.

The District was empowered by the state legislature, under Oregon Revised Statutes 267, to impose an excise tax on every employer on the wages paid with respect to employment of individuals. The allowable rate has been gradually increased by amendment to the statute and the authority of the District's Board of Directors. On January 1, 2014, the District reached the statutorily allowed maximum rate of seven tenths of one percent of each dollar of wages paid (i.e., $7 per $1,000). Therefore, the rate remained unchanged in FY15.

The 2009 State Legislative Session amended ORS 267 to allow for a raise in the tax rate for both employers and self-employed persons subject to the tax, over a ten-year period, to eight tenths of one percent (i.e., $8 per $1,000). To do so, the LTD Board of Directors must first adopt a finding of economic recovery. The Board made such a finding in May 2015, and in September 2015, approved an increase to the maximum rate over the ten-year period beginning January 1, 2016.

For financial planning and control, the District prepares and adopts an annual budget in accordance with Oregon Revised Statutes Chapters 294.305 through 294.565. The legally adopted budget is at the fund/program level for current expenditures, with separate appropriations established for capital outlay, debt service, interfund transfers, and contingencies. Budgetary control is internally administered at a more restrictive level. Budget-to-actual comparisons, for each individual fund for which an appropriated annual budget has been adopted, are provided as supplementary information in this report.

Factors Affecting Financial Condition

Local Economy

LTD serves the Eugene-Springfield metropolitan area, which has an estimated population of 302,200. In June 2015, total nonfarm employment in Lane County was 152,800, compared to 149,000 in June 2014, representing an increase of 3,800 jobs in the last year.

	June 2011	June 2012	June 2013	June 2014	June 2015
Civilian labor force	179,973	174,293	167,915	169,722	168,331
Unemployment	17,283	15,410	13,569	11,840	10,279
Unemployment rate	9.6%	8.8%	8.1%	7.0%	6.1%
Total employment	162,690	158,883	154,346	157,882	158,052
Total nonfarm employment	144,800	144,500	145,500	149,000	152,800
Percent annual change	0.7%	-0.2%	0.7%	2.4%	2.6%

Source: U.S. Bureau of Labor Statistics

Since the economic downturn, with the unemployment rate reaching a peak of 13.5 percent in March 2009, jobs have slowly been returning; and the unemployment rate has fallen to 6.1 percent as of June 2015. This is slightly higher than the comparable rates of 5.5 percent for the State of Oregon and 5.3 percent for the United States as a whole. The June 2015 unemployment rate was 0.9 percent lower than for June 2014.

Long-Range Financial Plan

Annually, as part of the budget process, the District updates the rolling ten-year Long-Range Financial Plan. The Plan is reviewed in detail in a separate schedule that combines operating revenue and expenditure projections with capital outlay requirements as outlined in the Capital Improvements Program (CIP).

Major assumptions for the Long-Range Financial Plan, revised for the FY16 budget process, included the following:

- Payroll and self-employment tax revenues were assumed to grow 5 percent annually attributable to economic growth. The tax rate was assumed to increase by one tenth of one percent annually beginning on January 1, 2017, until reaching the new statutory maximum on January 1, 2026. The rate increase would contribute additional tax revenues of 1.4 percent, on average.

- State-in-lieu revenues were assumed to grow 3 percent annually based on economic growth.

- Total personnel services expenditure growth will be 6.9 percent based on the assumptions of a fully staffed administrative function, increases in the required contribution to retirement plans, increases in medical insurance premiums, and the addition of 2.5 full-time equivalent employees. Total personnel services expenditure growth will be no more than 5 percent per year thereafter.

- Average fuel expenditures per gallon will not exceed an average of $3.15 through FY16. Fuel price inflation will be 5 percent per year from FY17 through FY25.

- Materials and services costs, other than fuel, are expected to grow 2 percent annually. Risk management/insurance costs also are assumed to grow at 2 percent annually.

- Service levels are projected to increase General Fund expenditures $667,000 in FY16. This resulted from enhancements to existing routes, such as later weekday service, additional trips on existing routes to address overcrowding, and new service that is designed to meet the demands created from the opening of the Veterans Affairs clinic in Eugene. Additional community investments in FY17 and FY18 along with implementation of West Eugene EmX Extension service in FY18 will further increase expenditures throughout the long-term horizon.

Major Initiatives

The District has a number of major initiatives that will have a significant impact in FY16.

- The West Eugene EmX Extension continues the construction phase, which is estimated to be completed in FY18. The District's FY16 budget appropriated $72.7 million to complete the project, which is funded entirely by federal and state grants.

- The Ride*Source* Call Center is developing a major software upgrade that will integrate tasks currently performed by numerous individual software programs--some developed more than 20 years ago. The software will result in greater efficiencies in paratransit and brokerage services. Implementation is expected in early 2016.

- A new fare management solution is being pursued to provide customers with additional fare purchase options, to provide flexibility in managing the fare structure, and to make it easier for bus operators to validate fares. Requests for proposals will be made in FY16.

- The District is purchasing five hybrid-electric and five fully-electric 40-foot buses at a total cost of $6.9 million.

- The District has engaged in a cooperative effort, known as MovingAhead, with the City of Eugene, regional partners, and community members to determine what improvements are needed on some of our most important transportation corridors. This effort will be carried out through multiple phases over the next several years. The first phase of the effort will lead to the identification of locally preferred alternatives for several corridors, which will then undergo further development work. This development work will lead to capital investments related to the transit system as well as other modes of travel.

- In partnership with the City of Springfield, the District is working to identify and document existing and future transit problems and solutions along the Main Street-McVay corridor, which is a nine-mile connection form the eastern portion of the city, through downtown to the existing LTD transit station, and continuing northwest along McVay highway to the campus of Lane Community College. Selection of a locally preferred alternative along this corridor is expected by June 2016.

Other Issues

Award

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its "Comprehensive Annual Financial Report" (CAFR) for the year ended June 30, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a certificate, a government unit must publish an easily readable and efficiently organized CAFR, the contents of which conform to program standards. Such CAFRs must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The District has received this certificate for the past 19 years. The District believes its current report continues to conform to the Certificate of Achievement program requirements and is submitting it to the GFOA.

Acknowledgments

The timely preparation of the "Comprehensive Annual Financial Report" was made possible by the efforts of the entire staff of the Finance Division and Executive Office. The Finance Division appreciates and thanks all staff who assisted and contributed to the report's presentation. Staff also thanks the members of the LTD Board of Directors for their interest and support in managing the financial operations of the District in a responsible and progressive manner.

Respectfully submitted,

Aurora Jackson
General Manager

Todd Lipkin
Finance Manager/Chief Financial Officer

Tom Schamber, CPA
Controller

LTD Board of Directors

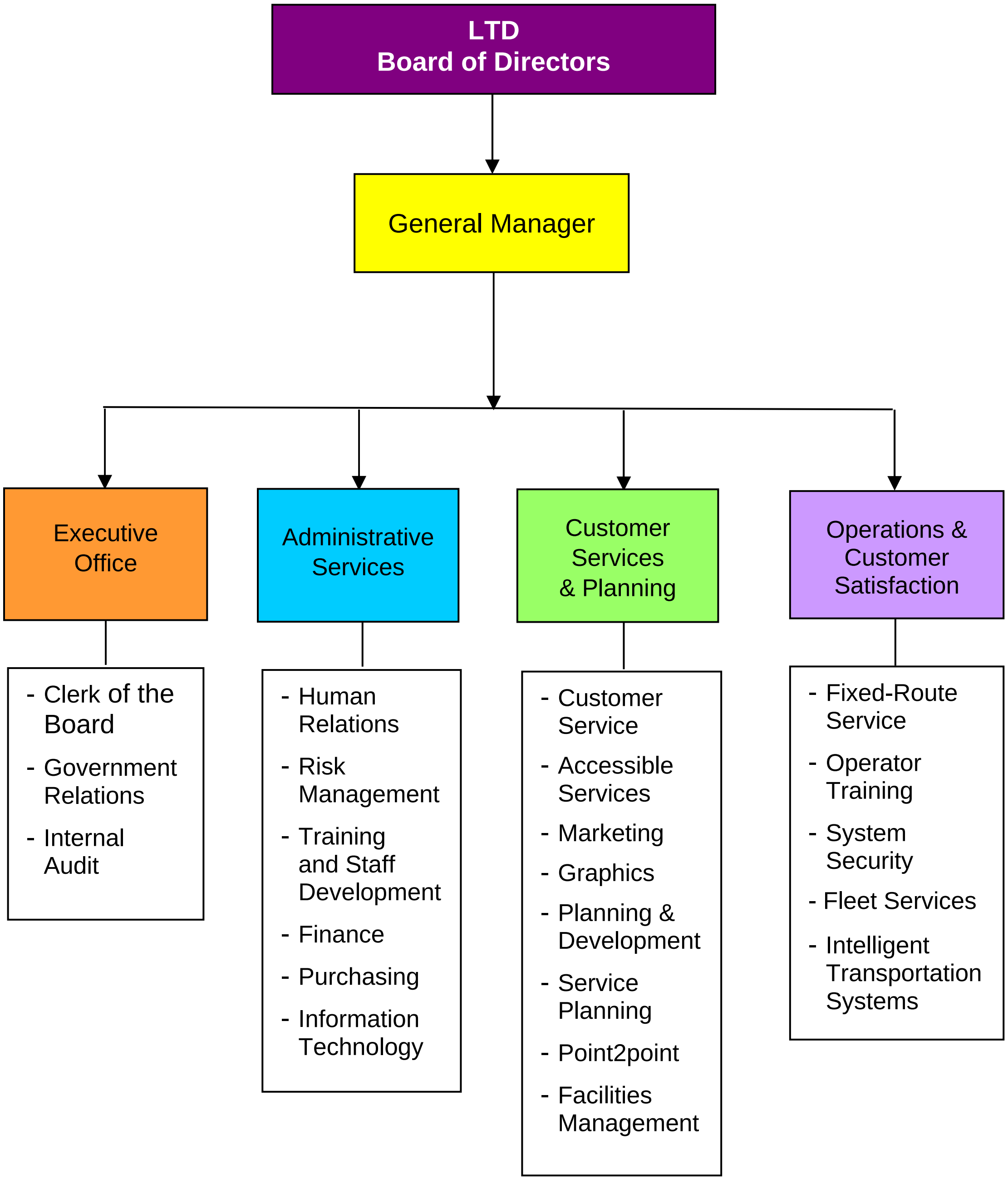
(Four-year Terms)

	Sub-District	Term Expiration
Angelynn Pierce	1	12/31/16
Carl Yeh, Vice President	2	12/31/16
Don Nordin	3	12/31/19
Ed Necker, Treasurer	4	12/31/17
Gary Gillespie	5	12/31/17
Gary Wildish, President	6	12/31/18
Julie Grossman, Secretary	7	12/31/16

General Manager

Aurora Jackson

LTD Organizational Chart



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lane Transit District

Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

FINANCIAL SECTION

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GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Lane Transit District
Springfield, Oregon

Report on the Financial Statements

We have audited the statements of net position, statements of revenue, expenses and changes in net position, and cash flows of Lane Transit District (the District) as of and for the years ended June 30, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Lane Transit District, as of June 30, 2015 and 2014, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in notes to the financial statements, the District adopted the accounting requirements of Governmental Accounting Standards Board Statements No. 68, Accounting and Financial Reporting for Pensions, and No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date as of July 1, 2014, which resulted in the restatement of the financial statements for the year ended June 30, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) (pages 16 through 22), schedule of changes in the net pension liability and related ratios – LTD Salaried Employees' Retirement Plan (page 59), schedule of employer contributions – LTD Salaried Employees' Retirement Plan (page 60), schedule of changes in the net pension liability and related ratios – LTD and ATU Pension Trust (page 61), schedule of employer contributions – LTD and ATU Pension Trust (page 62), and schedule of other postemployment benefits funding progress (page 63) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the MD&A and other schedules described above in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information, introductory section and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards and Other Legal and Regulatory Requirements

Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2015, on our consideration of the District'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* in considering the District's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 14, 2015, on our consideration of the District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By: ______________________________
Ryan T. Pasquarella, A Shareholder
December 14, 2015

Management's Discussion and Analysis

The following Management's Discussion and Analysis (MD&A) provides an overview of the Lane Transit District (LTD or the District) financial performance for the fiscal years ended June 30, 2015 and 2014. It is designed to assist the reader in focusing on significant financial issues, providing an overview of the District's financial activity, and identifying changes in the District's financial position.

This MD&A is based on currently known facts, decisions, and conditions that existed as of the date of the independent auditor's report. As with other sections of the financial report, the information contained within the MD&A should be considered only as part of a greater whole. The reader of this MD&A should take time to read and evaluate all sections of this report, including the notes to financial statements and other supplementary information that is provided in addition to this MD&A. Additional information outside the scope of this analysis can be found in the Letter of Transmittal.

Overview of the Financial Statements

The District's financial statements consist of statements of net position; statements of revenues, expenses, and changes in net position; and statements of cash flows. These statements offer short- and long-term financial information about all the District's activities. The notes to the financial statements contain more detail on some of the information presented in the financial statements. Over time, increases or decreases in net position, as reported on the statements of net position, may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The District's financial statements have been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America (GAAP). Under this basis of accounting, revenues are recognized in the period in which they are earned, and expenses are recognized in the period in which they are incurred, regardless of the timing of related cash flows.

In FY15, the District adopted GASB Statements No. 68 and 71. These statements established new accounting and reporting rules related to pension plans that, most notably, include presenting the net pension liability and deferred inflows and outflows related to pensions on the statement of net position. There are also a number of changes to the notes to the financial statements and required supplementary information. Implementation of these statements required the restatement of FY14 financial statements to maintain comparability between the two years presented in this report. The financial statements are found on pages 26-29 of this report.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided within the financial statements. The notes to the financial statements are found on pages 30-56 of this report.

Financial Summary

Net Position

	District Total						
	2015	2014 (As restated)	2013	Increase (decrease) 2015 - 2014	Percentage Change 2015 - 2014	Increase (decrease) 2014 - 2013	Percentage Change 2014 - 2013
Assets							
Current assets	$ 56,639,732	$ 41,747,999	$ 37,774,109	$ 14,891,733	35.7%	$ 3,973,890	10.5%
Capital assets, net of depreciation	125,447,247	113,337,904	114,242,299	12,109,343	10.7%	(904,395)	-0.8%
Other assets	-	-	1,068,705	-	0.0%	(1,068,705)	-100.0%
Total assets	182,086,979	155,085,903	153,085,113	27,001,076	17.4%	2,000,790	1.3%
Deferred outflows of resources	1,540,509	1,693,168	-	(152,659)	-9.0%	1,693,168	N/A
Total assets and deferred outflows of resources	183,627,488	156,779,071	153,085,113	26,848,417	17.1%	3,693,958	2.4%
Liabilities							
Current liabilities	22,159,541	10,036,528	9,926,804	12,123,013	120.8%	109,724	1.1%
Noncurrent liabilities	23,454,799	22,635,145	4,167,895	819,654	3.6%	18,467,250	443.1%
Total liabilities	45,614,340	32,671,673	14,094,699	12,942,667	39.6%	18,576,974	131.8%
Deferred inflows of resources	712,072	1,784,272	-	(1,072,200)	-60.1%	1,784,272	N/A
Net position							
Investment in capital assets	125,447,247	113,337,904	114,242,299	12,109,343	10.7%	(904,395)	-0.8%
Restricted for Accessible Services and Medicaid programs	440,273	398,255	436,632	42,018	10.6%	(38,377)	-8.8%
Unrestricted	11,413,556	8,586,967	24,311,483	2,826,589	32.9%	(15,724,516)	-64.7%
Total net position	137,301,076	122,323,126	138,990,414	14,977,950	12.2%	(16,667,288)	-12.0%
Total liabilities, deferred inflows of resources and net position	$ 183,627,488	$ 156,779,071	$ 153,085,113	$ 26,848,417	17.1%	$ 3,693,958	2.4%

FY15

The District's total assets increased $27 million (17.4 percent) in FY15, from $155.1 million to $182.1 million. Current assets increased $14.9 million, predominately from increases to grants receivable and taxes receivable. The net book value of capital assets increased $12.1 million with the addition of $23.3 million in new assets offset by depreciation expense of $11.2 million.

The District's total liabilities increased $12.9 million (39.6 percent) in FY15 from $32.7 million to $45.6 million. This is largely attributable to increases in accounts payable ($2.9 million) and increases in unearned revenue resulting from receipt of state lottery bond proceeds to be used in future construction of the West Eugene EmX Extension ($9.3 million).

The net position of the District increased $15 million (12.2 percent) in FY15, from $122.3 million to $137.3 million. Of this amount, $11.4 million was unrestricted, an increase of $2.8 million from the prior year. The remaining portion of net position is invested in capital assets or restricted for use in Accessible Services and Medicaid programs.

FY14

The District's total assets increased $2 million (1.3 percent) in FY14, from $153.1 million to $155.1 million. Current assets increased $4 million, predominately from increases to grants receivable. The net book value of capital assets decreased $.9 million with the addition of $9.6 million in new assets offset by depreciation expenses of $10.5 million.

The District's total liabilities increased $18.6 million (131.8 percent) in FY14, from $14.1 million to $32.7 million. Of this increase, $17.1 million is attributable to the retroactive implementation of a new accounting standard, GASB 68 Accounting and Financial Reporting for Pensions, under which the net pension liability for each of the District's pension plans are now recorded on the face of the Statement of Net Position. The remainder of the increase is in accounts payable ($1.8 million) and increases in net other post-employment benefits (OPEB) obligations ($.6 million), offset by decreases in compensated absences payable ($1 million) reflective of a large number of retirements in the year.

The net position of the District decreased $16.7 million (12 percent) in FY14, from $139 million to $122.3 million. Of this amount, $8.6 million was unrestricted, a decrease of $15.7 million from the prior year. The remaining portion of net position is invested in capital assets or restricted for use in Accessible Services and Medicaid programs. The overall decrease in net position is the result of the aforementioned change in accounting standards relating to pensions.

Changes in Net Position

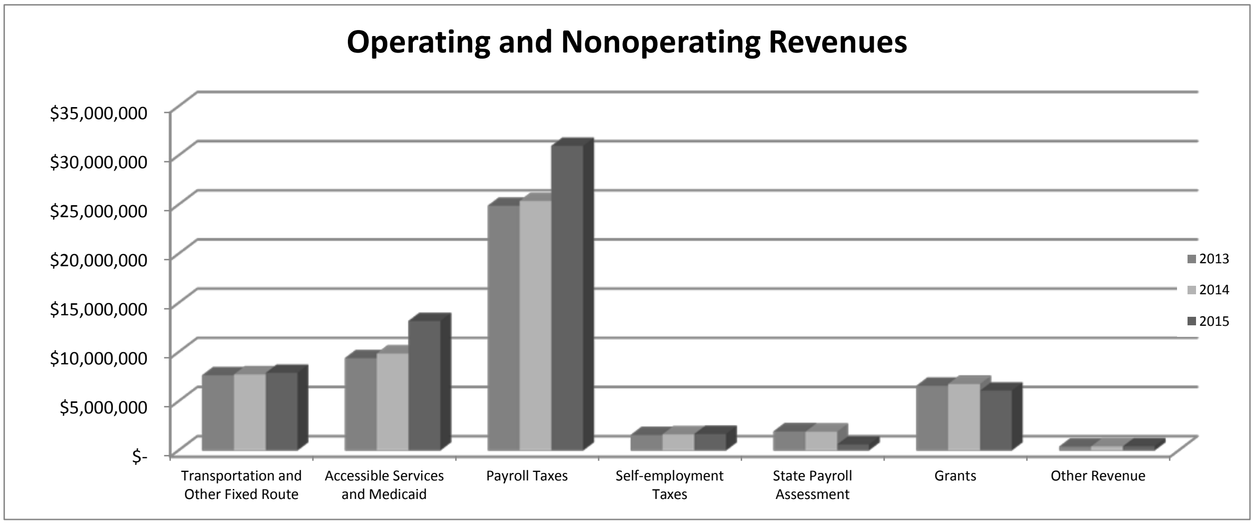
	District Totals			Increase (decrease)	Percentage Change	Increase (decrease)	Percentage Change
	2015	2014 (As restated)	2013	2015 - 2014	2015 - 2014	2014 - 2013	2014 - 2013
Revenues							
Operating revenues							
Passenger fares	$ 7,200,332	$ 6,948,609	$ 6,914,308	$ 251,723	3.6%	$ 34,301	0.5%
Accessible Services and Medicaid	13,173,252	9,857,780	9,394,430	3,315,472	33.6%	463,350	4.9%
Advertising	437,950	460,000	287,500	(22,050)	-4.8%	172,500	60.0%
Special services	255,587	324,531	439,110	(68,944)	-21.2%	(114,579)	-26.1%
Nonoperating revenues							
Employer payroll tax	30,981,560	25,374,737	24,891,777	5,606,823	22.1%	482,960	1.9%
Self-employment tax	1,683,987	1,647,329	1,576,826	36,658	2.2%	70,503	4.5%
State payroll assessment	609,978	1,914,665	1,941,063	(1,304,687)	-68.1%	(26,398)	-1.4%
Federal assistance	6,001,519	5,993,929	6,563,936	7,590	0.1%	(570,007)	-8.7%
State assistance	29,688	723,888	-	(694,200)	-95.9%	723,888	N/A
Local assistance	57,910	48,301	13,700	9,609	19.9%	34,601	252.6%
Interest	52,359	85,619	77,171	(33,260)	-38.8%	8,448	10.9%
Facility rental and other nonoperating revenues	375,877	318,026	311,639	57,851	18.2%	6,387	2.0%
Gain (loss) on disposal of capital assets	(2,877)	13,052	7,635	(15,929)	-122.0%	5,417	70.9%
Total operating and nonoperating revenues	60,857,122	53,710,466	52,419,095	7,146,656	13.3%	1,291,371	2.5%
Operating expenses							
Personnel services	27,919,217	26,037,899	26,666,847	1,881,318	7.2%	(628,948)	-2.4%
Materials and services	9,604,093	9,496,751	8,313,177	107,342	1.1%	1,183,574	14.2%
Insurance	1,017,707	1,125,978	833,689	(108,271)	-9.6%	292,289	35.1%
Accessible Services and Medicaid	14,617,685	12,314,118	10,841,746	2,303,567	18.7%	1,472,372	13.6%
Depreciation	11,152,433	10,519,936	10,561,286	632,497	6.0%	(41,350)	-0.4%
OPEB expense	461,715	555,778	614,905	(94,063)	-16.9%	(59,127)	-9.6%
Total operating expenses	64,772,850	60,050,460	57,831,650	4,722,390	7.9%	2,218,810	3.8%
Loss before contributions	(3,915,728)	(6,339,994)	(5,412,555)	2,424,266	-38.2%	(927,439)	17.1%
Capital contributions	18,893,678	8,564,456	2,165,876	10,329,222	120.6%	6,398,580	295.4%
Changes in net position	14,977,950	2,224,462	(3,246,679)	12,753,488	573.3%	5,471,141	-168.5%
Total net position -- beginning of period	122,323,126	138,990,414	142,237,093	2,224,462	1.6%	(22,138,429)	-15.6%
Cumulative effect of restatement		(18,891,750)					
Total net position -- beginning of period (restated)		120,098,664					
Total net position -- end of period	$ 137,301,076	$ 122,323,126	$ 138,990,414	$ 14,977,950	12.2%	$ (16,667,288)	-12.0%

