



# LANE TRANSIT DISTRICT EUGENE, OREGON

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Years Ended June 30, 2017 And 2016

(including Audit Comments and Disclosures Required by State Regulations)



***2016-2017  
Comprehensive  
Annual  
Financial  
Report***

Lane Transit District  
Eugene, Oregon

For Fiscal Years Ended June 30, 2017 and 2016

Prepared by the Finance Department  
Christina Shew, Director of Finance

**LANE TRANSIT DISTRICT**  
**Comprehensive Annual Financial Report**  
**June 30, 2017 and 2016**

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**INTRODUCTORY SECTION**



February 2, 2018

Board of Directors  
Lane Transit District  
3500 E 17<sup>th</sup> Avenue  
Eugene, OR 97403

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, 2017.

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. This year’s CAFR is being submitted with an extension granted to exceed the normal six-month period.

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 Moss Adams, LLP, 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, 2017, 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, 2017, 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) Uniform Guidance. 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.

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 308,000 with a fleet of 111 buses that travel more than 3.75 million miles annually. Passenger boardings were approximately 10.2 million for FY17. In FY17, LTD provided more than 280,000 revenue hours of fixed-route service.

The boundaries of Lane Transit District fall entirely within Lane County, encompassing approximately 483 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 and confirmed by the Oregon State Senate. 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 the Point2point transportation options program and serves as the county's Medicaid non-emergency medical transportation brokerage.

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 same authority permits the District to levy an equal tax on self-employed individuals. The allowable rate has been gradually increased by amendment to the statute and the authority of the District's Board of Directors. Per LTD

Ordinances 50 and 51, the payroll and self-employment taxes for calendar year 2016 were seventy-one one hundredths of one percent (.71%) and for calendar year 2017 were seventy-two one hundredths of one percent (.72%).

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. Lane Transit District’s boundaries fall entirely within Lane County and encompasses 483 square miles serving a population base of approximately 308,000. In June 2017, total nonfarm employment in Lane County was 161,500 compared to 158,000 in June 2016, representing an increase of 3,500 jobs in the last year.

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	<u>June 2013</u>	<u>June 2014</u>	<u>June 2015</u>	<u>June 2016</u>	<u>June 2017</u>
Civilian labor force	166,435	168,681	171,986	179,626	183,087
Unemployment	13,448	11,629	10,379	10,082	7,728
Unemployment rate	8.1%	6.9%	6.0%	5.6%	4.2%
Total employment	152,987	157,052	161,607	169,544	175,359
Total nonfarm employment	145,500	149,200	153,500	158,000	161,500
Percent annual change	0.7%	2.5%	2.9%	2.9%	2.2%

*Source: Oregon Employment Department*

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Since the economic downturn, with the unemployment rate reaching a peak of 13.5 percent in March 2009, all jobs lost have been gained back. The unemployment rate has fallen to 4.2 percent as of June 2017. This is slightly higher than the comparable rate of 3.7 percent for the State of Oregon and slightly lower than the comparable rate of 4.4 percent for the United States as a whole. The June 2017 unemployment rate was 1.4 percentage points lower than for June 2016.



## ***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 FY17 budget process, included the following:

- Payroll and self-employment taxes are conservatively projected to increase at a rate of one one-hundredth of one percent (.01%), the increase approved by the Board and Legislature. State-in-lieu are projected to stay flat.
- Operating revenues—including passenger fares, monthly passes, Group Pass Program, advertising, and special services—are forecast to increase 5 percent from FY17 to FY18 and an average of 2 percent per year thereafter.
- Personnel increased from 364 at the end of FY17 to a budgeted 373 for FY18 due to increased service, largely related to hiring in advance of the West Eugene EmX opening.
- Cost per service hour increased 5 percent, from \$160 per hour (FY16) to \$167 per hour (FY19 – full year of EmX). Cost per service hour will be managed back to \$160 per hour in FY19+.
- Funding of \$9.5 million is programmed in FY18 to complete the EmX West.
- Grant funding in the amount of \$4.2 million is allocated to purchase five all electric buses in FY18. The Capital Improvements Program calls for purchasing additional buses to replace the aging fleet if funding becomes available through grants or debt financing.
- Grant funding and local match in the amount of \$10.3 million is allocated to construct a new transit center near Hunsaker and River Road in Eugene.
- Grant funding and local match in the amount of \$1.7 million is allocated to replace aging accessible service vehicles.

## ***Major Initiatives***

The District has a number of major initiatives that will impact current and future budgets:

- 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 the area's most important transportation corridors. Decision on a locally preferred alternative for the project is expected in FY18.

- The District, with funding from the state and the City of Eugene, is partnering on a pedestrian and bicycle bridge to provide a missing link from the Fern Ridge Path to the commercial and employment area near West 11<sup>th</sup> Avenue in Eugene.
- The 27-year-old Glenwood facility requires improvements and maintenance. The project to update the facility includes expanding the capacity of the bus lot and facility, and upgrading infrastructure to accommodate changing fleet types, technology, and infrastructure for efficiencies.

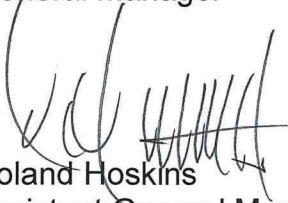
### **Acknowledgments**

The preparation of the "Comprehensive Annual Financial Report" was made possible by the efforts of the entire Finance Division and other support from the Public Affairs Department. The Finance Division appreciates and thanks all staff who assisted and contributed to the report's presentation. Staff also thank 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



Roland Hoskins  
Assistant General Manager –  
Administrative Services

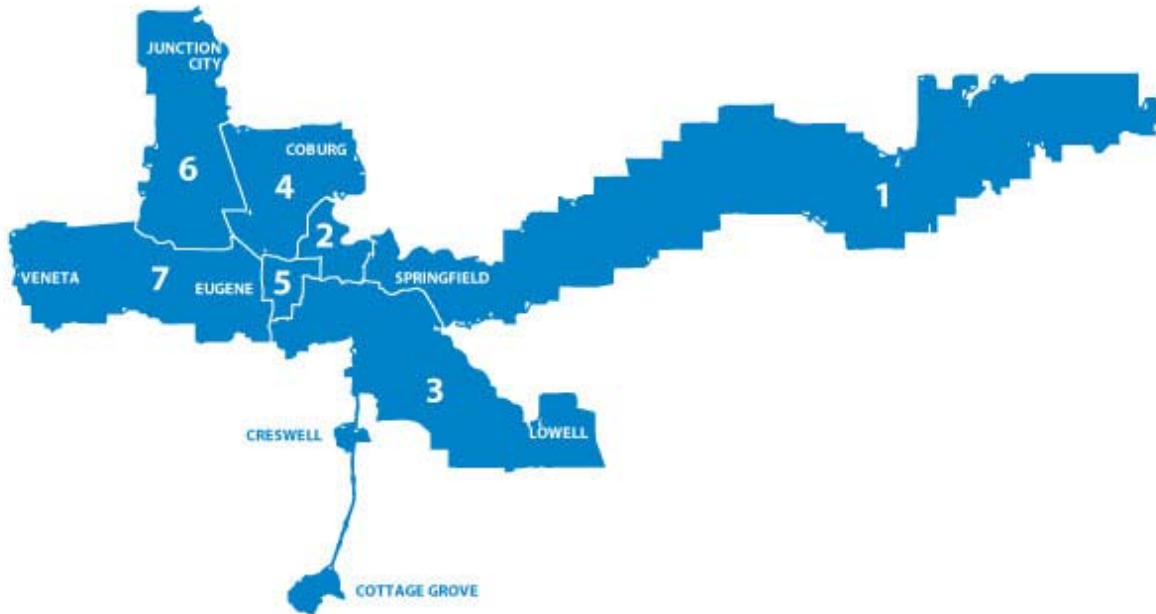


Christina Shew, CPA  
Director of Finance

# LTD Board of Directors

(Four-year Terms)