FY15

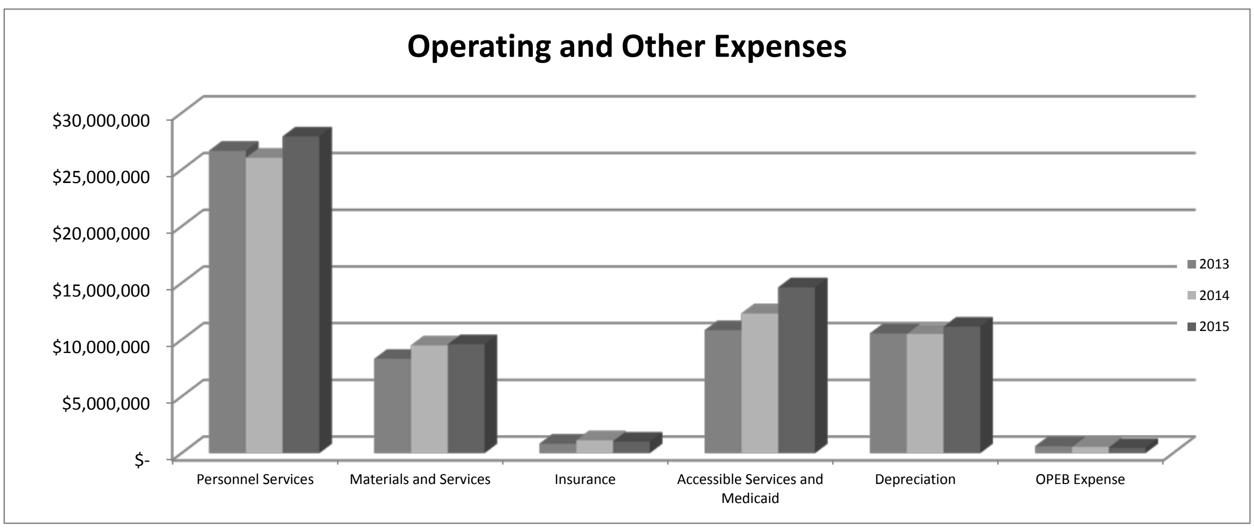
The District's net position increased $15 million in FY15 to $137.3 million. Total revenues were up $7.1 million (13.3 percent), offset by an increase in total expenses of $4.7 million (7.9 percent). Capital contributions of $18.9 million also contributed to the favorable change in net position.

Operating revenues of $21.1 million reflect an increase of 19.8 percent in FY15. Most of this increase was attributable to continuing growth in Accessible Services and Medicaid programs. Passenger fares increased 3.6 percent.

Nonoperating revenues of $39.8 million were up 10.2 percent in FY15. Payroll tax receipts were favorably impacted by a steadily increasing economy combined with a full year of taxes at the maximum tax rate compared with the prior year in which the rate was only increased for the last half of the fiscal year. Tax collections increased $5.6 million. This increase was offset by the reduction of state payroll assessments collected by $1.3 million.



Operating expenses of $64.8 million were up 7.9 percent in FY15. Personnel services were up 7.2 percent ($1.9 million). While overall staffing was flat, half of the increase is the result of full staffing for a larger portion of the year compared to the prior year, combined with increased retirement and health insurance costs of $1 million. Increases in Accessible Services and Medicaid of 18.7 percent were driven by strong demand for those programs. Materials and services were held steady attributable to low fuel costs. The charge for depreciation was also up 6 percent ($.6 million).



Capital contributions reflect funds received from federal, state, and local sources for use in capital projects. This component of the change in net position can vary significantly from year to year depending on the number and type of capital projects undertaken. Details of capital spending can be found below in the capital assets portion of this analysis.

FY14

The District's net position decreased $16.7 million in FY14 to $122.3 million. The beginning net position was restated by $18.9 million as the result of the retroactive implementation of a new accounting standard, GASB Statement No. 68, Accounting and Financial Reporting for Pensions, under which the net pension liability for each of the District's pension plans are now recorded on the face of the Statement of Net Position. Total revenues were up $1.3 million (2.5 percent), offset by an increase in total expenses of $2.2 million (3.8 percent). Capital contributions of $8.6 million eased the reduction in net position.

Operating revenues of $17.6 million reflect an increase of 3.3 percent in FY14. Most of this increase was attributable to increased demand for Accessible Services and Medicaid programs resulting from expanded Medicaid eligibility guidelines implemented by the State of Oregon as of January 1, 2014.

Nonoperating revenues of $36.1 million were up 2.1 percent in FY14. A large factor in this change was an increase in the employer payroll tax and self-employment tax rates from 0.69 percent to 0.70 percent effective January 1, 2014, coupled with a modestly improving economy to boost tax collections of $.6 million. While federal operating assistance was down 8.7 percent for the year, an increase in state assistance related to the now-ended Business Energy Tax Credit program offset the impact.

Operating expenses of $60.1 million were up 3.8 percent in FY14. Increases in materials and services and Accessible Services and Medicaid of 14.2 percent and 13.6 percent, respectively, drove the overall increase. Materials and services expenses increased as a result of $.7 million in preventive maintenance projects, $.3 million in non-capitalized service planning expenses, and $.3 million in litigation expenses related to the West Eugene EmX Extension project. Accessible Services and Medicaid expenses were impacted by broadened eligibility for services, as mentioned earlier. Fuel costs, though a significant component of materials and service expenses, decreased 0.8 percent due to a combination of market pricing, implementation of fuel-saving operational technologies, and the use of offsite fuel storage capacity, which allows the District to take advantage of lower market prices when they arise. Insurance expenses are 35.1 percent higher than the prior year, but this is reflective of an unusually low expense in FY13 rather than a notable increase in FY14.

Capital contributions reflect funds received from federal, state, and local sources for use in capital projects. This component of the change in net position can vary significantly from year to year depending on the number and type of capital projects undertaken. Details of capital spending can be found below in the capital assets portion of this analysis.

Capital Assets

At June 30, 2015, the District had invested $125.4 million, net of accumulated depreciation, in a variety of capital assets.

	District Totals						
	2015	2014	2013	Increase (decrease) 2015 - 2014	Percentage Change 2015 - 2014	Increase (decrease) 2014 - 2013	Percentage Change 2014 - 2013
Land	$ 12,057,496	$ 8,708,370	$ 8,708,370	$ 3,349,126	38.5%	$ -	0.0%
Freestanding public art	366,917	366,917	366,917	-	0.0%	-	0.0%
Construction in progress	26,809,415	11,253,541	4,155,519	15,555,874	138.2%	7,098,022	170.8%
Busways	32,088,829	34,389,800	36,731,411	(2,300,971)	-6.7%	(2,341,611)	-6.4%
Rolling stock and related equipment	23,240,402	24,605,064	28,668,963	(1,364,662)	-5.5%	(4,063,899)	-14.2%
Stations, shelters, and bus signs	9,228,780	10,426,073	10,603,767	(1,197,293)	-11.5%	(177,694)	-1.7%
Buildings and improvements	18,302,790	19,679,255	20,873,130	(1,376,465)	-7.0%	(1,193,875)	-5.7%
Accessible Services vehicles	1,035,846	1,391,302	1,811,158	(355,456)	-25.5%	(419,856)	-23.2%
Other equipment and support vehicles	2,316,772	2,517,582	2,323,064	(200,810)	-8.0%	194,518	8.4%
	$ 125,447,247	$ 113,337,904	$ 114,242,299	$ 12,109,343	10.7%	$ (904,395)	-0.8%

FY15

In FY15, the District spent $23.3 million for capital acquisition and construction, approximately 81 percent of which was reimbursed by federal and state governments. Of this amount, $15.8 million was spent for construction activities related to the West Eugene EmX Extension project. Other expenditures included $3.3 million for acquisition of land to be used for a future transit station, $2.9 million for the purchase of buses, $1.3 million for new computer hardware and software, passenger boarding improvements, facilities improvements, and purchase of an Accessible Services vehicle. Overall, the District's net position in capital assets increased by $12.1 million after the charge for depreciation.

FY14

In FY14, the District spent $9.6 million for capital acquisition and construction, approximately 89 percent of which was reimbursed by the federal government. Of this amount, $7.2 million was spent for design and pre-construction activities related to the West Eugene EmX Extension project. Other expenditures included $.9 million for construction of Pavilion Station and other shelters and $.6 million for new computer hardware and software. Overall, the District's net position in capital assets decreased by $.9 million after the charge for depreciation.

Note 3(d) (page 39) contains additional detail information about capital assets activity.

Economic Factors and Related Budget Impact

During the preparation of the budget for the ensuing fiscal year, the long-term impacts of the local economy were examined in conjunction with business decisions made by the District. Following are the major assumptions used in developing the FY16 budget:

- The local economy continues to grow. Total nonfarm payroll employment increased by 3,800 jobs, from 149,000 to 152,800. The county's unemployment rate declined from 7 percent to 6.1 percent.

- Economic growth is expected to contribute to an increase in payroll and self-employment tax receipts by 5 percent.

- Passenger fares should increase slightly due to ridership gains resulting from service additions.

- Staff belonging to the Amalgamated Transit Union Local 757 will increase by six bus operators and one journeyman mechanic to accommodate additional service investments. The latest contract with the union, ratified and adopted effective July 1, 2014, will keep personnel services costs managed and predictable.

- The West Eugene EmX Extension project will continue major construction in FY16. The project will be funded entirely from federal and state grant funds. The District has appropriated $72.7 million in the FY16 budget to complete the project. The Federal Transportation Administration has fully apportioned its share of funding for the project. The Construction Manager/General Contractor contract for services was executed in May 2014. Service is expected to begin in 2017.

- Approximately $3.4 million will be spent to satisfy matching requirements for federal capital grants used to purchase three hybrid-electric articulated buses, ten hybrid-electric 40-foot buses, new software for the Ride*Source* Call Center, and other preventive maintenance projects.

- Due to increased demand and flat funding levels for elderly and disabled transportation by the state, general fund operating support of Accessible Services programs is expected to increase 54 percent.

Requests for Information

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

Finance Division
Lane Transit District
P.O. Box 7070
Springfield, OR 97475-0470

Basic Financial Statements

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Statements of Net Position
June 30, 2015 and 2014

	2015	2014 (As restated)
Assets		
Current assets		
Cash and cash equivalents		
Unrestricted	$ 6,011,081	$ 15,286,833
Restricted	13,608,946	4,203,898
Accounts receivable	973,288	1,744,430
Taxes receivable	9,316,919	5,157,198
Grants receivable	23,402,140	12,011,259
Due from other governments	-	391,208
Inventory of parts and supplies	2,971,302	2,645,942
Prepaid expenses	296,056	247,231
Deposits	60,000	60,000
Total current assets	56,639,732	41,747,999
Capital assets		
Land	12,057,496	8,708,370
Freestanding public art	366,917	366,917
Construction in progress	26,809,415	11,253,541
Other capital assets (net of depreciation)	86,213,419	93,009,076
Net capital assets	125,447,247	113,337,904
Total assets	182,086,979	155,085,903
Deferred outflows of resources		
Deferred outflows - LTD ATU Pension Trust	1,112,696	1,078,551
Deferred outflows - LTD Salaried Employees' Plan	427,813	614,617
Total deferred outflows of resources	1,540,509	1,693,168
Total assets and deferred outflows of resources	$ 183,627,488	$ 156,779,071

	2015	2014 (As restated)
Liabilities		
Current liabilities		
Accounts payable	$ 6,275,969	$ 3,330,723
Accrued payroll	468,697	398,079
Payroll withholdings and taxes	35,567	37,109
Accrued pension	90,030	78,480
Accrued vacation and sick leave	847,773	747,047
Unearned revenue	13,969,215	4,656,573
Employee HRA liability	-	444,049
Other current liabilities	472,290	344,468
Total current liabilities	22,159,541	10,036,528
Noncurrent liabilities		
Accrued vacation and sick leave	1,835,368	1,898,733
Net OPEB obligation	4,121,038	3,659,323
Net pension liability - LTD ATU Pension Trust	11,685,045	11,813,738
Net pension liability - LTD Salaried Employee's Plan	5,813,348	5,263,351
Total noncurrent liabilities	23,454,799	22,635,145
Total liabilities	45,614,340	32,671,673
Deferred inflows of resources		
Deferred inflows - LTD ATU Pension Trust	712,072	895,356
Deferred inflows - LTD Salaried Employees' Plan	-	888,916
Total deferred inflows of resources	712,072	1,784,272
Net position		
Investment in capital assets	125,447,247	113,337,904
Restricted for Accessible Services and Medicaid programs	440,273	398,255
Unrestricted	11,413,556	8,586,967
Total net position	137,301,076	122,323,126
Total liabilities, deferred inflows of resources and net position	$ 183,627,488	$ 156,779,071

The notes to the financial statements are an integral part of this statement.

Statements of Revenues, Expenses, and Changes in Net Position
For the fiscal years ended June 30, 2015 and 2014

	2015	2014 (As restated)
Operating revenues		
Passenger fares	$ 7,200,332	$ 6,948,609
Special services	255,587	324,531
Accessible Services and Medicaid	13,173,252	9,857,780
Advertising	437,950	460,000
Total operating revenues	21,067,121	17,590,920
Operating expenses		
Personnel services	27,919,217	26,037,899
Materials and services	9,604,093	9,496,751
Insurance	1,017,707	1,125,978
Accessible Services and Medicaid	14,617,685	12,314,118
Depreciation	11,152,433	10,519,936
OPEB expense	461,715	555,778
Total operating expenses	64,772,850	60,050,460
Operating loss	(43,705,729)	(42,459,540)
Nonoperating revenues		
Employer payroll tax, net of state administrative fees (2015, $483,243; 2014, $506,660)	30,981,560	25,374,737
Self-employment tax, net of state administrative fees (2015, $78,647; 2014, $94,091)	1,683,987	1,647,329
State payroll assessment	609,978	1,914,665
Federal assistance	6,001,519	5,993,929
State assistance	29,688	723,888
Local assistance	57,910	48,301
Interest	52,359	85,619
Facility rental and other nonoperating revenues	375,877	318,026
Gain (loss) on disposal of capital assets	(2,877)	13,052
Total nonoperating revenues	39,790,001	36,119,546
Loss before capital contributions	(3,915,728)	(6,339,994)
Capital contributions		
Federal and state grants for capital acquisition	18,893,678	8,564,456
Changes in net position	14,977,950	2,224,462
Total net position -- beginning of period	122,323,126	120,098,664
Total net position -- end of period	$ 137,301,076	$ 122,323,126

The notes to the financial statements are an integral part of this statement.

Statements of Cash Flows
For the fiscal years ended June 30, 2015 and 2014

	2015	2014 (As restated)
Cash flows from operating activities		
Cash received from customers	$ 22,150,914	$ 17,726,552
Cash received from other sources	375,877	318,026
Cash paid to suppliers for goods and services	(25,428,054)	(22,205,116)
Cash paid to employees for services	(28,751,408)	(27,590,413)
Net cash used for operating activities	(31,652,671)	(31,750,951)
Cash flows from noncapital financing activities		
Employer payroll tax	26,838,078	26,166,307
Self-employment tax	1,667,748	1,634,561
State payroll assessment	1,001,186	2,047,372
Federal operating grant	5,423,354	5,011,307
State operating grant	30,968	722,608
Local operating grant	57,910	48,301
Net cash provided by noncapital financing activities	35,019,244	35,630,456
Cash flows from capital and related financing activities		
Contribution from federal and state agencies	17,074,661	990,631
Proceeds from disposal of capital assets	9,892	13,052
Acquisition and construction of capital assets	(20,374,189)	(7,934,780)
Net cash provided by (used for) capital and related financing activities	(3,289,636)	(6,931,097)
Cash flows from investing activities		
Interest receipts	52,359	85,619
Net cash provided by investing activities	52,359	85,619
Net change in cash and cash equivalents	129,296	(2,965,973)
Cash and cash equivalents, beginning of year	19,490,731	22,456,704
Cash and cash equivalents, end of year	$ 19,620,027	$ 19,490,731
Reconciliation of operating loss to net cash used for operating activities:		
Operating loss	$ (43,705,729)	$ (42,459,540)
Adjustments to reconcile operating loss to net cash used for operating activities		
Depreciation	11,152,433	10,519,936
Decrease in net pension liability	(498,237)	(654,852)
OPEB expense	461,715	555,778
Facility rental and other nonoperating revenues	375,877	318,026
(Increase) decrease in accounts receivable	771,142	228,500
(Increase) decrease in inventory of parts and supplies	(325,360)	408,673
(Increase) decrease in prepaid expenses	(48,825)	41,127
Increase (decrease) in accounts payable	389,222	158,745
Increase (decrease) in accrued payroll and related liabilities	117,987	(935,189)
Increase (decrease) in unearned revenue	312,652	(78,495)
Increase (decrease) in health reimbursement account liability	(444,049)	28,978
Increase (decrease) in other current liabilities	(211,499)	117,362
Net cash used for operating activities	$ (31,652,671)	$ (31,750,951)

LTD disposed of capital assets with a net book value of $7,758 and $0 in years ended June 30, 2015 and 2014, respectively.

Cash and cash equivalents consist of unrestricted and restricted amounts.

The notes to the financial statements are an integral part of this statement.

Notes to Basic Financial Statements
Years Ended June 30, 2015 and 2014

1. Summary of Significant Accounting Policies

The financial statements of Lane Transit District (LTD or the District) have been prepared in conformity with generally accepted accounting principles in the United States of America (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

(a) Financial Reporting Entity

The financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board and either (1) the ability to impose will by the primary government, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

Based upon the above criteria, the District does not have any component units that require inclusion in the financial statements. Conversely, the District is not a component unit of another government.

(b) Organization and Operation

The District was organized under the provisions of Oregon Revised Statutes (ORS) Chapter 267 to provide mass transit services to the Eugene-Springfield area. Formation of the District was effective November 23, 1970, with the assumption of the operations of a privately owned bus system. Under ORS 267, the District is authorized to levy taxes and charge fares to pay for the operations of the District. LTD also is authorized to issue general obligation bonds and revenue bonds.

The District is governed by a seven-member Board of Directors appointed by the Governor of the State of Oregon. Board members represent and must live in certain geographical subdistricts. The Board of Directors sets District policy, levies taxes, appropriates funds, adopts budgets, and performs other duties required by state and federal law. Board members are not compensated for their time.

The accounts of the District are organized on the basis of funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating governmental functions and activities. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equities, revenues, and expenditures (expenses).

(c) Basis of Accounting and Revenue Recognition

The District's financial statements are presented as a single-proprietary fund. Proprietary funds are used to account for operations and activities that are similar to those found in the private sector. The measurement focus is upon the determination of net income.

The financial statements have been prepared using the economic resources measurement focus and accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, depreciation of assets is recognized as an expense in the statements of revenues, and expenses and changes in net position and all assets and liabilities associated with the operation of the District are included in the statements of net position.

Operating revenues consist primarily of passenger fares. The District also recognizes contracted service revenue and transit advertising revenue as operating revenue. Operating expenses are the costs of operating the District, including depreciation on capital assets. Capital contributions include grant revenue and other contributions related to capital asset acquisitions or construction. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The District has no allowance for doubtful accounts. Past experience has shown that uncollectible amounts are likely to be insignificant.

(d) Tax Revenues

Funding of day-to-day operations is primarily provided by the payroll tax imposed by the District pursuant to ORS 267.380 and the self-employment tax imposed by the District pursuant to ORS 267.385. The payroll tax is imposed on employers with respect to wages earned within the District service area. An employer is not permitted to deduct any portion of the tax from the wages of an employee. The self-employment tax is imposed on self-employed individuals with respect to their net earnings generated within the District service area. The District currently imposes these taxes at a rate of 0.7 percent of the wages paid to individuals (for payroll tax) and net earnings from self-employed individuals (for self-employment tax). The taxes are collected on the District's behalf by the Department of Revenue of the State of Oregon under an agreement entered into pursuant to ORS 305.620. Imposed tax revenues are recorded as assets and revenues in the period that the obligation is incurred by the employers and the self-employed individuals. Amounts accrued are estimated based upon current cash receipts and are trued up in the period that cash is collected.

(e) Restricted Assets

Restricted assets are assets set aside to meet externally imposed legal and contractual obligations. Restricted assets are used in accordance with their requirements. Where both restricted and unrestricted resources are available for use, restricted resources are used first, and then unrestricted resources are used as they are needed. Restricted assets are current assets restricted for use in Accessible Services and Medicaid programs.

(f) Cash and Investments

Cash and cash equivalents include deposits in the State of Oregon Local Government Investment Pool and financial institutions, and marketable securities with original maturities of three months or less.

ORS Chapter 294 authorizes the District to invest in obligations of the U.S. Treasury and U.S. Government agencies and instrumentalities, certain bankers' acceptances and corporate indebtedness, repurchase agreements, and the State of Oregon Local Government Investment Pool.

Investments with original maturities of less than one year are accounted for at amortized cost in accordance with GASB Statement No. 31. Remaining investments are accounted for at fair value.

For purposes of the Statement of Cash Flows, the District considers “cash” to include cash on hand, demand deposits, and highly liquid investments that are readily converted into known amounts of cash or so near maturity they present insignificant risk of changes in value as a result of changes in interest rates.

(g) Grant Receivables

Grant receivables are recorded in accordance with the nonexchange guidance. Accordingly, receivables are recorded when all eligibility criteria have been met.