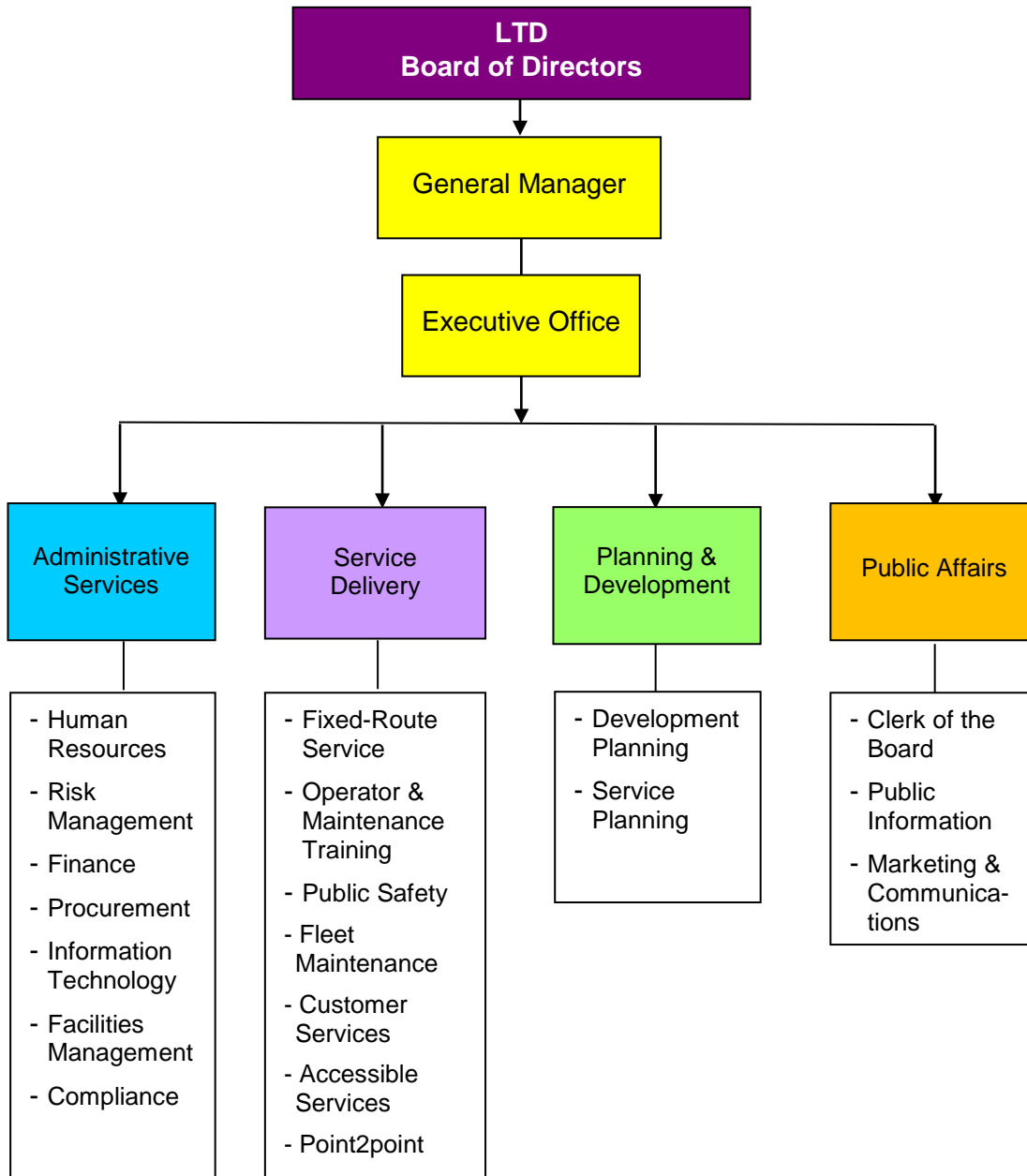
	<u>Sub-District</u>	<u>Term Expiration</u>
Steven Yett	1	12/31/21
Carl Yeh	2	12/31/21
Don Nordin, Treasurer	3	12/31/18
Ed Necker, Secretary	4	12/31/17
Gary Gillespie, Vice President	5	12/31/17
Gary Wildish, President	6	12/31/18
Kate Reid	7	12/31/21



**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, 2016**

*Christopher P. Morill*

Executive Director/CEO

**FINANCIAL SECTION**

## Report of Independent Auditors

The Board of Directors  
Lane Transit District, Oregon

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Lane Transit District, Oregon (the District) and the Lane Transit District Salaried Employee's Retirement Plan Trust Fund, as of and for the year ended June 30, 2017, and the Amalgamated Transit Union, Local No. 757 Pension Trust Fund as of and for the year ended December 31, 2016, 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 opinions 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 entity'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 entity'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 opinions.