(h) Inventories and Prepaid Expenses

Inventories of fuel, lubricants, parts, and supplies are valued at cost, which approximates market, using the average-cost method.

Payments to vendors reflecting costs applicable to future accounting periods are recorded as prepaid expenses.

(i) Capital Assets and Depreciation

Capital assets are stated at cost, except for donated capital assets, which are stated at the fair market value on the date of donation. Expenditures for additions and improvements with a value in excess of $5,000 and a useful life of more than one year are capitalized. Expenditures for maintenance, repairs, and minor improvements are charged to operations as incurred. Upon disposal of capital assets, the accounts are relieved of the related costs and accumulated depreciation, and the resulting gains or losses are reflected in the statement of revenues, expenses, and changes in net position as other revenue.

Capital assets, excluding land, freestanding public art, and construction in progress, are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation is an accounting process to allocate the cost of capital assets to expense 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 market value, nor are 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.

Revenue rolling stock is depreciated using a twelve-year life as suggested by the U.S. Government Federal Transit Administration (FTA). Busways are depreciated over twenty years. Shelters, stations, and buildings have estimated useful lives of ten to forty years. Accessible Services vehicles have estimated useful lives of four to seven years. Useful lives for furniture and other equipment range from three to thirty years.

(j) Deferred Inflows and Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

(k) Compensated Absences

The liability for vested or accumulated leave pay is recorded as the benefits accrue to employees. Vacation pay is payable upon termination, retirement, or death for both union and nonunion employees. Sick leave is recorded at approximately 50 percent of total accumulated benefits based on the estimated total benefits to be paid to employees prior to or at retirement or separation from service.

(l) Unearned Revenue

Income from pass sales that relates to succeeding months is recognized when earned. Receipts in excess of related Medicaid program expenditures are recognized as revenues or refunded when program review is completed by the Oregon Department of Human Services. Manufacturers' rebates are recognized as revenue when grant-related conditions for application are met. Pass-through proceeds from the sale of State of Oregon Lottery bonds are recognized as revenues when grant-related conditions are met.

(m) Employee HRA Liability

Expense for eligible employees' health reimbursement accounts (HRAs) is recorded in the month earned by the employee. A liability is recorded when made available to the employee for disbursement. In January 2015, the District chose to convert this benefit to a funded voluntary employee beneficiary association (VEBA), thereby eliminating the HRA liability from that point forward.

(n) Net position

Net investment in capital assets consists of all capital assets reduced by amounts of accumulated depreciation and amounts related to issued debt that are attributable to the acquisition, construction, and improvement of those assets. Restricted net position consists of net position for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations, and enabling legislation, including self-imposed legal mandates. Unrestricted net position consists of all other net position not included in the above categories.

(o) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect reporting amounts of certain assets, liabilities, revenues, and expenses. Actual results may differ from such estimates.

(p) New Pronouncements

During FY15, the District implemented the following GASB pronouncements:

- Statement No. 68, "Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27." This Statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through as trusts and equivalent arrangements. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2014.

- Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date; an amendment of GASB Statement No. 68." The provisions of this Statement are required to be applied simultaneously with the provisions of Statement No. 68. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2014.

2. Stewardship, Compliance, and Accountability

(a) Budgets and Appropriations

The District uses the following budgetary funds to account for its activities:

- **General Fund:** This fund accounts for the financial resources of the District that are not accounted for in any other fund. Principal sources of revenue are passenger fares, advertising and special services, employer payroll and self-employment taxes, State of Oregon payroll assessments, federal operating assistance, and interest. Primary expenditures are for personnel services, materials and services, insurance, and interfund transfers to support accessible services and capital acquisition programs.

- **Accessible Services Fund:** This fund is used to account for the financial resources received primarily from federal and state grants restricted to use for accessible services programs, primarily for seniors and persons with disabilities, which complement regular fixed-route service. Primary revenue sources include State of Oregon Special Transportation Fund (STF) dollars, federal grants, and interfund transfers from the General Fund. Primary expenditures are for contract services, program administration, and interfund transfers of local match funds for program capital asset acquisitions.

- **Medicaid Fund:** This fund is used to account for the financial resources received from federal and state Medicaid programs restricted to use for these programs. The Medicaid program provides transportation services to individuals who qualify for Oregon Health Plan (OHP) Plus medical coverage. With the opening of the Ride*Source* Call Center on May 19, 2008, the District became the countywide broker for all Medicaid nonemergency medical transportation (NEMT) trips. Trips are provided door to door in most cases. Primary revenue sources are reimbursements for services provided; federal, state, and local grants; and interfund transfers from the General Fund. Primary expenditures are for contract services and program administration.

- **Capital Projects Fund:** This fund is used to account for financial resources to be used for the acquisition or construction of capital assets. The primary revenue sources are federal and state grants and transfers from the General Fund and Accessible Services Fund.

The structure of the funds outlined above is in conformity with Oregon Local Budget Law (Oregon Revised Statutes 294.305 to 294.595). Budgetary basis revenues and expenditures are recognized on the modified accrual basis. The treatment of capital expenditures, pension expenses, and other post-employment benefits is the principal difference between the budgetary basis and the accrual basis. Capital expenditures on a budgetary basis are recorded as current expenditures.

The General Manager submits a proposed operating and capital budget to the Budget Committee a sufficient length of time in advance to allow adoption of the budget prior to July 1. The operating and capital projects budget includes proposed expenditures and the means to finance them. Public hearings are conducted to obtain citizen comments.

The District legally adopts its annual budget prior to July 1 through passage of a resolution. The resolution authorizes appropriations by fund and at broad classification levels for personnel services, materials and services, capital outlay, and contingency. Expenditures cannot legally exceed appropriations at these control levels. Appropriations that have not been spent at year-end expire.

The Board of Directors, by resolution, may amend the budget as originally adopted. In June 2015, the Board adopted a single amendment to the budget necessitated by a significant increase in demand for Medicaid services resulting from a change in eligibility guidelines by the State of Oregon.

(b) Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and commitments for the expenditure of monies are recorded to restrict a portion of the appropriation, is employed for administrative control purposes during the year. Encumbrances at year-end do not constitute expenses or liabilities.

3. Detail Notes

(a) Cash

Cash at June 30 consisted of the following:

	2015	2014
Cash:		
Cash on hand	$ 4,400	$ 4,100
Demand deposits with financial institutions	2,449,203	2,126,983
State of Oregon Local Government Investment Pool	17,166,424	17,359,648
Total cash	$ 19,620,027	$ 19,490,731
Cash is reflected in the balance sheet as follows:		
Cash and cash equivalents		
Unrestricted	$ 6,011,081	$ 15,286,833
Restricted	13,608,946	4,203,898
Total cash	$ 19,620,027	$ 19,490,731

Deposits

At June 30, 2015 and 2014, the District's book balance in the general operating account was $2,449,203 and $2,126,983, respectively, and the bank balance was $2,303,176 and $2,230,754, respectively. The difference is due to transactions in process. As of June 30, 2015, the District had deposits of $250,000 insured by federal depository insurance and $2,053,176 collateralized in accordance with Oregon Revised Statutes. As of June 30, 2014, the District had deposits of $250,000 insured by federal depository insurance and $1,980,754 collateralized in accordance with Oregon Revised Statutes.

Investments

Oregon Revised Statutes Chapter 294 authorizes the District to invest in obligations of the U.S. Treasury and U.S. government agencies and instrumentalities, certain bankers' acceptances, and corporate indebtedness, repurchase agreements, the State of Oregon Local Government Investment Pool, time certificates of deposits, and various interest-bearing bonds of Oregon municipalities. The District's investment objectives, as stated in the District's Investment Policy, are as follows:

- Preservation of capital and the protection of investment principal
- Conformance with all federal and state statutes
- Maintenance of sufficient liquidity to meet operating requirements
- Diversification to avoid unreasonable risks
- Attainment of an investment return appropriate for the portfolio, using the State of Oregon Local Government Investment Pool (LGIP) as the performance yardstick

The District's position in the LGIP at June 30, 2015 and 2014, is stated at cost, which is not materially different than fair value.

Interest Rate Risk

In accordance with its investment policy, the District manages its exposure to declines in fair value by limiting the maximum maturity of its investment portfolio to one year or less.

Credit Risk

The District does not have a formally adopted policy for credit risk in regards to its investments.

Concentration of Credit Risk

The District's investment policy requires that at least $1 million be held outside of the LGIP and in accordance with State of Oregon statutes.

Custodial Credit Risk – Deposits and Investments

For deposits, custodial credit risk is the risk of loss of funds due to the event of a bank failure. In order to minimize this risk, ORS Chapter 295 governs the collateralization of certain Oregon public funds, including requiring that 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. All banks holding funds in the District's name were properly included on the list of qualified depositories maintained by the Oregon State Treasurer.

For an investment, custodial credit risk is the risk that, in the event of a failure of the counterparty, the District will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The District's investment policy limits the types of investments that may be held, requires all investments purchased to be held in the District's name, and does not allow securities to be held by the counterparty.

A portion of the District's funds are invested in an external investment pool. The Local Government Investment Pool (LGIP) is an open-ended, diversified portfolio offered to eligible participants including Oregon municipalities and political subdivisions. The Oregon State Treasurer's Office manages the LGIP in the same manner it oversees the management of the State's funds and in accordance with the prudent investor rule. The LGIP is commingled with the State's short-term funds in the Oregon Short-Term Fund (OSTF). Investments of the LGIP are governed by portfolio guidelines issued by the OSTF, which establishes diversification percentages and specifies the types and maturities of investments. The OSTF is not managed as a stable net asset value fund, and it is not currently rated by an independent rating agency. The OSTF is an external investment pool as defined by GASB Statement No. 59. The net asset value per share is calculated by the Oregon State Treasurer's Office and approximates fair value. The LGIP is not registered with the U.S. Securities and Exchange Commission. The State's investment policies are governed by Oregon Revised Statutes and the Oregon Investment Council (Council). The State Treasurer is the investment officer for the Council. Investments in the LGIP are further governed by portfolio guidelines issued by the Fund Board.

The Oregon Audits Division of the Secretary of State's office audits the OSTF annually. The Division's report on the OSTF, as of and for the year ended June 30, 2015, was unmodified and may be obtained online at the State of Oregon's website at www.oregon.gov.

(b) Receivables

Accounts

Unrestricted accounts receivable at June 30 consisted of the following:

	2015	2014
Passenger fares	$ 237,487	$ 436,606
Medicaid reimbursement	172,724	451,767
Medicaid nonmedical reimbursement	173,018	342,515
Medicaid developmental disability reimbursement	365,157	363,379
Miscellaneous	24,902	150,163
Total accounts receivable	$ 973,288	$ 1,744,430

Taxes

Unrestricted taxes receivable at June 30 consisted of the following:

	2015	2014
Employer payroll taxes	$ 9,265,912	$ 5,122,430
Self-employment taxes	51,007	34,768
Total unrestricted	$ 9,316,919	$ 5,157,198

Grants

Grants receivable at June 30 consisted of the following:

	2015	2014
Unrestricted federal grants	$ 22,767,237	$ 11,339,681
Unrestricted state grants	27,527	1,280
Total unrestricted grants	22,794,764	11,340,961
Grants restricted for Accessible Services and Medicaid	607,376	670,298
Total grants receivable	$ 23,402,140	$ 12,011,259

(c) Restricted Assets

Restricted assets consist of current assets that are restricted for Accessible Services and Medicaid programs.

The components of the restricted assets, liabilities payable from restricted assets, and restricted net positions as of June 30, 2015, were as follows:

	Accessible Services and Medicaid	Capital Projects	Total
Restricted assets			
Cash and investments	$ 405,058	$ 13,203,888	$ 13,608,946
Accounts receivable	713,400	-	713,400
Federal and state grants receivable	607,376	-	607,376
Total restricted assets	1,725,834	13,203,888	14,929,722
Liabilities payable from restricted assets			
Accounts payable	(771,698)	-	(771,698)
Unearned revenue	(513,863)	(13,203,888)	(13,717,751)
Total liabilities payable from restricted assets	(1,285,561)	(13,203,888)	(14,489,449)
Total net restricted assets	$ 440,273	$ -	$ 440,273

The components of the restricted assets, liabilities payable from restricted assets, and restricted net positions as of June 30, 2014, were as follows:

	Accessible Services and Medicaid	Capital Projects	Total
Restricted assets			
Cash and investments	$ -	$ 4,203,898	$ 4,203,898
Accounts receivable	1,187,050	-	1,187,050
Federal and state grants receivable	670,298	-	670,298
Total restricted assets	1,857,348	4,203,898	6,061,246
Liabilities payable from restricted assets			
Accounts payable	(1,215,729)	-	(1,215,729)
Unearned revenue	(243,364)	(4,203,898)	(4,447,262)
Total liabilities payable from restricted assets	(1,459,093)	(4,203,898)	(5,662,991)
Total net restricted assets	$ 398,255	$ -	$ 398,255

(d) Capital Assets

Major classes of property and equipment and accumulated depreciation as of June 30, 2015 and 2014:

2015	Balance 7/1/14	FY 14-15 Additions or Expenses	FY 14-15 Disposals	Transfers	Balance 6/30/15
Capital assets, not being depreciated:					
Land	$ 8,708,370	$ 3,349,126	$ -	$ -	$ 12,057,496
Public art	366,917	-	-	-	366,917
Construction in progress	11,253,541	15,825,997	(258)	(269,865)	26,809,415
Total capital assets, not being depreciated	20,328,828	19,175,123	(258)	(269,865)	39,233,828
Capital assets, being depreciated:					
Busways	46,925,623	43,861	-	1,295	46,970,779
Rolling stock and related equipment	53,961,499	2,861,710	(2,033,700)	74,059	54,863,568
Stations, shelters, and bus signs	20,352,377	137,336	(40,867)	(8,353)	20,440,493
Buildings and improvements	40,544,073	172,500	-	24,060	40,740,633
Accessible Services vehicles	5,520,821	124,908	(208,111)	-	5,437,618
Other equipment and support vehicles	12,001,037	754,096	(1,066,363)	178,804	11,867,574
Total capital assets, being depreciated	179,305,430	4,094,411	(3,349,041)	269,865	180,320,665
Less accumulated depreciation for:					
Busways	12,535,823	2,346,127	-	-	14,881,950
Rolling stock and related equipment	29,356,435	4,300,431	(2,033,700)	-	31,623,166
Stations, shelters, and bus signs	9,926,304	1,326,276	(40,867)	-	11,211,713
Buildings and improvements	20,864,818	1,573,025	-	-	22,437,843
Accessible Services vehicles	4,129,519	480,364	(208,111)	-	4,401,772
Other equipment and support vehicles	9,483,455	1,126,210	(1,058,863)	-	9,550,802
Total accumulated depreciation	86,296,354	11,152,433	(3,341,541)	-	94,107,246
Total capital assets, being depreciated, net	93,009,076	(7,058,022)	(7,500)	269,865	86,213,419
Total capital assets, net	$ 113,337,904	$ 12,117,101	$ (7,758)	$ -	$ 125,447,247

2014	Balance 7/1/13	FY 13-14 Additions or Expenses	FY 13-14 Disposals	Transfers	Balance 6/30/14
Capital assets, not being depreciated:					
Land	$ 8,708,370	$ -	$ -	$ -	$ 8,708,370
Public art	366,917	-	-	-	366,917
Construction in progress	4,155,519	7,549,248	-	(451,226)	11,253,541
Total capital assets, not being depreciated	13,230,806	7,549,248	-	(451,226)	20,328,828
Capital assets, being depreciated:					
Busways	46,925,623	-	-	-	46,925,623
Rolling stock and related equipment	53,961,499	-	-	-	53,961,499
Stations, shelters, and bus signs	19,320,213	945,635	-	86,529	20,352,377
Buildings and improvements	40,179,979	144,144	-	219,950	40,544,073
Accessible Services vehicles	5,612,429	137,425	(229,033)	-	5,520,821
Other equipment and support vehicles	11,114,364	839,092	(97,166)	144,747	12,001,037
Total capital assets, being depreciated	177,114,107	2,066,296	(326,199)	451,226	179,305,430
Less accumulated depreciation for:					
Busways	10,194,212	2,341,611	-	-	12,535,823
Rolling stock and related equipment	25,292,536	4,063,899	-	-	29,356,435
Stations, shelters, and bus signs	8,716,446	1,209,858	-	-	9,926,304
Buildings and improvements	19,306,849	1,557,969	-	-	20,864,818
Accessible Services vehicles	3,801,271	557,281	(229,033)	-	4,129,519
Other equipment and support vehicles	8,791,300	789,321	(97,166)	-	9,483,455
Total accumulated depreciation	76,102,614	10,519,939	(326,199)	-	86,296,354
Total capital assets, being depreciated, net	101,011,493	(8,453,643)	-	451,226	93,009,076
Total capital assets, net	$ 114,242,299	$ (904,395)	$ -	$ -	$ 113,337,904

The federal government retains a reversionary interest in property and equipment to the extent that capital grants provided for their purchase. Upon disposal of property and equipment, a prorated share of proceeds, if any, is returned to the federal government.

There is no property and equipment under capital lease.

(e) Accrued Vacation and Sick Leave Liabilities

Accrued vacation and sick leave payable at June 30 consisted of the following:

	2015	2014
Accrued vacation and sick leave payable at beginning of period	$ 2,645,780	$ 3,615,533
Total vacation accrued for period	1,418,186	998,346
Total sick leave accrued for period	484,444	98,135
Total vacation taken for period	(1,387,460)	(1,522,870)
Total sick leave taken for period	(469,236)	(497,088)
Total sick leave lost for period	(8,573)	(46,276)
Accrued vacation and sick leave payable at end of period	$ 2,683,141	$ 2,645,780
Vacation time - union-represented employees	$ 1,034,226	$ 1,036,308
Combined annual leave - nonunion employees	605,468	572,660
Sick leave - union-represented employees	600,519	602,328
Extended illness bank - nonunion employees	442,928	434,484
Total accrued vacation and sick leave	$ 2,683,141	$ 2,645,780
Current portion vacation and sick leave	$ 847,773	$ 747,047
Noncurrent vacation and sick leave	1,835,368	1,898,733
Total	$ 2,683,141	$ 2,645,780

4. Other Information

(a) Pension Benefits

The District contributes to two single-employer public employee retirement plans. The Lane Transit District Salaried Employees' Retirement Plan (LTDSP) covers all nonunion employees. The Lane Transit District and Amalgamated Transit Union, Local No. 757, Pension Trust (LTD ATU Pension Trust) covers all union employees.

Each plan's assets are held in trust, independent of the District, and solely for the purpose of paying each plan's benefits and administrative expenses. The plans are not included in the reporting entity of the District. The assets are invested in a variety of stocks, bonds, and other securities. Neither plan includes in its assets any District securities nor securities of any related parties. No loans have been granted to the District from plan funds.

Lane Transit District Salaried Employee's Retirement Plan
(plan entrants prior to January 1, 2012)

Plan Description

The Lane Transit District Salaried Employees' Retirement Plan (LTDSP) combines a defined benefit plan (Part 1) and a defined contribution plan (Part 2) for all participants who entered the plan prior to January 1, 2012. Part 1 and Part 2 of the LTDSP are now closed to new participants.

The LTDSP is contained in a plan document that was originally adopted effective July 1, 1975, was amended on several subsequent occasions, was last restated effective July 1, 2011, and was last amended on April 12, 2013.

The plan is administered by three appointed trustees, including a member of the Lane Transit District Board of Directors, and the general manager and the director of administrative services of LTD.

The LTDSP Part 1 provides retirement, disability, and death benefits to participants and beneficiaries and covers all District nonunion employees hired before January 1, 2012.

Benefits Provided

Plan members are eligible to receive a full monthly benefit, payable for life, once they reach 62 years of age and have earned five years of vesting credit, or at any age with 30 years of vesting credit. Reduced benefits are available to plan members who retire at or after age 55 but before age 62 with five years of vesting credit, or at age 62 with less than five years of vesting credit.

Annual benefits are calculated as the higher of the following:

1. The number of years of benefit credit times average annual salary (determined for the 36 consecutive calendar months of employment that produce the highest average annual salary) times 1.67 percent; or

2. The number of years of benefit credit (not exceeding 25) times average annual salary times 3 percent, less the plan member's Primary Social Security Benefit; or

3. The benefit calculated under this plan in effect as of June 30, 1989, and determined as of that date, if applicable

Unused sick leave is included as a component of compensation, which increases the annual retirement benefit. Ad hoc cost-of-living adjustments (most recently in 1998) have been provided to members and beneficiaries at the discretion of the District's Board of Directors.

Under LTDSP Part 2, the District contributes to an account, invested at the plan member's direction, 6 percent of a participant's salary for each payroll period that begins after six calendar months of employment. One half of this 6 percent contribution is an employee contribution that is "picked up" and funded by the District. For the years ended June 30, 2015 and 2014, employer contributions to this plan recognized as expense were $313,854 and $438,300, respectively.

Plan members are immediately vested in their LTDSP Part 2 employer-contribution accounts.

Employees Covered by Benefit Terms

The following employees were covered by the benefit terms as of the most recent actuarial valuation:

Inactive employees or beneficiaries currently receiving benefits	54
Inactive employees entitled to but not yet receiving benefits	41
Active employees	73
	168

Contributions

The funding policy for the LTDSP Part 1 is established and may be amended by the District's Board of Directors. Contributions to the plan are made biweekly according to an actuarially determined rate recommended by an independent actuary. This rate is intended to finance the cost of current benefits earned, plus an amount to finance the unfunded accrued liability. This rate, expressed as a percentage of covered payroll, was 12.5 percent and 11.5 percent for the years ended June 30, 2015 and 2014, respectively. The District makes an additional level dollar contribution to further reduce the unfunded accrued liability. For the years ended June 30, 2015 and 2014, that amount was $797,484 and $556,426, respectively.

Net Pension Liability

The District's net pension liability for the LTDSP Part 1 at June 30, 2015, was measured as of that date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013.

The District's net pension liability for the LTDSP Part 1 at June 30, 2014, was measured as of that date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013.

Actuarial Methods and Assumptions

The total pension liability in the July 1, 2013, actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Inflation Rate	3%
Salary increases	Age based, with ultimate rate of 3.5%
Investment rate of return, net	7.25%
Mortality	RP-2000 Combined Healthy Mortality Table projected using Scale AA to 2018 for retirees and 2026 for others

The LTDSP Part 1 does not provide for automatic, post-retirement benefit increases. However, the District's Board of Directors has adopted ad hoc increases from time to time (most recently in 1998).

The long-term expected rate of return on pension plan investments was selected based on the plan's target asset allocation as of the valuation date combined with capital market assumptions from several sources, including published studies summarizing the expectations of various investment experts. Following are the target asset allocation percentages set by policy and expected arithmetic real rates of return:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. Equities	15.5%	4.55%
Small/Mid Cap Global Equities	3.0%	5.50%
Domestic Equities - Full Market	9.5%	4.55%
Non-U.S. Equities	22.0%	6.10%
Fixed Income	20.0%	1.00%
Real Return (all asset strategies)	20.0%	3.15%
Global Tactical Asset Allocation (GTAA)	10.0%	4.00%
Total	100.0%	

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent as of June 30, 2015 and 2014. A reduction of the discount rate from 7.5 percent as of June 30, 2013, resulted in an increase in the total pension liability of $506,129, as shown below. The projection of cash flows used to determine the discount rate were based on the District's funding policy. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at 6/30/14	$ 20,803,151	$ 15,539,800	$ 5,263,351
Changes for the year:			
Service cost	545,340	-	545,340
Interest	1,504,888	-	1,504,888
Employer contributions	-	1,333,241	(1,333,241)
Net investment income	-	222,900	(222,900)
Benefit payments	(1,182,843)	(1,182,843)	-
Administrative expense	-	(55,910)	55,910
Net changes	867,385	317,388	549,997
Balances at 6/30/15	21,670,536	15,857,188	5,813,348

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at 6/30/13	$ 18,917,903	$ 13,323,565	$ 5,594,338
Changes for the year:			
Service cost	538,088	-	538,088
Interest	1,426,182	-	1,426,182
Differences between expected and actual experience	354,334	-	354,334
Changes of assumptions	506,129	-	506,129
Employer contributions	-	1,161,609	(1,161,609)
Net investment income	-	2,081,971	(2,081,971)
Benefit payments	(939,485)	(939,485)	-
Administrative expense	-	(87,860)	87,860
Net changes	1,885,248	2,216,235	(330,987)
Balances at 6/30/14	$ 20,803,151	$ 15,539,800	$ 5,263,351

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the District, calculated using a discount rate of 7.25 percent, as well as what the District's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the rate used:

	Net Pension Liability	
	2015	**2014**
1% decrease (6.25%)	$ 8,112,302	$ 7,470,287
Current discount rate (7.25%)	5,813,348	5,263,351
1% increase (8.25%)	3,839,798	3,368,795

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately issued LTDSP financial report. A copy of that report can be obtained by writing to: Trustees of the Lane Transit District Salaried Employees' Retirement Plan, P.O. Box 7070, Springfield, Oregon 97475-0470.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the years ended June 30, 2015 and 2014, the District recognized pension expense of $1,181,126 and $1,104,921, respectively. The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$ -	$ 151,858
Changes in assumptions or inputs	-	216,913
Net difference between projected and actual earnings	-	59,042
	$ -	$ 427,813

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	$ 205,049
2017	82,128
2018	(40,797)
2019	181,433
2020	-
Thereafter	-

<u>Lane Transit District Salaried Employee's Defined Contribution Program</u>

Plan Description

The Lane Transit District Salaried Employees' Defined Contribution Program became effective on January 1, 2012. All nonunion employees hired after December 31, 2011, are eligible to participate.

Benefits Provided

This program provides contributions to a discretionary account and the opportunity to receive contributions to a matching account. The discretionary contribution made by the District is currently between 4.5 percent and 9 percent, depending on the number of years of vesting service completed. The matching contribution percentage is currently set at 50 percent of a participant's elective contribution (to a Section 457 deferred compensation account) up to a maximum of 3 percent of their base pay. For the years ended June 30, 2015 and 2014, employer contributions recognized as expense were $119,435 and $61,352, respectively.

Participants are immediately vested in their own contributions. They become vested in the discretionary and matching contributions according to a graduated schedule over 7 years. Nonvested contributions are forfeited upon termination of employment and are used to offset future contributions, thereby reducing expense recognized by the District.

Lane Transit District and Amalgamated Transit Union,
Local No. 757, Pension Trust

Plan Description

The LTD ATU Pension Trust provides retirement, disability, and death benefits to plan members and beneficiaries and covers all District union employees. The plan was created effective March 1, 1972, by collective bargaining agreement, was amended on several subsequent occasions, and was last amended on January 1, 2015.

The plan is administered by four appointed trustees, including a member of the Lane Transit District Board of Directors; the general manager of LTD; the president (or designee) of the ATU, Local No. 757; and an executive board officer of ATU, Local No. 757.

Benefits Provided

Participation begins after six months of employment. Benefits are 100 percent vested when the plan member earns five years of credited service or is an employee while age 60 or older. Vested plan members who retire at or after age 60, and plan members who terminate employment after June 30, 2000, with 30 years of credited service, are entitled to a monthly retirement benefit for life, with a minimum of 36 monthly payments made to the plan member or the member's beneficiary. The retirement benefit for plan members terminating employment on or after July 1, 2014, is $65.50 per month per year of credited service. This multiplier is scheduled to increase in annual increments, eventually reaching $70 per month per year of credited service for members terminating employment on or after January 1, 2017. Increases to the multiplier after December 31, 2015, only apply to service in future years. Plan members with ten years of credited service may also retire with a reduced benefit as early as age 55. One year of credited service is earned for the first 1,600 hours in a calendar year. Hours are hours worked before June 30, 1994, and compensated hours after June 30, 1994. Partial credit of 0.25 of a year of credited service is earned for every 400 hours, up to 1,600 hours, in a calendar year. Unused sick leave does not increase the monthly retirement benefit or convert to any other pension benefit.

An Employee Participation Account is kept for each participant. After December 31, 2000, the Employee Participation Account is credited with $.10 per compensated hour. The value of the Employee Participation Account is adjusted once a plan year by an investment rate of return chosen by the trustees. The Employee Participation Account is paid to a plan member who terminates employment before age 60 with at least three, but less than five, years of credited service and is paid as a preretirement death benefit to the beneficiary of a married plan member who dies with at least three, but less than five, years of credited service or to the beneficiary of an unmarried plan member who dies with at least three years of credited service.

Employees Covered by Benefit Terms

The following employees were covered by the benefit terms as of the most recent actuarial valuation:

Inactive employees or beneficiaries currently receiving benefits	197
Inactive employees entitled to but not yet receiving benefits	43
Active employees	225
	465

Contributions

The funding policy of the LTD ATU Pension Trust is established and may be amended by the District's Board of Directors in compliance with the terms of the current Working and Wage Agreement between the ATU and the District.

Contributions are made according to an actuarially determined rate recommended by an independent actuary that is intended to finance the cost of current benefits earned, plus an amount to finance the unfunded accrued liability. This rate, expressed as an amount per compensable hour, was $4.89 and $4.66 for the years ended June 30, 2015 and 2014, respectively. Actual contributions by the District were made at a higher rate of $4.89 for the year ended June 30, 2014, in order to accelerate the reduction of the unfunded accrued liability.

No employee contributions are required or permitted.

Net Pension Liability

The District's net pension liability for the LTD ATU Pension Trust at June 30, 2015, was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014.

The District's net pension liability for the LTD ATU Pension Trust at June 30, 2014, was measured as of December 31, 2013, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2012.

Actuarial Methods and Assumptions

The total pension liability in the January 1, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.00%
Salary increases	3.00%
Future benefit rate increases	3.00%
Investment rate of return, net	7.25%
Mortality	RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment, projected using Scale AA to 2015

Ad hoc cost-of-living adjustments are provided to members and beneficiaries at the discretion of the trustees. The trustees last adopted an ad hoc increase of 2 percent on January 1, 2006.

The long-term expected rate of return on pension plan investments was selected based on the plan's target asset allocation as of the valuation date, combined with capital market assumptions from several sources, including published studies summarizing the expectations of various investment experts. Following is the target asset allocation percentage set by policy and expected real rates of return:

Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**
Large Cap U.S. Equities	15.5%	4.55%
Small/Mid Cap Global Equities	3.0%	5.50%
Domestic Equities - Full Market	9.5%	4.55%
Non-U.S. Equities	22.0%	6.10%
Fixed Income	20.0%	1.00%
Real Return (all asset strategies)	20.0%	3.15%
Global Tactical Asset Allocation (GTAA)	10.0%	4.00%
Total	100.0%	

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate were based on the District's funding policy. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at 6/30/14	$ 33,540,315	$ 21,726,577	$ 11,813,738
Changes for the year:			
Service cost	853,018	-	853,018
Interest	2,424,057	-	2,424,057
Changes of benefit terms	356,341	-	356,341
Differences between expected and actual experience[1]	(646,134)	-	(646,134)
Employer contributions	-	2,222,585	(2,222,585)
Net investment income	-	1,008,693	(1,008,693)
Benefit payments	(1,916,128)	(1,916,128)	-
Administrative expense	-	(115,303)	115,303
Net changes	1,071,154	1,199,847	(128,693)
Balances at 6/30/15	$ 34,611,469	$ 22,926,424	$ 11,685,045

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at 6/30/13	$ 32,146,711	$ 18,823,723	$ 13,322,988
Changes for the year:			
Service cost	828,173	-	828,173
Interest	2,326,828	-	2,326,828
Employer contributions	-	2,248,159	(2,248,159)
Net investment income	-	2,498,570	(2,498,570)
Benefit payments	(1,761,397)	(1,761,397)	-
Administrative expense	-	(82,478)	82,478
Net changes	1,393,604	2,902,854	(1,509,250)
Balances at 6/30/14	$ 33,540,315	$ 21,726,577	$ 11,813,738

[1]A new working and wage agreement was ratified in July 2014 under which the benefits multiplier for service through December 31, 2015, was increased to $65.50 per month per year of credited service for plan members terminating employment on or after July 1, 2014. This multiplier is scheduled to increase annually, eventually reaching $70 per month per year of credited service for members terminating employment on or after January 1, 2017.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the District, calculated using a discount rate of 7.25 percent and 7.25 percent, respectively, as well as what the District's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the rate used:

	Net Pension Liability	
	2015	**2014**
1% decrease (6.25%)	$ 15,089,489	$ 15,112,822
Current discount rate (7.25%)	11,685,045	11,813,738
1% increase (8.25%)	8,743,423	8,963,153

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately issued LTD ATU Pension Trust financial report. A copy of that report can be obtained by writing to: Trustees of the Lane Transit District and Amalgamated Transit Union, Local No. 757, Pension Trust, P.O. Box 7070, Springfield, Oregon 97475-0470.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the years ended June 30, 2015 and 2014, the District recognized pension expense of $1,910,608 and $1,634,265, respectively. The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$ 499,285	$ -
Changes in assumptions or inputs	-	-
Net difference between projected and actual earnings	212,787	-
Contributions made subsequent to measurement date	-	1,112,696
	$ 712,072	$1,112,696

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	$ (256,005)
2017	(256,005)
2018	(256,005)
2019	55,943
2020	-
Thereafter	-

<u>Lane Transit District and Amalgamated Transit Union, Local No. 757, Defined Contribution Program</u>

Plan Description

Lane Transit District and Amalgamated Transit Union, Local No. 757, Defined Contribution Program became effective on July 6, 2014. All union employees who are eligible for the defined benefit program above are eligible to participate in this program.

Benefits Provided

This program provides employer contributions to a matching account based on a participant's elective contribution to a Section 457 deferred compensation account. The matching contribution is currently set at 50 percent of the participant's elective contribution, up to a maximum of 3 percent of their base pay. For the years ended June 30, 2015 and 2014, employer contributions recognized as expense were $189,759 and $0, respectively.

Participants are immediately vested in their matching account. Forfeitures of contributions, arising from the inability to locate a valid beneficiary, are used to offset future contributions, thereby reducing expense recognized by the District.

(b) Other Post-Employment Benefits

Plan Description

The District administers a single-employer defined benefit healthcare plan per the requirements of collective bargaining agreements, which are applied uniformly to all employees. The plan provides an explicit employer-paid benefit, according to the option chosen by the retiree, as follows:

- Up to $275 per month per pre-Medicare retiree until the retiree becomes eligible for Medicare, typically age 65. Once they become Medicare-eligible the benefit reduces to $125 per month; or

- $425 per month until the retiree becomes Medicare eligible, at which time the benefit reduces to zero.

This benefit can be used towards post-retirement healthcare insurance premiums or other healthcare costs of the retiree, their spouse, domestic partner, or eligible dependents. Retirees are allowed to continue District-sponsored insurance coverage or use their benefit to obtain coverage from a carrier of their choice.

The District's post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulates 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 because of the effect of age is generally higher in comparison to all plan members) and the amount of retiree healthcare premiums represents the District's implicit employer contribution, which is a liability in addition to the employer-paid benefit described above.

The District has not established a trust fund to supplement the costs for the net other post-employment benefit (OPEB) obligation. No stand-alone financial report is generated for the plan.

At the January 1, 2014, actuarial valuation date, there were 127 retirees receiving benefits under the plan and 302 active employees who may be eligible for future retirement benefits.

Funding Policy

The annual required contribution (ARC) for the plan is an amount calculated to prefund future benefits as determined by the actuary. The District has elected not to prefund the actuarially determined future cost, choosing instead to finance the plan on a pay-as-you-go basis. The District contributes all benefits listed above to individual VEBA accounts from which the retiree is responsible for paying eligible premiums and costs.

Annual OPEB Cost and Net OPEB Obligation

The District's annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the guidelines of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The District's annual OPEB cost and net OPEB obligation for the fiscal years ended June 30 were as follows:

	2015	2014	2013
Annual required contribution	$ 1,115,276	$ 1,136,911	$ 1,087,302
Interest earned on net OPEB obligation	128,076	108,624	87,102
Adjustment to the annual required contribution	(317,722)	(269,466)	(216,077)
Annual OPEB cost (expense)	925,630	976,069	958,327
Contribution made	(463,915)	(420,292)	(343,421)
Increase in net OPEB obligation	461,715	555,777	614,906
Net OPEB obligation, beginning of year	3,659,323	3,103,546	2,488,640
Net OPEB obligation, end of year	$ 4,121,038	$ 3,659,323	$ 3,103,546
Percentage of annual OPEB cost contributed	50.1%	43.1%	35.8%

Funding Status and Funding Progress

The plan's funded status as of January 1, 2014, the most recent actuarial valuation date, is shown below:

Actuarial value of assets	$ -
Actuarial accrued liability	7,789,243
Unfunded actuarial accrued liability (UAAL)	7,789,243
Funded ratio	0%
Covered payroll	16,745,100
UAAL as a percentage of covered payroll	46.5%

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.

Actuarial Methods and Assumptions

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Significant methods and assumptions for the latest actuarial valuation were as follows:

Actuarial valuation date	January 1, 2014
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, open
Remaining amortization period	15 years
Actuarial assumptions:	
Investment rate of return	3.5%
General inflation rate	3.0%
Healthcare inflation rate	6.5% initial, 5% ultimate

The projected unit credit method attempts to track the actual economic pattern of benefit accrual over an employee's working lifetime. The discount rate is selected based on the expected long-term annual investment returns for Oregon's Local Government Investment Pool and comparable investment vehicles.

(c) Risk Management

Risk is managed through a combination of purchased commercial insurance coverage and self-insurance with risk reserves. There has been no significant reduction in insurance coverage during the year. The limits are consistent with coverage carried by other public entities of the District's size and type in Oregon.

Oregon tort liability law generally limits claims for one incident to $1,925,500. Additional coverage is for federal claims, out-of-state claims, or contractual liability. This coverage is tabulated as follows:

Retention Level (Deductible)	Description	Limits of Coverage
$ 100,000	Vehicle liability / uninsured motorist	$ 10,000,000
25,000	Property and contents	29,762,949
25,000	General and tort liability	10,000,000
50,000	Bus - physical damage	Stated value
50,000	Earthquake / flood	15,000,000
5,000	Pollution liability (fuel storage tanks)	1,000,000
1,000	Public employee blanket	250,000
N/A	Workers' compensation	500,000

The greatest risk exposure for the District is in vehicle liability. The District self-insures up to $100,000 per accident. The level of risk reserving is set by Board policy considering both the history of payments and the potential exposure to risk. The reserve level is evaluated and the reserve amount is budgeted during the annual budget process. Current Board policy sets this amount at $1,000,000. In the last three fiscal years, no settlements have exceeded the limits of insurance coverage.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss reasonably can be estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are set by an independent firm.

These liabilities are calculated considering the effects of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors.

Changes in the balances of claims liabilities during the past three years are as follows:

	Automobile/Bus Liability		
	2015	2014	2013
Unpaid claims and claim adjustment expenses, beginning of the year	$ 143,540	$ 89,540	$ 467,386
Incurred claims (including IBNRs)	90,832	150,755	(97,053)
Claim payments	(155,772)	(96,755)	(280,793)
Total unpaid claims and claim adjustment expenses, end of the year	$ 78,600	$ 143,540	$ 89,540

Unpaid claims are carried at estimated gross settlement value.

(d) Commitments and Contingencies

Management has evaluated subsequent events through December 14, 2015, the date on which the financial statements were available to be issued. Management is not aware of any subsequent events that require recognition or disclosure in the financial statements.

Under the terms of federal and state grants, periodic audits are required and costs may be questioned as not being appropriate under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. District management believes disallowance, if any, will be immaterial.

As of June 30, 2015, the District had commitments of approximately $56 million for construction, utility relocation, right-of-way acquisition and the purchase of vehicles related to the West Eugene EmX Extension and $900,000 for accessible services vehicles.

The District will implement new GASB pronouncements no later than the required fiscal year. Management has not determined the effect on the financial statements from implementing any of the following pronouncements:

- GASB Statement No. 72, “Fair Value Measurement and Application.” This statement is effective for financial statements for reporting periods beginning after June 15, 2015.
- GASB Statement No. 73, “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments of Certain Provisions of GASB Statements 67 and 68.” This statement is effective for fiscal years beginning after June 15, 2015.
- GASB Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.” This statement is effective for fiscal years beginning after June 15, 2016.

- GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.” This statement is effective for fiscal years beginning after June 15, 2017.

- GASB Statement No. 76, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.” This statement is effective for reporting periods beginning after June 15, 2015.

- GASB Statement No. 77, “Tax Abatement Disclosures.” This statement is effective for reporting periods beginning after December 15, 2015.

(e) Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

(f) Expenditures as Appropriated

The presentation of the budget to actual schedules in the supplemental information section of the financial statements differs in format from the appropriations adopted by the Board of Directors. The following table shows the appropriated expenditures for the fiscal year ending June 30, 2015, as adopted:

	Budgeted Amounts			
	Original	Final	Actual	Variance
General Fund				
Transit Services	$ 40,878,400	$ 40,878,400	$ 37,112,217	$ 3,766,183
Transfer to Accessible Services Fund	1,979,700	1,979,700	1,214,451	765,249
Transfer to Medicaid Fund	172,000	272,000	272,000	-
Transfer to Capital Projects Fund	3,351,100	3,351,100	3,351,100	-
Contingencies	14,677,200	14,577,200	-	14,577,200
Accessible Services Fund				
Transit Services	6,487,200	6,487,200	5,880,740	606,460
Transfer to Capital Projects Fund	168,000	168,000	-	168,000
Contingencies	183,700	183,700	-	183,700
Medicaid Fund				
Transit Services	7,278,900	9,278,900	8,736,945	541,955
Contingencies	181,600	-	-	-
Capital Projects Fund				
Capital Outlay	108,146,400	108,146,400	25,224,151	82,922,249
Capital Reserve	247,200	247,200	-	247,200

(f) Adoption of New Accounting Standard

The GASB issued Statement No. 68, "Accounting and Financial Reporting for Pensions in June 2012." The statement is required to be implemented for financial statements beginning after June 15, 2014. The District has implemented this standard for the current year and has retroactively applied the requirements to the prior year in order to retain comparability of the statements presented herein.

Statement No. 68 introduces a number of changes related to pension accounting and reporting. A net pension liability and deferred inflows and outflows of resources related to pensions must now be reported on the face of the Statement of Net Position. The calculation of pension expense has also been prescribed. A number of new disclosures are included in the Notes to the Basic Financial Statements and additional schedules are included as Required Supplementary Information.

As a result of the adoption of Statement No. 68, the following changes were made to amounts previously reported as of June 30, 2014:

	As Originally Reported	As Restated	Effect Of Change
Statement of Net Position			
Other assets			
Pension contribution in excess of ARC			
LTD ATU Pension Trust	$ 753,326	$ -	$ (753,326)
LTD Salaried Employees' Plan	315,379	-	(315,379)
Deferred outflow of resources			
Deferred outflows - LTD ATU Pension Trust	-	1,094,281	1,094,281
Noncurrent liabilities			
Net pension liability - LTD ATU Pension Trust	-	13,322,988	(13,322,988)
Net pension liability - LTD Salaried Employees' Plan	-	5,594,338	(5,594,338)
Total effect of change			(18,891,750)
Beginning net position as of July 1, 2013, as originally reported			138,990,414
Beginning net position as of July 1, 2013, as restated			$ 120,098,664

	As Originally Reported	As Restated	Effect Of Change
Statement of Revenues, Expenses and Changes in Net Position			
Operating expenses			
Personnel services	$ 26,615,534	$ 26,037,899	$ 577,635
Changes in net position for the fiscal year ended June 30, 2014, as originally reported			1,646,827
Changes in net position for the fiscal year ended June 30, 2014, as restated			$ 2,224,462
Ending net position as of June 30, 2014, as restated			$ 122,323,126

Required Supplementary Information

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Schedule of Changes in the Net Pension Liability and Related Ratios
LTD Salaried Employees' Retirement Plan
Last 10 Fiscal Years[1]

	2015	2014	2013	2012
Total pension liability				
Service cost	$ 545,340	$ 538,088	$ 527,537	$ -
Interest	1,504,888	1,426,182	1,343,938	-
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	354,334	-	-
Changes of assumptions	-	506,129 [2]	-	-
Benefit payments	(1,182,843)	(939,485)	(690,418)	-
Net change in total pension liability	867,385	1,885,248	1,181,057	-
Total pension liability - beginning	20,803,151	18,917,903	17,736,846	-
Total pension liability - ending	$ 21,670,536	$ 20,803,151	$ 18,917,903	$ 17,736,846
Plan fiduciary net position				
Employer contributions	$ 1,333,241	$ 1,161,609	$ 1,165,565	$ -
Net investment income	222,900	2,081,971	1,298,746	-
Benefit payments	(1,182,843)	(939,485)	(690,418)	-
Administrative expense	(55,910)	(87,860)	(92,282)	-
Other	-	-	-	-
Net change in plan fiduciary net position	317,388	2,216,235	1,681,611	-
Plan fiduciary net position - beginning	15,539,800	13,323,565	11,641,954	-
Plan fiduciary net position - ending	$ 15,857,188	$ 15,539,800	$ 13,323,565	$ 11,641,954
District's net pension liability - ending	$ 5,813,348	$ 5,263,351	$ 5,594,338	$ 6,094,892
Plan fiduciary net position as a percentage of the total pension liability	73.17%	74.70%	70.43%	65.64%
Covered-employee payroll	$ 4,263,366	$ 5,226,297	$ 5,214,746	$ 5,092,690
District's net pension liability as a percentage of covered-employee payroll	136.36%	100.71%	107.28%	119.68%

Notes to Schedule:

[1] This schedule is intended to show a 10-year trend of changes in the net pension liability. However, until a full 10-year trend is compiled, information will only be presented for those years in which it is available.