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District, and the Lane Transit District Salaried Employee's Retirement Plan Trust Fund as of June 30, 2017, and the Amalgamated Transit Union, Local No. 757 Pension Trust Fund as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Prior Period Financial Statements*

The financial statements of the District as of June 30, 2016, were audited by other auditors whose report dated April 27, 2017, expressed an unmodified opinion on those statements. The financial statements of the Lane Transit District Salaried Employee's Retirement Plan Trust Fund as of June 30, 2016, and the Amalgamated Transit Union, Local No. 757 Pension Trust Fund as of December 31, 2015, were audited by other auditors whose reports dated March 16, 2017, expressed unmodified opinions on those statements.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-10, the schedules of changes in the net pension liability and related ratios on pages 46 and 48, employer contributions on pages 47 and 49, and OPEB funding progress on page 50 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 required supplementary information 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.

#### *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 supplementary information listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Other 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 introductory section and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section and statistical information 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 it.

**Reports of Other Legal and Regulatory Requirements**

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report under separate cover dated February 2, 2018 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.

***Other Reporting Required by Minimum Standards for Audits of Oregon Municipal Corporations***

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated February 2, 2018, 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.

*Moss Adams UP*

Portland, Oregon  
February 2, 2018

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**LANE TRANSIT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017 and 2016. 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.

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 17-45 of this report.

**LANE TRANSIT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Financial Summary**

**Net Position**

	District Total			Increase (decrease) 2017-2016	Percentage Change 2017-2016	Increase (decrease) 2016-2015	Percentage Change 2016-2015
	2017	2016	2015				
<b>Assets</b>							
Current assets	\$ 33,622,720	\$ 53,537,564	\$ 56,639,732	\$ (19,914,844)	-37.2%	\$ (3,102,188)	-5.5%
Capital assets, net of depreciation	182,179,014	160,464,160	125,447,247	21,714,854	13.5%	35,016,913	27.9%
<b>Total assets</b>	<u>215,801,734</u>	<u>214,001,724</u>	<u>182,086,979</u>	<u>1,800,010</u>	0.8%	<u>31,914,745</u>	17.5%
Deferred Outflows of Resources	5,235,429	6,267,714	1,540,509	(1,032,285)	-16.5%	4,727,205	306.9%
<b>Total assets and deferred outflows of resources</b>	<u>221,037,163</u>	<u>220,269,438</u>	<u>183,627,488</u>	<u>767,725</u>	0.3%	<u>36,641,950</u>	20.0%
<b>Liabilities</b>							
Current liabilities	9,017,767	17,233,166	22,159,541	(8,215,399)	-47.7%	(4,926,375)	-22.2%
Noncurrent liabilities	28,793,940	29,591,803	23,454,799	(797,863)	-2.7%	6,137,004	26.2%
<b>Total liabilities</b>	<u>37,811,707</u>	<u>46,824,969</u>	<u>45,614,340</u>	<u>(9,013,262)</u>	-19.2%	<u>1,210,629</u>	2.7%
Deferred Inflows of Resources	696,930	351,796	712,072	345,134	98.1%	(360,276)	-50.6%
<b>Net Position</b>							
Investment in capital assets	182,179,014	160,464,158	125,447,247	21,714,856	13.5%	35,016,911	27.9%
Restricted for Accessible Services and Medicaid programs	38,863	2,775,776	440,273	(2,736,913)	-98.6%	2,335,503	530.5%
Unrestricted	310,649	9,852,739	11,413,556	(9,542,090)	-96.8%	(1,560,817)	-13.7%
<b>Total net position</b>	<u>182,528,526</u>	<u>173,092,673</u>	<u>137,301,076</u>	<u>9,435,853</u>	5.5%	<u>35,791,597</u>	26.1%
<b>Total liabilities, deferred inflows of resources and net position</b>	<u>\$ 221,037,163</u>	<u>\$ 220,269,438</u>	<u>\$ 183,627,488</u>	<u>\$ 767,725</u>	0.3%	<u>\$ 36,641,950</u>	20.0%