[2] Assumed discount rate was lowered to reflect more conservative asset allocations given closure to new entrants.

Schedule of Employer Contributions
LTD Salaried Employees' Retirement Plan
Last 10 Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	$1,205,400	$1,157,450	$ 1,156,122	$ 931,962	$ 949,385	$ 918,391	$ 917,967	$ 846,480	$ 784,355	$ 614,912
Contributions in relation to the actuarially determined contribution	1,333,241	1,161,609	1,156,127	1,026,587	949,698	918,391	1,142,967	846,480	784,355	614,912
Contribution deficiency (excess)	$ (127,841)	$ (4,159)	$ (5)	$ (94,625)	$ (313)	$ -	$ (225,000)	$ -	$ -	$ -
Covered-employee payroll	$4,263,366	$5,226,297	$ 5,214,746	$5,092,690	$5,187,894	$5,463,292	$5,463,589	$5,130,173	$4,774,027	$4,630,506
Contributions as a percentage of covered-employee payroll	31.27%	22.23%	22.17%	20.16%	18.31%	16.81%	20.92%	16.50%	16.43%	13.28%

Notes to Schedule:

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Valuation date	7/1/2013	7/1/2011	7/1/2011	7/1/2009	7/1/2009	7/1/2007	7/1/2007	7/1/2005	7/1/2005	7/1/2003
Investment rate of return assumption	7.25%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	8.00%

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Individual entry age normal, level percentage of pay
Amortization method	Effective July 1, 2011: Closed 20-year amortization, level dollar Effective July 1, 2007: Layered 20-year amortizations, level percentage of pay Through July 1, 2005: Open 20-year amortization, level percentage of pay
Asset valuation method	Effective July 1, 2011: Market value of assets Through July 1, 2009: Market value gains and losses are smoothed over three years, with result not less than 80% or greater than 120% of market value
Mortality	Effective July 1, 2011: RP-2000 Combined Healthy Mortality Table projected using Scale AA to 2018 for retirees and 2026 for others Effective July 1, 2003: RP-2000 Combined Healthy Mortality Table
Inflation	3% per year
Salary increases	Effective July 1, 2011: Age-based, with an ultimate rate of 3.5% per year at ages 50+ Through July 1, 2009: Generally 5% per year

Schedule of Changes in the Net Pension Liability and Related Ratios
LTD and Amalgamated Transit Union, Local No. 757, Pension Trust
Last 10 Fiscal Years[1]

	2015	2014	2013
Total pension liability			
Service cost	$ 853,018	$ 828,173	$ -
Interest	2,424,057	2,326,828	-
Changes of benefit terms	356,341 [2]	-	-
Differences between expected and actual experience	(646,134)	-	-
Changes of assumptions	-	-	-
Benefit payments	(1,916,128)	(1,761,397)	-
Net change in total pension liability	1,071,154	1,393,604	-
Total pension liability - beginning	33,540,315	32,146,711	-
Total pension liability - ending	$ 34,611,469	$ 33,540,315	$ 32,146,711
Plan fiduciary net position			
Employer contributions	$ 2,222,585	$ 2,248,159	$ -
Net investment income	1,008,693	2,498,570	-
Benefit payments	(1,916,128)	(1,761,397)	-
Administrative expense	(115,303)	(82,478)	-
Other	-	-	-
Net change in plan fiduciary net position	1,199,847	2,902,854	-
Plan fiduciary net position - beginning	21,726,577	18,823,723	-
Plan fiduciary net position - ending	$ 22,926,424	$ 21,726,577	$ 18,823,723
District's net pension liability - ending	$ 11,685,045	$ 11,813,738	$ 13,322,988
Plan fiduciary net position as a percentage of the total pension liability	66.24%	64.78%	58.56%
Covered-employee payroll	$ 10,512,685	$ 10,530,897	$ 10,449,969
District's net pension liability as a percentage of covered-employee payroll	111.15%	112.18%	127.49%

Notes to Schedule:

[1] This schedule is intended to show a 10-year trend of changes in the net pension liability. However, until a full 10-year trend is compiled, information will only be presented for those years in which it is available.

[2] A new collective bargaining agreement increased the benefit multiplier.

Schedule of Employer Contributions
LTD and Amalgamated Transit Union, Local No. 757, Pension Trust
Last 10 Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	$ 2,265,346	$ 2,129,522	$ 2,130,945	$ 1,981,455	$ 2,034,036	$ 1,926,992	$ 1,939,870	$ 1,618,642	$ 1,448,985	$1,130,096
Contributions in relation to the actuarially determined contribution	2,265,346	2,234,627	2,228,856	2,193,790	2,034,037	1,926,992	2,414,870	1,618,642	1,448,985	1,130,096
Contribution deficiency (excess)	$ -	$ (105,105)	$ (97,911)	$ (212,335)	$ (1)	$ -	$ (475,000)	$ -	$ -	$ -
Covered-employee payroll	$10,802,019	$10,625,261	$10,629,043	$10,288,538	$10,998,431	$11,724,870	$11,171,828	$10,953,639	$10,419,432	$9,633,000
Contributions as a percentage of covered-employee payroll	20.97%	21.03%	20.97%	21.32%	18.49%	16.44%	21.62%	14.78%	13.91%	11.73%

Notes to Schedule:

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Valuation date	1/1/2014	1/1/2012	1/1/2012	1/1/2010	1/1/2010	1/1/2008	1/1/2008	1/1/2006	1/1/2006	1/1/2004
Investment rate of return assumption	7.25%	7.25%	7.25%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	8.00%

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Effective January 1, 2014: Individual entry age normal, level percentage of pay Through January 1, 2012: Individual entry age normal, level dollar
Amortization method	Effective January 1, 2014: Layered 20-year amortization, level percentage of pay Effective January 1, 2006: Layered 20-year amortization, level dollar Effective January 1, 2004: Closed 24-year amortization, level dollar
Asset valuation method	Market value gains and losses are smoothed over three years, with result not less than 80% or greater than 120% of market value
Mortality	Effective January 1, 2012: RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment, projected using Scale AA to 2015 Effective January 1, 2010: RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment, projected using Scale AA to 2010 Through January 1, 2008: 1994 Uninsured Pensioner Mortality
Inflation	3% per year
Salary increases	Effective January 1, 2014: 3% per year Through January 1, 2012: N/A
Future benefit rate increases	Effective January 1, 2014: 3% per year Through January 1, 2012: N/A

Schedule of OPEB Funding Progress

Other Post-employment Benefit (OPEB) Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll (Previous 26 payrolls)	Unfunded Actuarial Liability as a Percentage of Covered Payroll
1/1/2014	$ -	$ 7,789,243	$ 7,789,243	0.0%	$ 16,745,100	46.5%
1/1/2012	-	7,210,300	7,210,300	0.0%	15,381,200	46.9%
1/1/2010	-	6,584,300	6,584,300	0.0%	16,783,500	39.2%

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Other Supplementary Information

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General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual on a Non-GAAP Budget Basis
For the fiscal year ended June 30, 2015

	Original Budget	Budget as Amended	Actual	Variance Favorable (unfavorable)
Revenues				
Passenger fares	$ 7,123,700	$ 7,123,700	$ 7,200,332	$ 76,632
Special services	161,300	161,300	255,587	94,287
Advertising	310,000	310,000	437,950	127,950
Employer payroll tax	27,835,500	27,835,500	30,981,560	3,146,060
Self-employment tax	1,600,000	1,600,000	1,683,987	83,987
State payroll assessment	2,040,000	2,040,000	609,978	(1,430,022)
Federal assistance	4,911,100	4,911,100	4,837,633	(73,467)
State assistance	-	-	2,161	2,161
Local assistance	40,000	40,000	51,460	11,460
Miscellaneous	101,700	101,700	375,877	274,177
Interest	90,000	90,000	52,359	(37,641)
Sale of assets	15,000	15,000	9,892	(5,108)
Total revenues	44,228,300	44,228,300	46,498,776	2,270,476
Expenditures				
Personnel services	30,091,300	30,091,300	28,380,093	1,711,207
Materials and services	9,728,700	9,728,700	7,649,477	2,079,223
Insurance	1,058,400	1,058,400	1,082,647	(24,247)
Other uses				
Transfer to Accessible Services Fund	1,979,700	1,979,700	1,214,451	765,249
Transfer to Medicaid Fund	172,000	272,000	272,000	-
Transfer to Capital Projects Fund	3,351,100	3,351,100	3,351,100	-
Operating contingency	1,000,000	900,000	-	900,000
Working capital contingency	12,677,200	12,677,200	-	12,677,200
Self-insurance contingency	1,000,000	1,000,000	-	1,000,000
Total expenditures and other uses	61,058,400	61,058,400	41,949,768	19,108,632
Excess (deficiency) of revenues over expenditures	(16,830,100)	(16,830,100)	4,549,008	21,379,108
Fund balance, beginning of year (restated)[1]	16,830,100	16,830,100	22,648,730	5,818,630
Fund balance, end of year	$ -	$ -	$ 27,197,738	$ 27,197,738

[1]Proceeds from the sale of assets in the amount of $13,052 were erroneously omitted from the prior year presentation of budgetary information. Accordingly, the beginning fund balance was increased by that amount from $22,635,678, as orignally reported to $22,648,730, as restated.

Accessible Services Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual on a Non-GAAP Budget Basis
For the fiscal year ended June 30, 2015

	Original Budget	Budget as Amended	Actual	Variance Favorable (unfavorable)
Revenues				
Passenger fares	$ 337,500	$ 337,500	$ 355,815	$ 18,315
Federal assistance	2,929,200	2,929,200	2,853,991	(75,209)
State assistance	1,263,000	1,263,000	1,343,441	80,441
Local assistance	97,900	97,900	110,144	12,244
Other sources				
Transfer from General Fund	1,979,700	1,979,700	1,214,451	(765,249)
Total revenues and other sources	6,607,300	6,607,300	5,877,842	(729,458)
Expenditures				
Eugene-Springfield services				
ADA Ride*Source*	5,268,900	5,268,900	4,922,226	346,674
Transit training and hosts	150,600	150,600	112,086	38,514
Special transportation	108,100	108,100	99,805	8,295
Total Eugene-Springfield services	5,527,600	5,527,600	5,134,117	393,483
Rural Lane County services				
South Lane	115,000	115,000	129,157	(14,157)
Florence	188,100	188,100	183,134	4,966
Oakridge	243,200	243,200	203,189	40,011
Total rural Lane County services	546,300	546,300	515,480	30,820
Other services				
Mobility management	260,000	260,000	128,130	131,870
Crucial connections	9,300	9,300	3,319	5,981
Veterans transportation	32,000	32,000	20,893	11,107
Lane County coordination	112,000	112,000	78,801	33,199
Total other services	413,300	413,300	231,143	182,157
Other uses				
Transfer to Capital Projects Fund	168,000	168,000		168,000
Operating contingency	183,700	183,700	-	183,700
Total expenditures and other uses	6,838,900	6,838,900	5,880,740	958,160
Excess (deficiency) of revenues over expenditures	(231,600)	(231,600)	(2,898)	228,702
Fund balance, beginning of year	231,600	231,600	215,226	(16,374)
Fund balance, end of year	$ -	$ -	$ 212,328	$ 212,328

Medicaid Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual on a Non-GAAP Budget Basis
For the fiscal year ended June 30, 2015

	Original Budget	Budget as Amended	Actual	Variance Favorable (unfavorable)
Revenues				
Medicaid nonemergency medical transportation (NEMT)	$ 6,628,800	$ 8,528,800	$ 7,861,689	$ (667,111)
Medicaid waivered transportation	478,100	478,100	648,172	170,072
Interest	-	-	-	-
Other sources				
Transfer from General Fund	172,000	272,000	272,000	-
Total revenues and other sources	7,278,900	9,278,900	8,781,861	(497,039)
Expenditures				
Medicaid nonemergency medical transportation (NEMT)				
Services	5,365,700	7,365,700	6,613,176	752,524
Mobility management	166,600	166,600	111,162	55,438
Program administration	1,096,500	1,096,500	1,182,111	(85,611)
Total Medicaid NEMT	6,628,800	8,628,800	7,906,449	722,351
Medicaid waivered transportation				
Services	439,900	439,900	595,583	(155,683)
Mobility management	20,900	20,900	40,922	(20,022)
Program administration	5,900	5,900	3,726	2,174
Grant program match requirements	183,400	183,400	190,265	(6,865)
Total Medicaid waivered transportation	650,100	650,100	830,496	(180,396)
Other uses				
Operating contingency	181,600	-	-	-
Total expenditures and other uses	7,460,500	9,278,900	8,736,945	541,955
Excess (deficiency) of revenues over expenditures	(181,600)	-	44,916	44,916
Fund balance, beginning of year	181,600	181,600	183,029	1,429
Fund balance, end of year	$ -	$ 181,600	$ 227,945	$ 46,345

Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual on a Non-GAAP Budget Basis
For the fiscal year ended June 30, 2015

	Original Budget	Budget as Amended	Actual	Variance Favorable (unfavorable)
Revenues				
Federal assistance	$ 85,913,900	$ 85,913,900	$ 17,051,329	$ (68,862,571)
State assistance	13,200,000	13,200,000	3,033,762	(10,166,238)
Local assistance	-	-	6,450	6,450
Miscellaneous	-	-	-	-
Other sources				
Transfer from Accessible Services Fund	168,000	168,000	-	(168,000)
Transfer from General Fund	3,351,100	3,351,100	3,351,100	-
Total revenues and other sources	102,633,000	102,633,000	23,442,641	(79,190,359)
Expenditures				
Frequent transit network				
West Eugene EmX extension	87,197,800	87,197,800	15,573,516	71,624,284
Gateway EmX extension	600,000	600,000	12,097	587,903
Main Street / McVay transit study	716,100	716,100	530,155	185,945
Northwest Eugene / LCC transit study	638,000	638,000	370,309	267,691
Total frequent transit network	89,151,900	89,151,900	16,486,077	72,665,823
Other capital outlay				
Land	-	-	3,350,468	(3,350,468)
Revenue vehicles - fixed route	12,799,900	12,799,900	2,865,601	9,934,299
Revenue vehicles - accessible services	840,000	840,000	126,644	713,356
Support vehicles	100,000	100,000	78,371	21,629
Stations, shelters, and facilities	741,800	741,800	811,364	(69,564)
Computer hardware and software	2,589,900	2,589,900	1,335,475	1,254,425
Intelligent transportation systems	375,500	375,500	6,252	369,248
Transit security projects	723,600	723,600	9,939	713,661
Communications equipment	653,800	653,800	41,723	612,077
Shop equipment	30,000	30,000	2,440	27,560
Miscellaneous equipment	140,000	140,000	109,797	30,203
Total other capital outlay	18,994,500	18,994,500	8,738,074	10,256,426
Total expenditures	108,146,400	108,146,400	25,224,151	82,922,249
Excess (deficiency) of revenues over expenditures	(5,513,400)	(5,513,400)	(1,781,510)	3,731,890
Fund balance, beginning of year	5,760,600	5,760,600	3,549,896	(2,210,704)
Fund balance, end of year	$ 247,200	$ 247,200	$ 1,768,386	$ 1,521,186

Certain expenditures recorded in this fund did not meet the $5,000 minimum for capitalization as a capital asset. As such, $1,954,616 presented above was reclassified as materials and services for financial statement purposes.

Reconciliation of Excess of Revenues Over Expenditures on a Non-GAAP Budgetary Basis to Changes in Net Position on a GAAP Basis

For the fiscal year ended June 30, 2015

Excess (deficiency) of revenues over expenditures	
General Fund	$ 4,549,008
Accessible Services Fund	(2,898)
Medicaid Fund	44,916
Capital Projects Fund	(1,781,510)
Total excess (deficiency) of revenues over expenditures	2,809,516
Reconciling items	
Depreciation	(11,152,433)
Acquisition of capital assets	23,269,534
OPEB expense	(461,715)
Pension contributions in excess of pension expense	498,237
Compensated absences accrual	(37,360)
Insurance reserve accrual	64,940
Loss on disposal of assets	(2,877)
Proceeds from disposal of assets	(9,892)
Total reconciling items	12,168,434
Change in net position on a GAAP basis	$ 14,977,950

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STATISTICAL SECTION

This part of the Lane Transit District'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 District's overall financial health.

Contents

Financial Trend Information

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

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

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

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

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Financial Trend Information

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Comparative Statements of Net Position
Last Ten Years At June 30

	2015	Restated 2014	2013	2012	Restated 2011	2010	2009	2008	2007	2006
Assets										
Current assets	$ 56,639,732	$ 41,747,999	$ 37,774,109	$ 30,346,275	$ 28,380,179	$ 25,404,558	$ 26,310,655	$ 27,312,219	$ 26,585,090	$ 29,034,981
Capital assets, net of accumulated depreciation	125,447,247	113,337,904	114,242,299	122,613,663	113,197,851	110,201,071	92,451,905	87,082,507	81,869,746	68,817,518
Other assets	-	-	1,068,705	1,006,960	700,000	-	2,083	8,333	14,583	20,833
Total assets	182,086,979	155,085,903	153,085,113	153,966,898	142,278,030	135,605,629	118,764,643	114,403,059	108,469,419	97,873,332
Deferred outflows of resources	1,540,509	1,693,168	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	$ 183,627,488	$ 156,779,071	$ 153,085,113	$ 153,966,898	$ 142,278,030	$ 135,605,629	$ 118,764,643	$ 114,403,059	$ 108,469,419	$ 97,873,332
Liabilities										
Current liabilities	$ 22,159,541	$ 10,036,528	$ 9,926,804	$ 8,224,324	$ 6,160,791	$ 8,273,281	$ 7,597,959	$ 8,614,294	$ 4,187,540	$ 4,989,413
Noncurrent liabilities	23,454,799	22,635,145	4,167,895	3,505,481	2,991,988	2,394,610	1,753,891	1,044,793	3,978,388	940,672
Total liabilities	45,614,340	32,671,673	14,094,699	11,729,805	9,152,779	10,667,891	9,351,850	9,659,087	8,165,928	5,930,085
Deferred outflows of resources	712,072	1,784,272	-	-	-	-	-	-	-	-
Net position										
Investment in capital assets	125,447,247	113,337,904	114,242,299	122,613,660	113,197,851	110,201,071	92,451,905	84,082,507	78,869,746	68,817,518
Restricted for Accessible Services										
and Medicaid programs	440,273	398,255	436,632	491,306	456,115	449,066	302,918	529,014	80,911	80,215
Unrestricted	11,413,556	8,586,967	24,311,483	19,132,127	19,471,285	14,287,601	16,657,970	20,132,451	21,352,834	23,045,514
Total net position	137,301,076	122,323,126	138,990,414	142,237,093	133,125,251	124,937,738	109,412,793	104,743,972	100,303,491	91,943,247
Total liabilities, deferred inflows of resources and net position	$ 183,627,488	$ 156,779,071	$ 153,085,113	$ 153,966,898	$ 142,278,030	$ 135,605,629	$ 118,764,643	$ 114,403,059	$ 108,469,419	$ 97,873,332

Changes in Net Position
Last Ten Years Ended June 30

	2015	Restated 2014	2013	2012	Restated 2011	2010	2009	2008	2007	2006
Operations										
Fixed route										
Revenue	$ 7,893,869	$ 7,733,140	$ 7,640,918	$ 7,608,840	$ 8,150,969	$ 7,933,611	$ 7,723,787	$ 7,320,990	$ 6,226,293	$ 5,961,498
Expense	(38,541,017)	(36,660,628)	(35,813,713)	(34,411,349)	(33,880,028)	(34,792,955)	(33,118,646)	(31,952,517)	(29,498,214)	(26,968,032)
Total fixed route	(30,647,148)	(28,927,488)	(28,172,795)	(26,802,509)	(25,729,059)	(26,859,344)	(25,394,859)	(24,631,527)	(23,271,921)	(21,006,534)
Accessible Services and Medicaid										
Revenue	13,173,252	9,857,780	9,394,430	8,069,191	8,172,584	7,859,572	6,120,502	3,408,944	1,713,431	1,415,320
Expense	(14,617,685)	(12,314,118)	(10,841,746)	(9,965,985)	(9,561,690)	(8,571,459)	(8,465,040)	(5,052,516)	(3,444,646)	(2,748,356)
Total Accessible Services	(1,444,433)	(2,456,338)	(1,447,316)	(1,896,794)	(1,389,106)	(711,887)	(2,344,538)	(1,643,572)	(1,731,215)	(1,333,036)
Loss from operations	(32,091,581)	(31,383,826)	(29,620,111)	(28,699,303)	(27,118,165)	(27,571,231)	(27,739,397)	(26,275,099)	(25,003,136)	(22,339,570)
Nonoperating revenues										
Employer payroll tax	30,981,560	25,374,737	24,891,777	23,047,471	22,197,770	21,424,079	22,169,137	23,303,571	22,162,590	21,416,021
Self-employment tax	1,683,987	1,647,329	1,576,826	1,507,575	1,440,902	1,381,109	1,444,342	1,618,655	1,543,520	1,512,419
State payroll assessment	609,978	1,914,665	1,941,063	1,869,854	1,740,509	1,755,311	1,490,098	1,432,590	1,338,318	1,236,672
Federal assistance	6,001,519	5,993,929	6,563,936	5,431,231	4,008,381	6,567,015	572,074	639,972	439,135	775,223
State assistance	29,688	723,888	-	1,992	350	-	-	-	-	-
Interest	52,359	85,619	77,171	62,653	60,462	56,200	293,980	686,566	900,290	730,232
Other revenues	433,787	366,327	325,339	276,975	497,739	343,208	306,755	118,835	169,956	360,292
Total nonoperating revenues	39,792,878	36,106,494	35,376,112	32,197,751	29,946,113	31,526,922	26,276,386	27,800,189	26,553,809	26,030,859
Income (loss) before capital contributions	7,701,297	4,722,668	5,756,001	3,498,448	2,827,948	3,955,691	(1,463,011)	1,525,090	1,550,673	3,691,289
Capital contributions										
Federal and state grants for capital acquisition	18,893,678	8,564,456	2,165,876	16,366,583	14,887,318	22,568,387	13,542,263	9,713,840	11,534,698	10,593,169
Changes in net position before depreciation, OPEB expense, and gain (loss) on sale of assets	26,594,975	13,287,124	7,921,877	19,865,031	17,715,266	26,524,078	12,079,252	11,238,930	13,085,371	14,284,458
Depreciation	(11,152,433)	(10,519,936)	(10,561,286)	(10,169,031)	(9,557,098)	(7,313,600)	(6,781,286)	(6,805,823)	(4,738,055)	(6,323,287)
OPEB expense	(461,715)	(555,778)	(614,905)	(586,592)	(641,742)	(624,953)	(635,353)	-	-	-
Gain (loss) on disposal of capital assets	(2,877)	13,052	7,635	2,434	(28,913)	(3,060,580)	6,208	7,374	12,928	10,295
Changes in net position	$ 14,977,950	$ 2,224,462	$ (3,246,679)	$ 9,111,842	$ 7,487,513	$ 15,524,945	$ 4,668,821	$ 4,440,481	$ 8,360,244	$ 7,971,466