***FY17***

The District's total assets increased \$1.8 million (0.8 percent) in FY17, from \$214 million to \$215.8 million. Current assets decreased \$19.9 million, predominately from decreases to cash. Cash decreases were the result of increased personnel and associated benefit costs, increased materials and service costs, and a decrease in the employer payroll tax collected. The net book value of capital assets increased \$21.7 million with the addition of \$27.2 million in construction-in-process assets, primarily related to the EmX West. The District's total liabilities decreased \$9.0 million (19.2 percent) in FY17 from \$46.8 million to \$37.8 million. This is largely attributable to formerly unearned revenue from the State of Oregon lottery bonds being recognized as revenue as a significant portion of the EmX West grant conditions were met in FY17.

The net position of the District increased \$9.4 million (5.5 percent) in FY17, from \$173.1 million to \$182.5 million. Of the \$182.5 million, \$310,649 was unrestricted, a decrease of \$9.5 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.

***FY16***

The District's total assets increased \$31.9 million (17.5 percent) in FY16, from \$182.1 million to \$214 million. Current assets decreased \$3.1 million, predominately from decreases to grants receivable and the District's parts and supplies inventory. The net book value of capital assets increased \$35 million with the addition of \$34.7 million in construction-in-process assets, primarily related to the EmX West project. The District's total liabilities increased \$1.2 million (2.7 percent) in FY16 from \$45.6 million to \$46.8 million. This is largely attributable to increases related to the net pension liabilities for the Amalgamated Transit Union, Local No. 757 Pension Trust Fund and Lane

**LANE TRANSIT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Transit District Salaried Employee's Retirement Plan Trust Fund, \$1.6 million and \$4.4 million, respectively.

The net position of the District increased \$35.8 million (26.1 percent) in FY16, from \$137.3 million to \$173.1 million. Of the \$173.1 million, \$9.9 million was unrestricted, a decrease of \$1.6 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.

**Changes in Net Position**

	District Total			Increase (decrease) 2017-2016	Percentage Change 2017-2016	Increase (decrease) 2016-2015	Percentage Change 2016-2015
	2017	2016	2015				
<b>Operating Revenues</b>							
Passenger fares	\$ 7,319,892	\$ 7,119,850	\$ 7,200,332	\$ 200,042	2.81%	\$ (80,482)	-1.12%
Special services	154,541	243,928	255,587	(89,387)	-36.64%	(11,859)	-4.56%
Accessible Services and Medicaid	12,572,295	14,115,352	13,173,252	(1,543,057)	-10.93%	942,100	7.15%
Advertising	447,000	443,887	437,950	3,113	0.70%	5,937	1.36%
<b>Nonoperating Revenues</b>							
Employer payroll tax	32,827,455	34,394,558	30,981,560	(1,567,103)	-4.56%	3,412,998	11.02%
Self-employment tax	1,983,365	1,902,866	1,683,987	80,499	4.23%	218,879	13.00%
State payroll assessment	411,860	400,795	609,978	11,065	2.76%	(209,183)	-34.29%
Grant revenue	115,475	5,052,775	6,089,117	(4,937,300)	-97.71%	(1,036,342)	-17.02%
Interest	201,295	99,207	52,359	102,088	102.90%	46,848	89.47%
Facility rental and other nonoperating revenues	349,986	238,853	375,877	111,133	46.53%	(137,024)	-36.45%
Gain (loss) on disposal of capital assets	37,721	6,644	(2,877)	31,077	467.75%	9,521	-330.94%
<b>Total operating and nonoperating revenues</b>	<b>56,420,885</b>	<b>64,018,715</b>	<b>60,857,122</b>	<b>(7,597,830)</b>	<b>-11.87%</b>	<b>3,161,593</b>	<b>5.20%</b>
<b>Operating Expenses</b>							
Personnel services	35,138,532	30,873,553	27,919,217	4,264,979	13.81%	2,954,336	10.58%
Materials and services	11,527,120	9,178,422	9,604,093	2,348,698	25.59%	(425,671)	-4.43%
Insurance	985,149	880,893	1,017,707	104,256	11.84%	(136,814)	-13.44%
Accessible Services and Medicaid	15,482,280	16,768,307	14,617,685	(1,286,027)	-7.67%	2,150,622	14.71%
Depreciation	11,331,319	11,129,702	11,152,433	201,617	1.81%	(22,731)	-0.20%
OPEB expense	353,155	395,154	461,715	(41,999)	-10.63%	(66,561)	-14.42%
<b>Total operating expenses</b>	<b>74,817,555</b>	<b>69,226,031</b>	<b>64,772,850</b>	<b>5,591,524</b>	<b>8.08%</b>	<b>4,453,181</b>	<b>6.88%</b>
Gain (loss) before contributions	(18,396,670)	(5,207,316)	(3,915,728)	(13,189,354)	253.29%	(1,291,588)	32.98%
Capital contributions	27,832,523	40,998,913	18,893,878	(13,166,390)	-32.11%	22,105,235	117.00%
Changes in net position	9,435,853	35,791,597	14,977,950	(26,355,744)	-73.64%	20,813,647	138.96%
Total net position - beginning of period	173,092,673	137,301,076	122,323,126	35,791,597	26.07%	14,977,950	12.24%
Total net position - end of period	\$ 182,528,526	\$ 173,092,673	\$ 137,301,076	\$ 9,435,853	5.45%	\$ 35,791,597	26.07%