Total Debt Outstanding
Last Ten Years

	Outstanding at June 30
2015	$ -
2014	-
2013	-
2012	-
2011	-
2010	-
2009	-
2008	3,000,000
2007	3,000,000
2006	-

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Demographic and Economic Information

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Principal Employers of Lane County
Current Year and Eight Years Ago[1]

Employer	2015 Employees	2015 Rank	2015 Percentage of Lane County Employment	2007[1] Employees	2007[1] Rank	2007[1] Percentage of Lane County Employment
PeaceHealth Oregon	5,500	1	3.6%	4,300	1	2.7%
University of Oregon	5,406	2	3.6%	3,676	2	2.3%
U.S. Government	1,575	3	1.0%	1,800	5	1.1%
City of Eugene	1,369	4	0.9%	1,452	7	0.9%
Springfield School District	1,283	5	0.9%	1,162	8	0.7%
Lane County	1,279	6	0.8%	1,786	6	1.1%
State of Oregon	1,229	7	0.8%	1,100	9	0.7%
Eugene 4J School District	1,163	8	0.8%	2,025	4	1.3%
Lane Community College	1,009	9	0.7%	2,531	3	1.6%
McKenzie-Willamette Medical Center	895	10	0.6%	750	10	0.5%
	20,708		13.7%	20,582		13.1%
Total Employees	150,800 [2]			156,800		

[1]Data from nine years ago (2005), as required per governmental accounting standards, is not available.
[2]Per Bureau of Labor Statistics, total nonfarm employement (January)

Source: Eugene Chamber of Commerce, Oregon Employment Department and City of Eugene

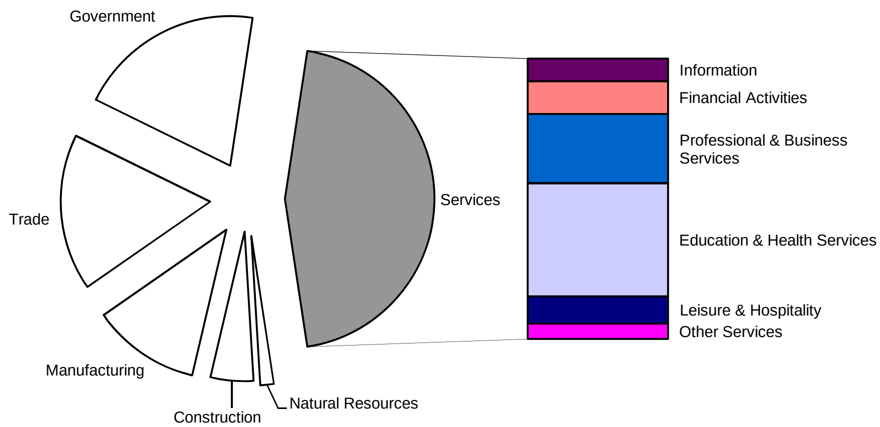
Demographic and Economic Statistics
Last Ten Years

		Lane County, Oregon			
Fiscal Year	Lane Transit District Population (a)	Population (c)	Personal Income (,000) (c)	Per Capita Income (c)	Unemployment Rate (d)
2006	283,300	339,926	11,132,293	32,749	5.4%
2007	286,400	344,844	11,499,206	33,346	5.0%
2008	289,300	348,176	11,893,365	34,159	5.8%
2009	291,600	350,850	11,626,054	33,137	12.7%
2010	296,243	351,848	11,710,885	33,284	11.0%
2011	296,300	353,495	12,261,473	34,686	9.6%
2012	297,500	354,506	12,784,129	36,062	8.8%
2013	298,300	356,212	13,047,961	36,630	8.1%
2014	300,000	358,805	NA	NA	7.0%
2015	302,200	NA	NA	NA	6.1%

Notes
a. District population in census years determined by Lane Council of Governments from U.S. Census Bureau census tract information. Intervening years are an estimate using information from the Census and the annual populaton estimates published by the Population Research Center at Portland State University.
b. Reported population of communities within District boundaries of Eugene, Springfield, Cottage Grove, Creswell, Veneta, Junction City, and Lowell.

Source
c. Bureau of Economic Analysis, U.S. Department of Commerce.
d. Bureau of Labor Statistics, U.S. Department of Labor. Rates presented are annualized for the calendar year.

Lane County 2014 Covered Payroll

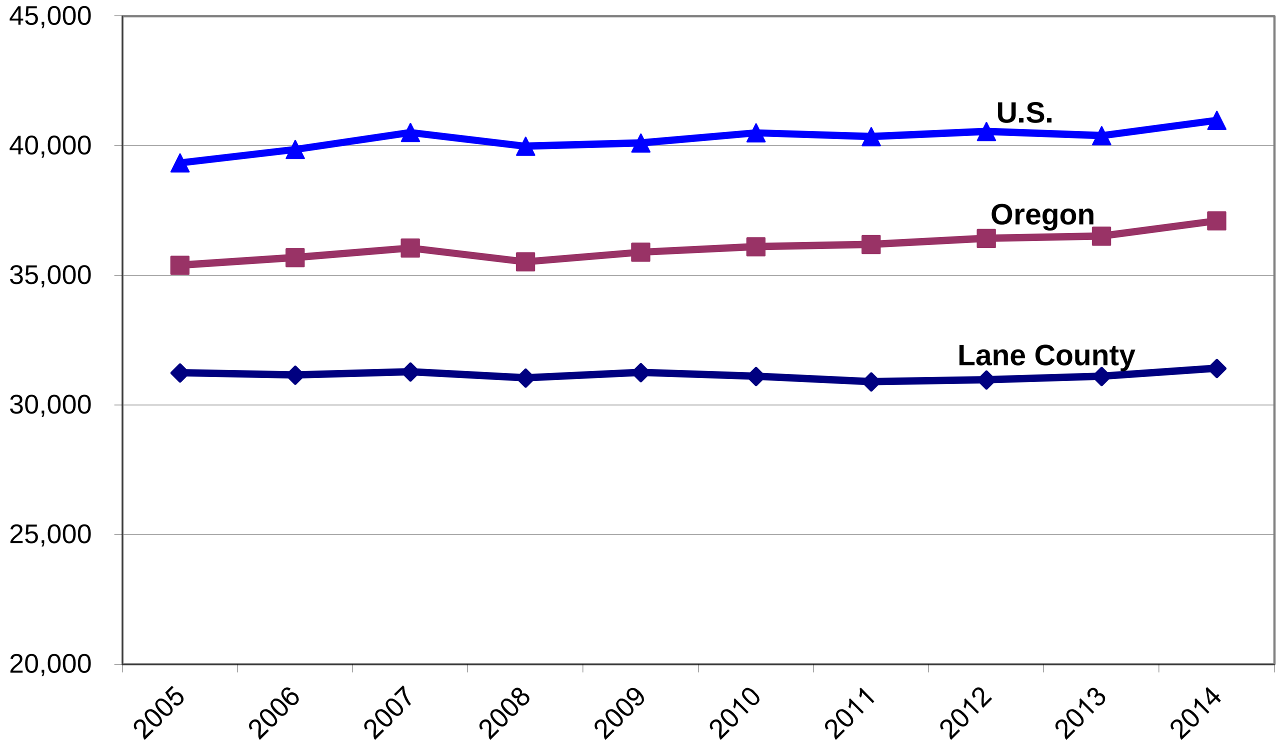


2014 Covered Employment and Wages
Summary Report for Lane County

		Covered Employment		Covered Payroll		
	Units	Count	Percent	Total in Millions	Percent	Average Pay
Natural Resources	225	2,142	1.5%	$ 82	1.5%	$ 38,351
Construction	880	5,559	3.9%	$ 259	4.6%	$ 46,591
Manufacturing	541	12,998	9.1%	$ 652	11.7%	$ 50,182
Trade	2,008	28,146	19.8%	$ 947	16.9%	$ 33,631
Service						
Information	160	3,409	2.4%	$ 204	3.7%	$ 59,974
Financial Activities	1,026	6,063	4.3%	$ 295	5.3%	$ 48,698
Professional & Business Services	1,612	15,666	11.0%	$ 625	11.2%	$ 39,884
Education & Health Services	1,298	22,906	16.1%	$ 1,020	18.2%	$ 44,533
Leisure & Hospitality	1,067	15,540	10.9%	$ 247	4.4%	$ 15,865
Other Services	1,830	5,530	3.9%	$ 138	2.5%	$ 25,021
Total Service	6,993	69,114	48.6%	$ 2,530	45.3%	$ 36,599
Unclassified/other	24	14				
Government	391	24,156	17.0%	$ 1,128	20.1%	$ 46,685
Total 2014 Covered Employment	11,062	142,129	100%	$ 5,597	100.1%	$ 39,383

Source: Oregon Employment Department

Inflation Adjusted Annual Average Wages
(2004 Dollars)



Source: Oregon Employment Department

Eugene-Springfield Metropolitan Statistical Area (Lane County) Economic Data Sheet

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total population	358,805	356,125	354,200	353,155	352,010	350,952	348,804	345,726	341,988	337,995
Civilian labor force	169,571	167,480	172,226	177,236	178,304	183,890	183,901	181,463	177,402	173,600
Unemployment	11,980	13,295	15,268	17,084	19,648	22,635	12,403	9,403	9,607	10,664
Unemployment rate	7.1%	7.9%	8.9%	9.6%	11.0%	12.3%	6.7%	5.2%	5.4%	6.1%
Total employment	157,591	154,185	156,958	160,152	158,656	161,255	171,498	172,060	167,795	162,936
Total nonfarm employment	147,900	144,400	142,400	141,700	141,400	142,600	155,000	157,200	154,400	150,300
Percent annual change	2.4%	1.4%	0.5%	0.2%	-0.8%	-8.0%	-1.4%	1.8%	2.7%	3.3%
Total personal income (millions)	NA	$13,048.0	$12,784.1	$12,261.5	$11,710.9	$11,626.1	$11,893.4	$11,499.2	$11,132.3	$10,230.8
Percent annual change	NA	2.1%	4.3%	4.7%	0.7%	-2.2%	3.4%	3.3%	8.8%	5.6%
Per capita personal income - Lane County	NA	$36,630	$36,062	$34,686	$33,284	$33,137	$34,159	$33,346	$32,749	$30,464
Per capita personal income - Oregon	$41,681	$39,848	$39,258	$37,707	$35,898	$35,671	$36,797	$35,818	$34,666	$32,564
Per capita personal income - U.S.	$46,129	$44,765	$44,200	$42,332	$40,144	$39,379	$40,873	$39,804	$38,127	$35,888
As percent of Oregon	NA	92%	92%	92%	93%	93%	93%	93%	94%	94%
As percent of U.S.	NA	82%	82%	82%	83%	84%	84%	84%	86%	85%
Total covered payroll (millions)	$5,597.4	$5,319.4	$5,148.6	$4,987.2	$4,829.6	$4,814.6	$5,225.4	$5,185.8	$4,947.8	$4,691.1
Percent annual change	5.2%	3.3%	3.2%	3.3%	0.3%	-7.9%	0.8%	4.8%	5.5%	7.3%
Average annual wage - Lane County	$39,372	$38,355	$37,634	$36,781	$35,895	$35,497	$35,380	$34,329	$33,257	$32,295
Average annual wage - Oregon	$46,515	$45,020	$44,258	$43,090	$41,675	$40,757	$40,500	$39,569	$38,077	$36,588
Average annual wage - U.S.	$51,361	$49,804	$49,289	$48,043	$46,751	$45,559	$45,563	$44,458	$42,535	$40,677
As percent of Oregon	85%	85%	85%	85%	86%	87%	87%	87%	87%	88%
As percent of U.S.	77%	77%	76%	77%	77%	78%	78%	77%	78%	79%
Inflation adjusted wages and income (2002 Dollars)										
CPI-U; U.S. city average	236.736	232.957	229.594	224.939	218.056	214.537	215.3	207.3	201.6	195.3
Blow-up factor; 2002 = 100	0.7979	0.8109	0.8228	0.8398	0.8663	0.8805	0.8774	0.9112	0.9370	0.9672
Inflation adjusted total covered payroll (millions)	$4,470.0	$4,310.0	$4,240.0	$4,190.0	$4,180.0	$4,240.0	$4,580.0	$4,730.0	$4,640.0	$4,540.0
Percent annual change	3.7%	1.7%	1.2%	0.2%	-1.4%	-7.4%	-3.2%	1.9%	2.2%	3.9%
Inflation adjusted average annual wage - Lane County	$31,410	$31,100	$30,970	$30,890	$31,100	$31,260	$31,040	$31,280	$31,160	$31,240
Inflation adjusted average annual wage - Oregon	$37,110	$36,510	$36,420	$36,190	$36,100	$35,890	$35,530	$36,060	$35,680	$35,390
Inflation adjusted average annual wage - U.S.	$40,980	$40,390	$40,550	$40,350	$40,500	$40,110	$39,980	$40,510	$39,860	$39,340
Inflation adjusted per capita personal income - Lane County	NA	$29,700	$29,670	$29,130	$28,830	$29,180	$29,970	$30,380	$30,690	$29,460
Inflation adjusted per capita personal income - Oregon	$33,260	$32,310	$32,300	$31,670	$31,100	$31,410	$32,290	$32,640	$32,480	$31,500
Inflation adjusted per capita personal income - U.S.	$36,810	$36,300	$36,370	$35,550	$34,780	$34,670	$35,860	$36,270	$35,720	$34,710

Source: Oregon Employment Department

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Operating Information

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Expenditures and Full-Time Equivalent Employees (FTEs) by Organizational Units
Budgetary Basis
Last Ten Fiscal Years Ended June 30

	2015	2014	2013	2012	Restated 2011	2010	2009	2008	2007	2006
Operations										
Transportation	$ 19,006,723	$ 17,775,567	$ 17,278,362	$ 16,942,573	$ 16,670,775	$ 17,382,338	$ 17,136,681	$ 16,164,511	$ 15,121,010	$ 13,711,174
Percent of total operations	36.7%	36.3%	37.6%	38.3%	39.1%	41.7%	41.6%	44.2%	42.1%	46.1%
FTEs at end of period	203.6	202.0	202.0	196.0	192.0	218.0	220.0	230.0	222.0	216.0
Maintenance	9,893,756	9,712,732	9,472,080	9,720,961	9,120,608	8,273,970	8,294,280	8,774,908	7,639,613	7,021,403
Percent of total operations	19.1%	19.8%	20.6%	22.0%	21.4%	19.9%	20.1%	24.0%	21.3%	23.6%
FTEs at end of period	52.5	51.1	51.3	51.3	50.3	52.3	52.3	53.3	53.3	52.3
Customer Service, Marketing, and Planning	3,284,172	3,733,361	3,150,530	2,314,056	2,086,436	2,095,936	2,120,225	1,909,113	5,137,385	1,776,182
Percent of total operations	6.3%	7.6%	6.9%	5.2%	4.9%	5.0%	5.1%	5.2%	14.3%	6.0%
FTEs at end of period	27.9	22.2	22.3	20.9	18.2	19.2	19.2	19.2	19.2	21.2
Administration	3,835,509	4,406,890	4,002,512	4,249,252	4,190,798	4,193,529	4,068,295	3,856,919	3,592,291	3,423,425
Percent of total operations	7.4%	9.0%	8.7%	9.6%	9.8%	10.1%	9.9%	10.5%	10.0%	11.5%
FTEs at end of period	25.8	35.0	31.0	31.5	32.0	34.0	34.0	35.0	32.8	31.4
Insurance and Risk	1,092,057	1,084,682	1,224,832	1,083,175	1,054,273	1,140,688	1,110,076	851,032	1,003,228	894,346
Percent of total operations	2.1%	2.2%	2.7%	2.4%	2.5%	2.7%	2.7%	2.3%	2.8%	3.0%
FTEs at end of period	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accessible Services and Medicaid	14,617,685	12,314,118	10,841,746	9,965,985	9,561,690	8,571,459	8,465,040	5,052,516	3,444,846	2,928,999
Percent of total operations	28.3%	25.1%	23.6%	22.5%	22.4%	20.6%	20.5%	13.8%	9.6%	9.8%
FTEs at end of period	2.6	3.0	3.0	3.4	3.0	3.0	3.0	4.0	3.0	1.6
Total operations	51,729,902	49,027,350	45,970,062	44,276,002	42,684,580	41,657,920	41,194,597	36,608,999	35,938,373	29,755,529
Total FTEs at end of period	312.4	313.3	309.5	303.0	295.5	326.5	328.5	341.5	330.2	322.5
Capital transfers from General Fund	3,351,100	1,792,700	1,600,000	3,031,900	-	-	1,752,000	2,211,600	-	2,605,600
Capital transfers from Accessible Services Fund	-	-	7,236	25,062	4,769	33,899	-	12,979	109,144	13,221
Total operations and capital transfers	$ 55,081,002	$ 50,820,050	$ 47,577,298	$ 47,332,964	$ 42,689,349	$ 41,691,819	$ 42,946,597	$ 38,833,578	$ 36,047,517	$ 32,374,350

Capital Asset Statistics
Last Ten Years Ended June 30

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Miles of busway	8.45	8.45	8.45	8.45	8.45	1.71	1.71	1.71	1.71	-
Rolling stock										
40-foot buses	75	79	79	113	89	97	97	97	114	89
60-foot buses	24	15	15	15	15	12	15	15	5	5
< 40-foot buses	3	6	6	6	6	7	7	7	11	11
EmX vehicles	11	11	11	11	11	11	6	6	6	-
Total rolling stock	113	111	111	145	121	127	125	125	136	105
Accessible Services vehicles	79	82	82	95	83	80	67	70	68	54
Primary stations	2	2	2	2	2	2	2	2	2	2
EmX station platforms	28	28	28	28	28	10	10	10	10	-
Other stations	9	9	9	9	9	9	9	9	9	9
Shelters	183	193	193	193	193	193	193	217	218	195
Signed stops	1,277	1,262	1,261	1,261	1,387	1,517	1,511	1,511	1,511	1,501
Maintenance facility	1	1	1	1	1	1	1	1	1	1
Administration facility	1	1	1	1	1	1	1	1	1	1
Brokerage/paratransit facility	1	1	1	1	1	1	1	1	1	1

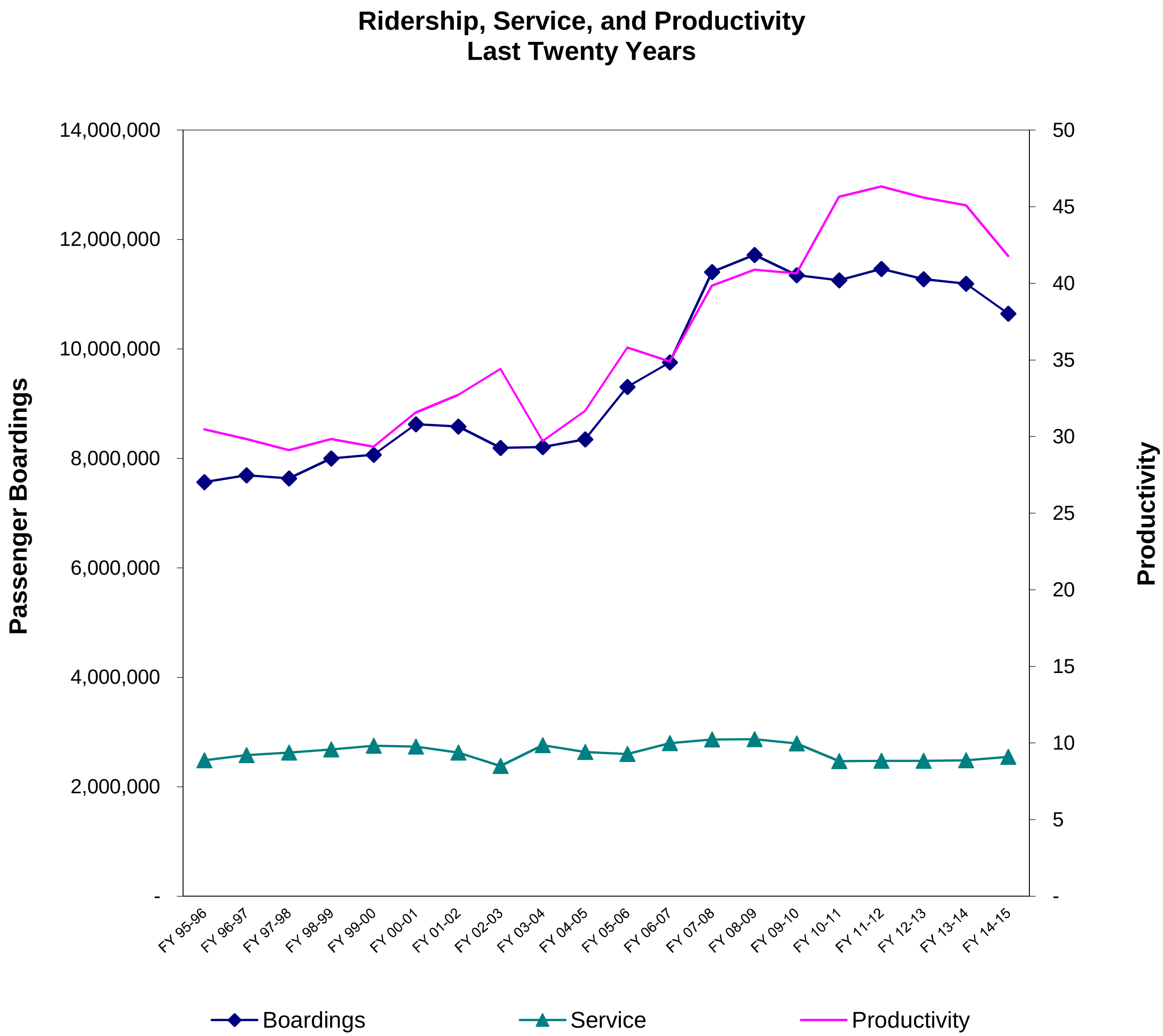
Operating Revenue & Cost Measurements - Fixed-Route System
Last Ten Fiscal Years

Fiscal Year	Operating* Revenues	Operating* Expenses	Revenue Margin	Revenue Hours	Percent Change	Operating Revenue / Service Hour	Percent Change	Operating Expenses / Revenue Hour	Percent Change
2014-15	$ 7,893,869	$ 38,541,017	20.5%	254,779	3.0%	$30.98	-0.9%	$151.27	2.0%
2013-14	7,733,140	36,660,628	21.1%	247,286	0.0%	31.27	1.2%	148.25	2.4%
2012-13	7,640,918	35,813,713	21.3%	247,303	-0.1%	30.90	0.5%	144.82	4.1%
2011-12	7,608,840	34,411,349	22.1%	247,480	0.4%	30.75	-7.0%	139.05	1.2%
2010-11	8,150,969	33,880,028	24.1%	246,556	-11.7%	33.06	16.4%	137.41	10.3%
2009-10	7,933,611	34,792,955	22.8%	279,241	-2.6%	28.41	5.4%	124.60	7.8%
2008-09	7,723,787	33,118,646	23.3%	286,654	0.1%	26.94	5.3%	115.54	3.5%
2007-08	7,320,990	31,952,517	22.9%	286,226	2.3%	25.58	14.9%	111.63	5.8%
2006-07	6,226,293	29,498,214	21.1%	279,688	7.6%	22.26	-2.9%	105.47	1.7%
2005-06	5,961,498	26,968,032	22.1%	259,985	-1.3%	22.93	15.1%	103.73	8.0%

Fiscal Year	Employees	Revenue Hours / Employees	Percent Change	Passenger Fares	Passenger Boardings	Passenger Fares / Boarding	Operating Expenses / Boarding	Percent Change	Revenue Hours / Trip
2014-15	312	816.60	3.4%	$ 7,200,332	10,644,718	0.68	3.62	10.5%	0.024
2013-14	313	790.05	-1.0%	6,948,609	11,192,854	0.62	3.28	3.1%	0.022
2012-13	310	797.75	-2.3%	6,914,308	11,276,282	0.61	3.18	5.8%	0.022
2011-12	303	816.77	-1.3%	6,738,397	11,463,124	0.59	3.00	-0.3%	0.022
2010-11	298	827.37	-7.0%	7,393,034	11,253,628	0.66	3.01	-1.8%	0.022
2009-10	314	889.30	4.2%	7,032,027	11,349,579	0.62	3.07	8.5%	0.025
2008-09	336	853.14	1.9%	6,602,497	11,718,189	0.56	2.83	0.9%	0.024
2007-08	342	836.92	0.8%	6,122,561	11,406,316	0.54	2.80	-7.3%	0.025
2006-07	337	829.93	0.2%	5,213,706	9,757,984	0.53	3.02	4.4%	0.029
2005-06	314	827.98	-0.4%	5,078,340	9,309,528	0.55	2.90	-4.5%	0.028

Fiscal Year	Miles	Operating Expenses / Mile	Percent Change	Fleet Maintenance Costs	Fleet Maintenance Cost / Mile	Percent Change	Fuel Cost	Fuel Cost / Mile	Percent Change
2014-15	3,554,759	10.842	4.5%	$ 5,740,550	1.615	10.1%	$ 2,030,066	0.571	-21.8%
2013-14	3,534,864	10.371	1.7%	5,186,756	1.467	3.0%	2,580,822	0.730	-1.4%
2012-13	3,512,473	10.196	5.2%	5,002,973	1.424	-1.5%	2,601,015	0.741	-7.8%
2011-12	3,549,802	9.694	2.6%	5,134,802	1.447	3.0%	2,850,255	0.803	15.1%
2010-11	3,587,553	9.444	10.1%	5,040,041	1.405	11.7%	2,502,026	0.697	45.7%
2009-10	4,054,883	8.581	6.2%	5,100,175	1.258	6.5%	1,941,476	0.479	-9.3%
2008-09	4,097,838	8.082	3.1%	4,837,587	1.181	3.7%	2,162,213	0.528	-22.6%
2007-08	4,076,093	7.839	7.1%	4,638,977	1.138	7.1%	2,778,672	0.682	37.6%
2006-07	4,029,581	7.320	6.1%	4,281,047	1.062	0.2%	1,996,335	0.495	6.3%
2005-06	3,909,576	6.898	3.5%	4,145,377	1.060	4.3%	1,821,552	0.466	36.9%

*Excludes Accessible Services, depreciation, and OPEB expense

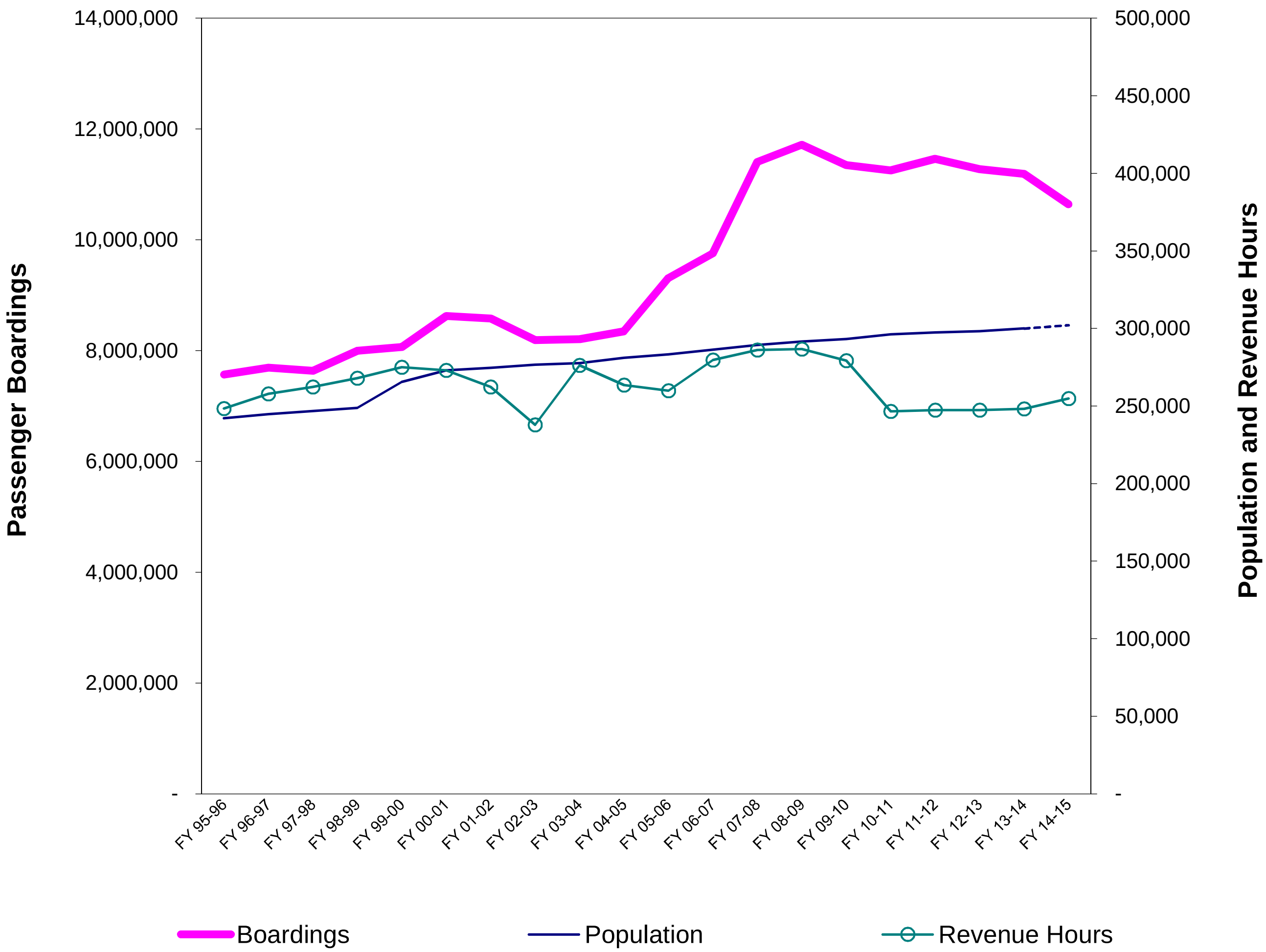


Ridership, Service, and Productivity
Last Twenty Years
Passenger Boardings
Productivity
14,000,000
12,000,000
10,000,000
8,000,000
6,000,000
4,000,000
2,000,000
-
50
45
40
35
30
25
20
15
10
5
-
FY 95-96
FY 96-97
FY 97-98
FY 98-99
FY 99-00
FY 00-01
FY 01-02
FY 02-03
FY 03-04
FY 04-05
FY 05-06
FY 06-07
FY 07-08
FY 08-09
FY 09-10
FY 10-11
FY 11-12
FY 12-13
FY 13-14
FY 14-15
Boardings
Service
Productivity

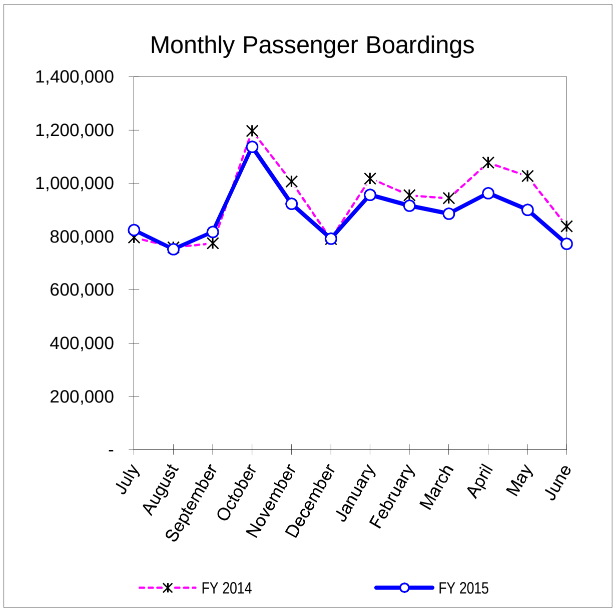
Ridership, Fare, Service, and Productivity
Last Twenty One Years

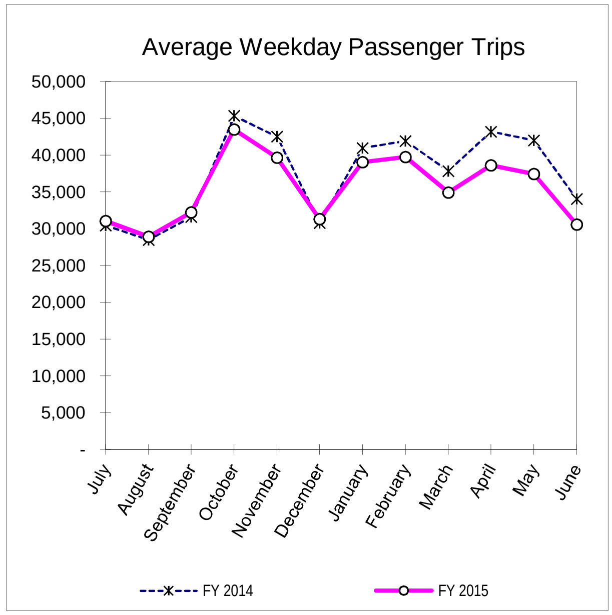
Fiscal Year	Revenue Hours	Percent Change	Passenger Boardings	Percent Change	System Productivity	Percent Change	Base Cash Fare
2014-15	254,779	2.7%	10,644,718	-4.9%	41.780	-7.36%	$ 1.75
2013-14	248,172	0.4%	11,192,854	-0.7%	45.101	-1.09%	1.75
2012-13	247,303	-0.1%	11,276,282	-1.6%	45.597	-1.56%	1.75
2011-12	247,480	0.4%	11,463,124	1.9%	46.319	1.48%	1.50
2010-11	246,556	-11.7%	11,253,628	-0.8%	45.643	12.30%	1.50
2009-10	279,241	-2.6%	11,349,579	-3.1%	40.644	-0.57%	1.50
2008-09	286,654	0.1%	11,718,189	2.7%	40.879	2.58%	1.50
2007-08	286,226	2.3%	11,406,316	16.9%	39.851	14.22%	1.25
2006-07	279,688	7.6%	9,757,984	4.8%	34.889	-2.57%	1.25
2005-06	259,985	-1.3%	9,309,528	11.5%	35.808	13.04%	1.25
2004-05	263,537	-4.6%	8,348,313	1.7%	31.678	6.60%	1.25
2003-04	276,207	16.1%	8,207,818	0.2%	29.716	-13.67%	1.25
2002-03	237,949	-9.3%	8,190,436	-4.6%	34.421	5.18%	1.25
2001-02	262,242	-4.0%	8,582,138	-0.5%	32.726	3.64%	1.25
2000-01	273,102	-0.7%	8,623,496	6.9%	31.576	7.63%	1.00
1999-00	274,939	2.6%	8,066,108	0.8%	29.338	-1.70%	1.00
1998-99	267,986	2.2%	7,998,370	4.7%	29.846	2.49%	1.00
1997-98	262,223	1.7%	7,635,934	-0.8%	29.120	-2.42%	1.00
1996-97	257,821	3.8%	7,693,820	1.7%	29.842	-2.06%	0.80
1995-96	248,365	1.5%	7,567,219	7.8%	30.468	6.22%	0.80

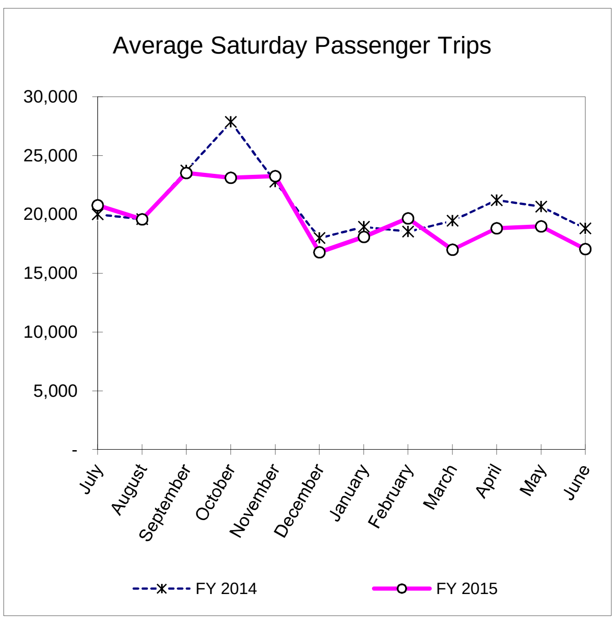
Ridership, Service, and Service Area Population
Last Twenty Years

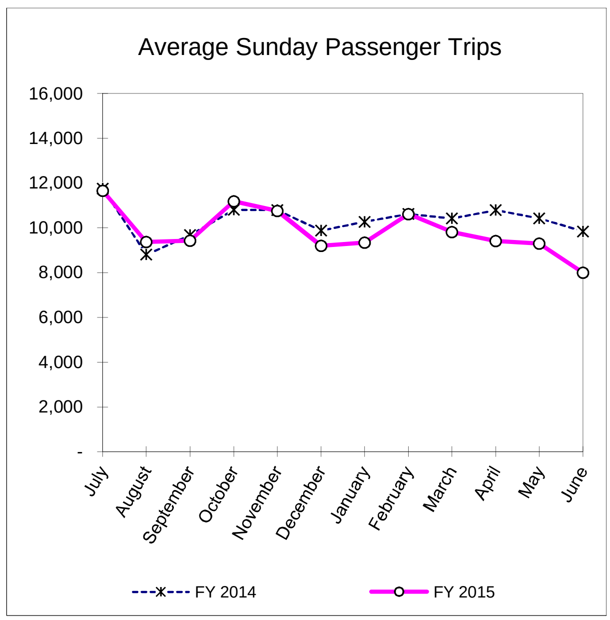


Ridership Trends by Month
For the fiscal years ended June 30, 2015 and 2014

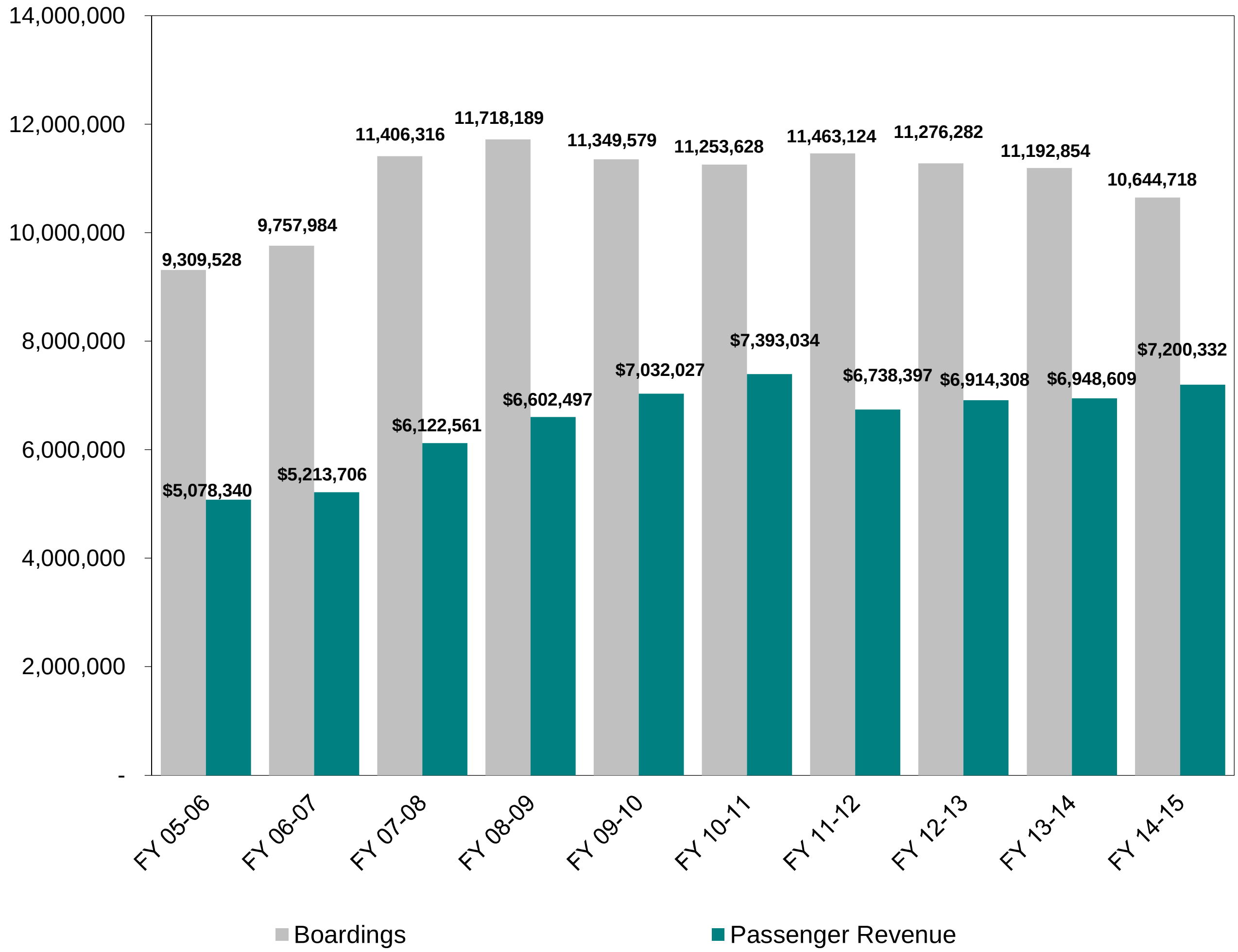




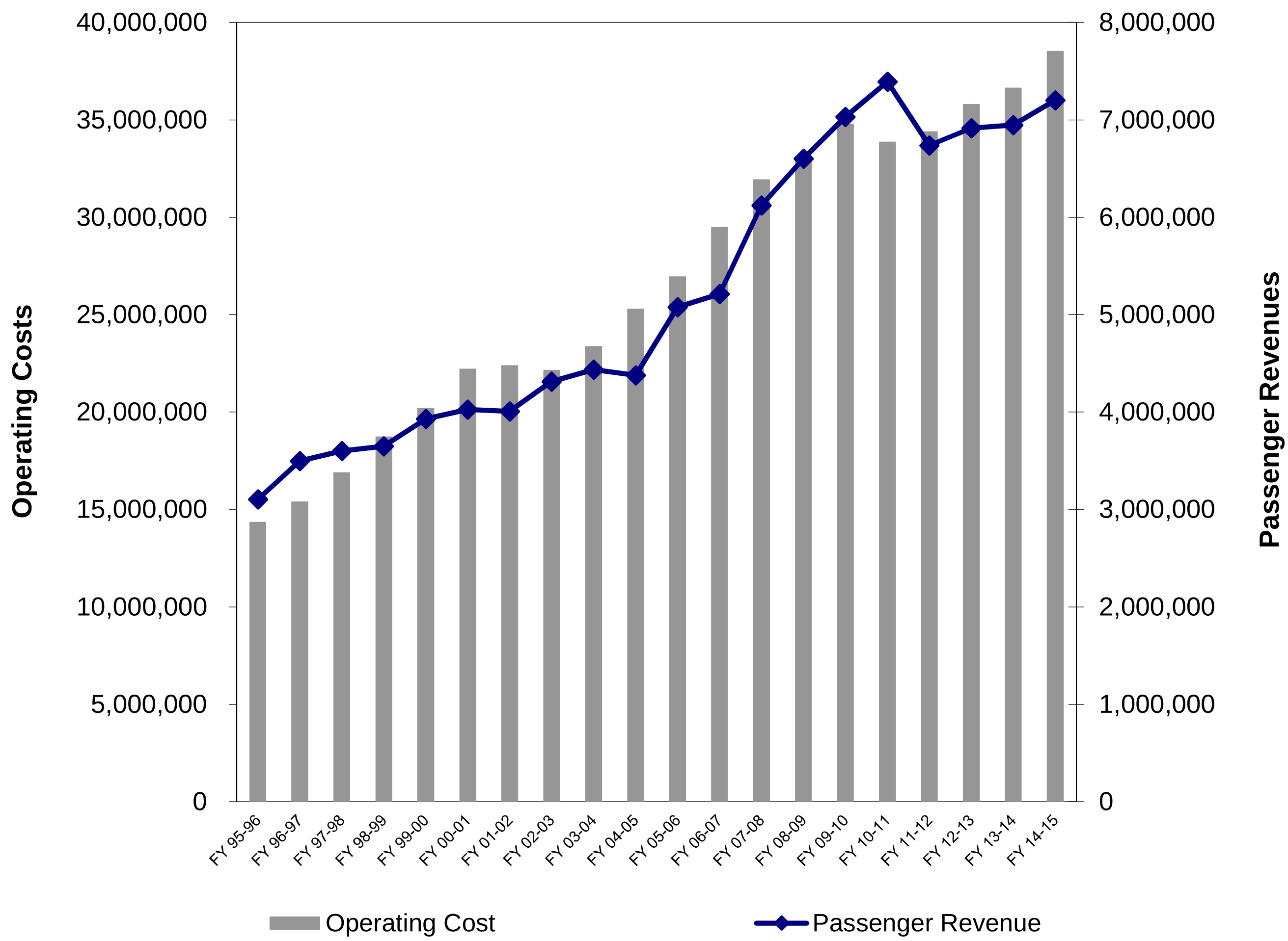




Passenger Boardings and Passenger Revenues
Last Ten Years



Passenger Revenues and Operating Costs
Last Twenty Years

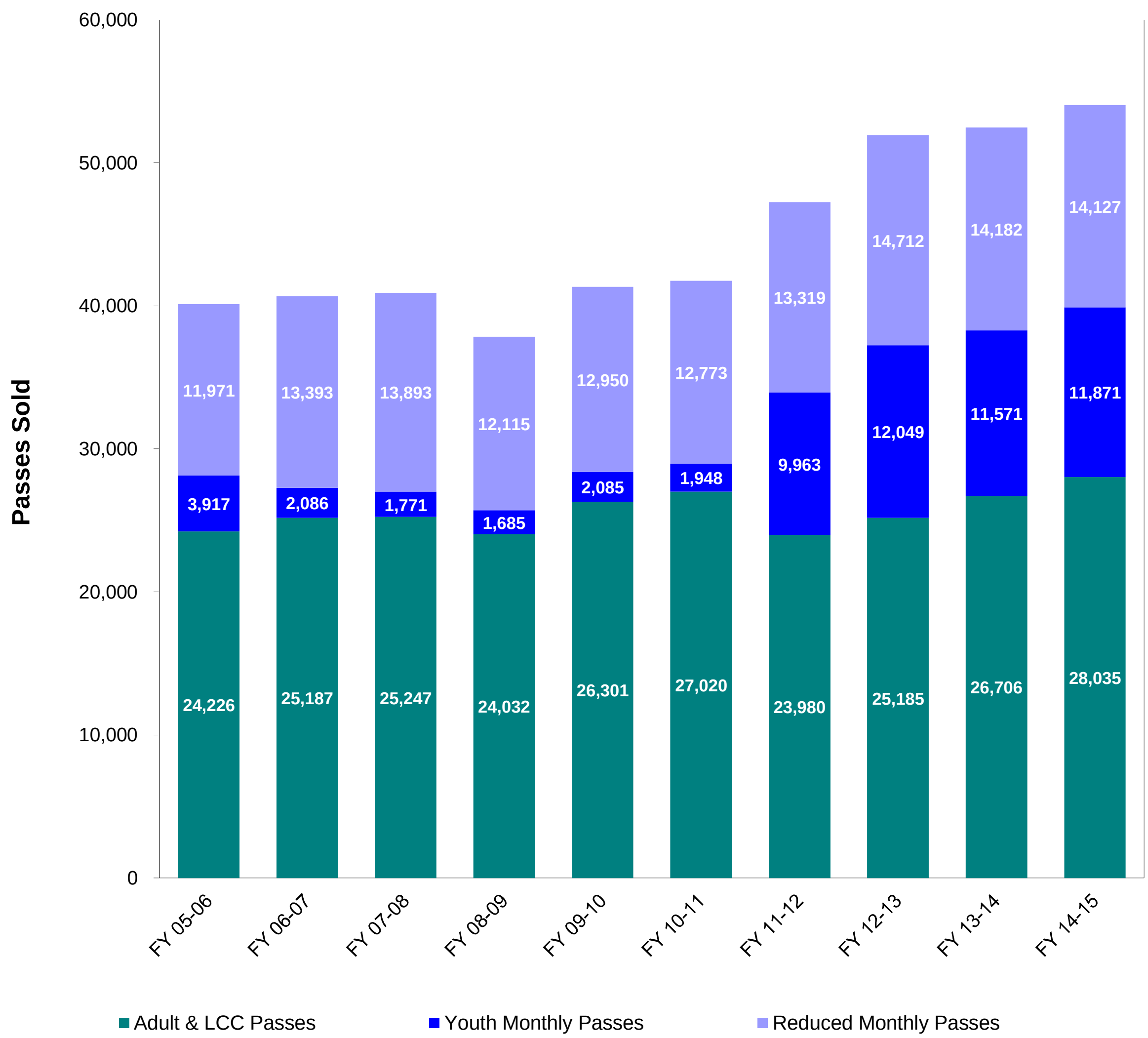


Transportation Revenues by Category
Last Ten Years

Fiscal Year	Fare Box Cash	Percentage Change	Ten-Ride Ticket Books and Agency Day Passes	Percentage Change	Tokens	Percentage Change	Monthly Passes	Percentage Change
2014-15	$ 2,029,943	1.1%	$ 271,712	3.7%	$ -	-	$ 2,256,492	10.1%
2013-14	2,007,169	-3.6%	262,028	15.3%	-	-	2,049,093	2.0%
2012-13	2,081,984	0.5%	227,321	46.1%	-	-	2,008,581	9.1%
2011-12	2,072,448	12.3%	155,643	34.1%	-	-	1,841,167	4.0%
2010-11	1,845,360	-2.6%	116,097	-	-	-100.0%	1,770,098	12.2%
2009-10	1,894,748	7.0%	-	-	55	-99.9%	1,578,238	5.3%
2008-09	1,770,345	13.9%	-	-	96,410	-64.9%	1,499,146	12.2%
2007-08	1,554,195	7.5%	-	-	274,558	22.5%	1,336,334	-29.5%
2006-07	1,446,082	4.1%	-	-	224,071	-0.1%	1,894,398	-1.3%
2005-06	1,388,934	2.8%	-	-	224,200	0.1%	1,918,774	29.9%

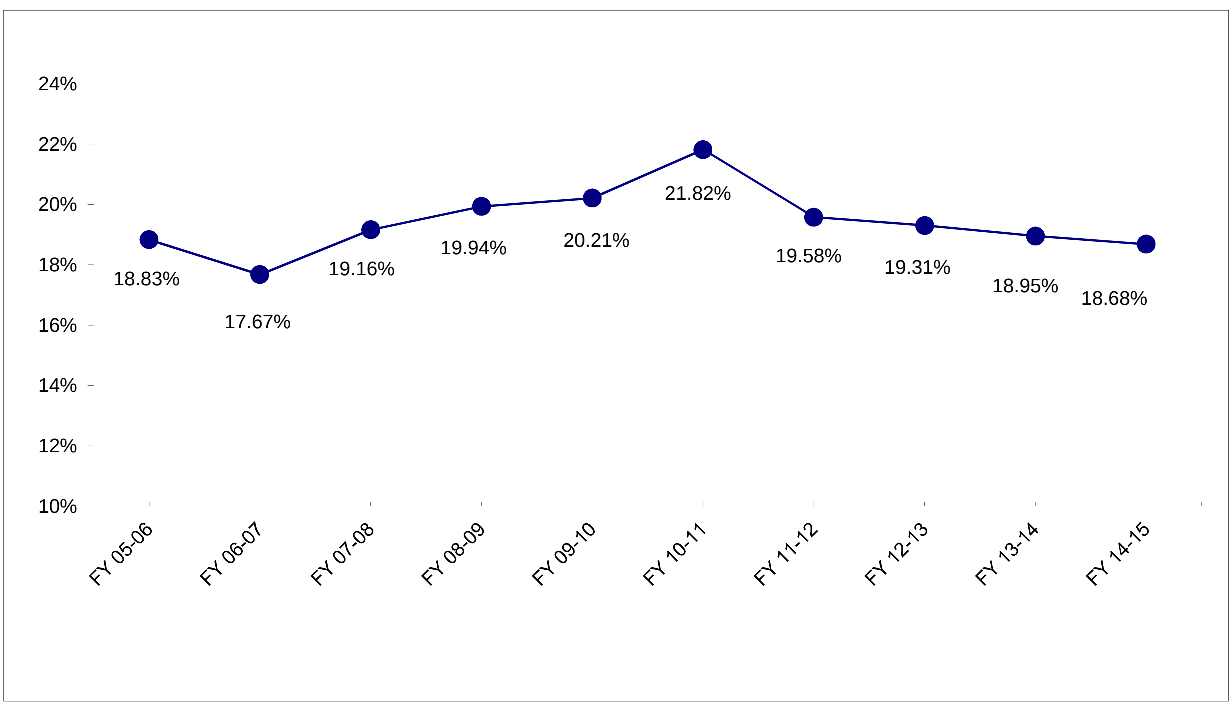
Fiscal Year	Student Transit Pass Program	Percentage Change	Group Pass	Percentage Change	Special Service	Percentage Change	Total Transportation Revenues	Percentage Change
2014-15	$ -	-	$ 2,642,185	0.5%	$ 255,587	-21.2%	$ 7,455,919	2.5%
2013-14	-	-	2,630,319	1.3%	324,531	-26.1%	7,273,140	-1.1%
2012-13	-	-	2,596,422	-2.7%	439,110	-25.4%	7,353,418	0.4%
2011-12	-	-100.0%	2,669,139	12.1%	588,943	22.1%	7,327,340	-7.0%
2010-11	1,281,331	1.9%	2,380,148	3.4%	482,435	-23.9%	7,875,469	2.7%
2009-10	1,257,585	8.9%	2,301,401	10.6%	634,084	-17.7%	7,666,111	4.0%
2008-09	1,155,335	0.3%	2,081,261	15.3%	769,994	-11.2%	7,372,491	5.5%
2007-08	1,152,276	-	1,805,198	9.5%	867,501	25.0%	6,990,062	18.3%
2006-07	-	-	1,649,155	6.6%	693,785	11.1%	5,907,491	3.6%
2005-06	-	-	1,546,432	16.7%	624,564	5.8%	5,702,904	14.8%

Annual Monthly Pass Sales
Last Ten Years



Passenger Revenues

Farebox Recovery Ratio



Fare Structure
Last Ten Years

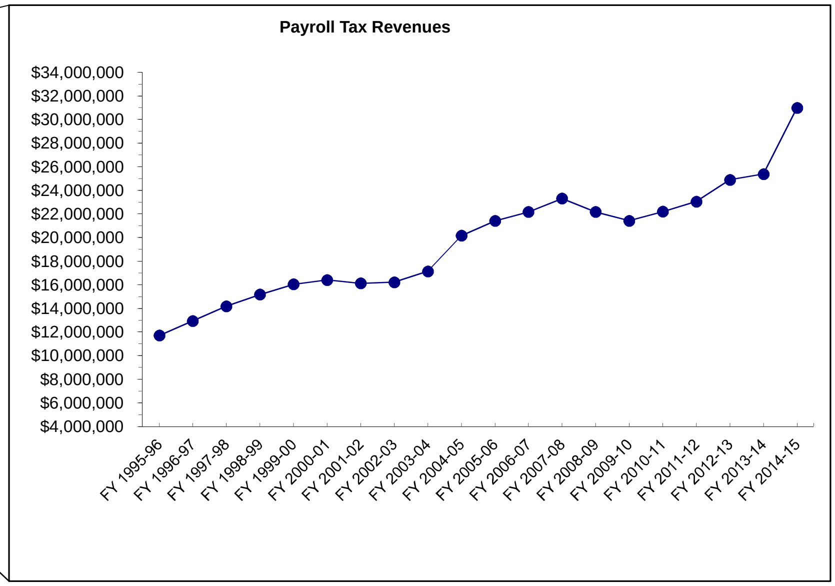
June 30	Cash Fare Adult	Age - Adult	Cash Fare Youth	Age - Youth	Cash Fare Senior	Age - Senior	Cash Fare Reduced	Age - Reduced
2015	$ 1.75	19-64	$ 0.85	6-18	$ free	65 +	$ 0.85	NA
2014	1.75	19-64	0.85	6-18	free	65 +	0.85	NA
2013	1.75	19-64	0.85	6-18	free	65 +	0.85	NA
2012	1.50	19-64	0.75	6-18	free	65 +	0.75	NA
2011	1.50	19-64	0.75	6-18	free	65 +	0.75	NA
2010	1.50	19-64	0.75	6-18	free	65 +	0.75	NA
2009	1.50	19-64	0.75	6-18	free	65 +	0.75	NA
2008	1.25	19-61	0.60	6-18	0.60	62-69	0.60	NA
2007	1.25	19-61	0.60	6-18	0.60	62-69	0.60	NA
2006	1.25	19-61	0.60	6-18	0.60	62-69	0.60	NA

June 30	One-Month Adult Pass	One-Month Youth Pass	One-Month Senior Pass	One-Month Reduced Pass	Three-Month Adult Pass	Three-Month Youth Pass	Three-Month Senior Pass	Three-Month Reduced Pass
2015	$ 50.00	$ 25.00	$ free	$ 25.00	$ 135.00	$ 67.50	$ free	$ 67.50
2014	48.00	24.00	free	24.00	130.00	65.00	free	65.00
2013	48.00	24.00	free	24.00	130.00	65.00	free	65.00
2012	48.00	24.00	free	24.00	130.00	65.00	free	65.00
2011	48.00	24.00	free	24.00	130.00	65.00	free	65.00
2010	45.00	22.50	free	22.50	130.00	65.00	free	65.00
2009	45.00	22.50	free	22.50	122.00	61.00	free	61.00
2008	38.00	19.00	19.00	19.00	103.00	51.50	51.50	51.50
2007	35.00	17.50	17.50	17.50	95.00	47.50	47.50	47.50
2006	35.00	17.50	17.50	17.50	95.00	47.50	47.50	47.50

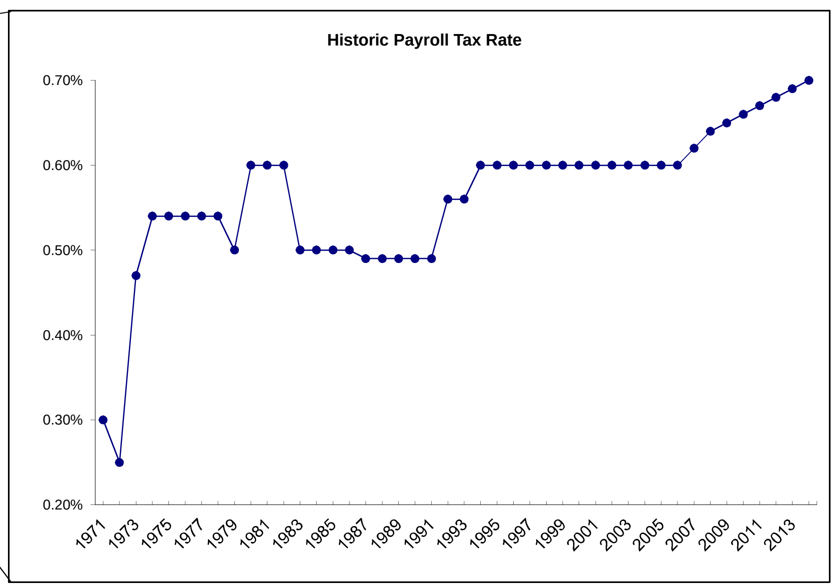
June 30	Ride*Source* Regular Fare	Ride*Source* Escort Fare	Ride*Source* Shopper Fare (Roundtrip)	Ride*Source* Ten-Ride Ticket Book	Tokens Package of 5 Adult	Ten-Ride Ticket Book Adult	Ten-Ride Ticket Book Reduced
2015	$ 3.50	$ 3.50	$ 2.00	$ 35.00	$ discontinued	$ 16.00	$ 8.00
2014	3.00	3.00	2.00	30.00	discontinued	16.00	8.00
2013	3.00	3.00	2.00	30.00	discontinued	16.00	8.00
2012	3.00	3.00	2.00	30.00	discontinued	NA	NA
2011	3.00	3.00	2.00	30.00	discontinued	NA	NA
2010	3.00	3.00	2.00	30.00	discontinued	NA	NA
2009	3.00	3.00	2.00	30.00	discontinued	NA	NA
2008	2.50	2.50	2.00	20.00	5.50	NA	NA
2007	2.50	2.50	2.00	20.00	5.50	NA	NA
2006	2.50	2.50	2.00	20.00	5.50	NA	NA

Comparative Payroll Tax Information
Last Twenty Years

PAYROLL TAX REVENUE	
Fiscal Year	Amount
FY 1995-96	11,709,671
FY 1996-97	12,938,315
FY 1997-98	14,187,312
FY 1998-99	15,178,987
FY 1999-00	16,040,086
FY 2000-01	16,409,144
FY 2001-02	16,121,110
FY 2002-03	16,214,994
FY 2003-04	17,138,342
FY 2004-05	20,168,976
FY 2005-06	21,416,021
FY 2006-07	22,162,590
FY 2007-08	23,303,571
FY 2008-09	22,169,136
FY 2009-10	21,424,079
FY 2010-11	22,197,770
FY 2011-12	23,047,471
FY 2012-13	24,891,777
FY 2013-14	25,374,737
FY 2014-15	30,996,836



HISTORIC PAYROLL TAX RATE	
Date Implemented	Rate
January 1, 2014	0.70%
January 1, 2013	0.69%
January 1, 2012	0.68%
January 1, 2011	0.67%
January 1, 2010	0.66%
January 1, 2009	0.65%
January 1, 2008	0.64%
January 1, 2007	0.62%
October 1, 1994	0.60%
January 1, 1992	0.56%
July 1, 1987	0.49%
October 1, 1983	0.50%
January 1, 1980	0.60%
January 1, 1979	0.50%
July 1, 1974	0.54%
July 1, 1973	0.47%
April 1, 1972	0.25%
April 1, 1971	0.30%



Miscellaneous Data
June 30, 2015

Date of creation of District	November 23, 1970
Form of government	Board of Directors with full-time General Manager
Number of Board members	7
Type of tax support - employer payroll tax	0.70 percent tax rate
County in which the District operates	Lane
Square miles within the District boundaries	522
Service area of District (based on definitions contained in Americans with Disabilities Act [ADA])	241.28
Number of routes	34
Population of District (2010 U.S. Census)	296,243

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DISCLOSURES AND COMMENTS REQUIRED BY STATE MINIMUM STANDARDS

Oregon Administrative Rules 162-10-050 through 162-10-320 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 and schedules are set forth following.

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GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
Lane Transit District
Springfield, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Lane Transit District (the District) as of and for the year ended June 30, 2015, and have issued our report thereon dated December 14, 2015.

Compliance

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

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

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

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

Internal Control Over Financial Reporting

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

Deficiencies in internal control were reported to management in a letter dated December 14, 2015.

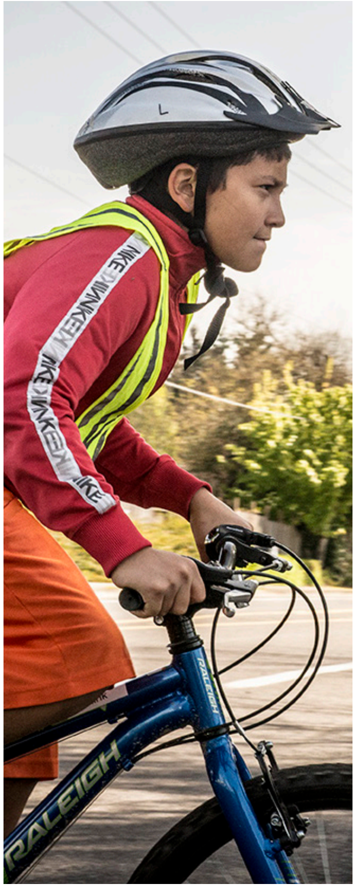
Restriction on Use

This report is intended solely for the information and use of the board of directors and management of the District and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

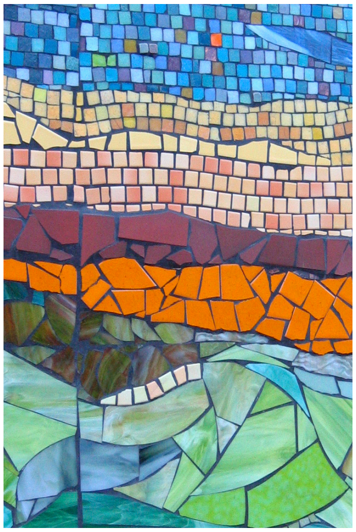
GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By: ______________________
Ryan T. Pasquarella, A Shareholder
December 14, 2015










Lane Transit District

P.O. Box 7070, Springfield, OR 97475-0470