**FY17**

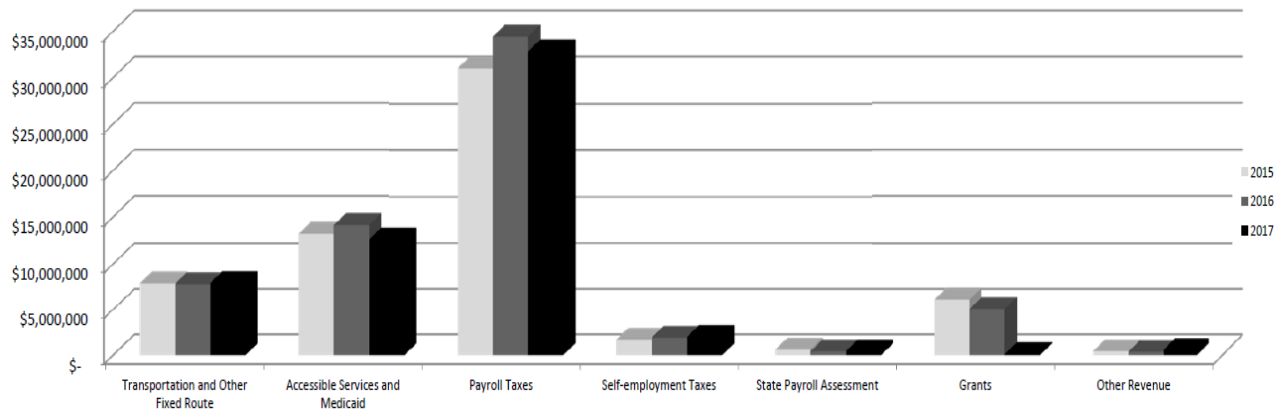
The District's net position increased \$9.4 million in FY17 to \$182.5 million. Total revenues were down \$7.6 million (11.9 percent), accompanied by an increase in total expenses of \$5.6 million (8.1 percent). Federal and state assistance were the primary contributors to the favorable change in net position.

Operating revenues of \$20.5 million reflect a decrease of 6.5 percent in FY17. Most of this decrease was attributable to a reduction in utilization of the Accessible Services and Medicaid programs partially offset by increases in fixed route service passenger fares.

Nonoperating revenues of \$35.9 million were down 14.7 percent in FY17. The decrease in nonoperating revenues was due to federal assistance used for operations in FY16, but not in FY17, and lower payroll tax receipts. Payroll tax receipts were lower in FY17 because of \$2 million in taxpayer amended returns for overpayment of their payroll taxes in FY15 and FY16. The decrease in capital contributions is related to the EmX West winding down as it prepared for launch in September of 2017.

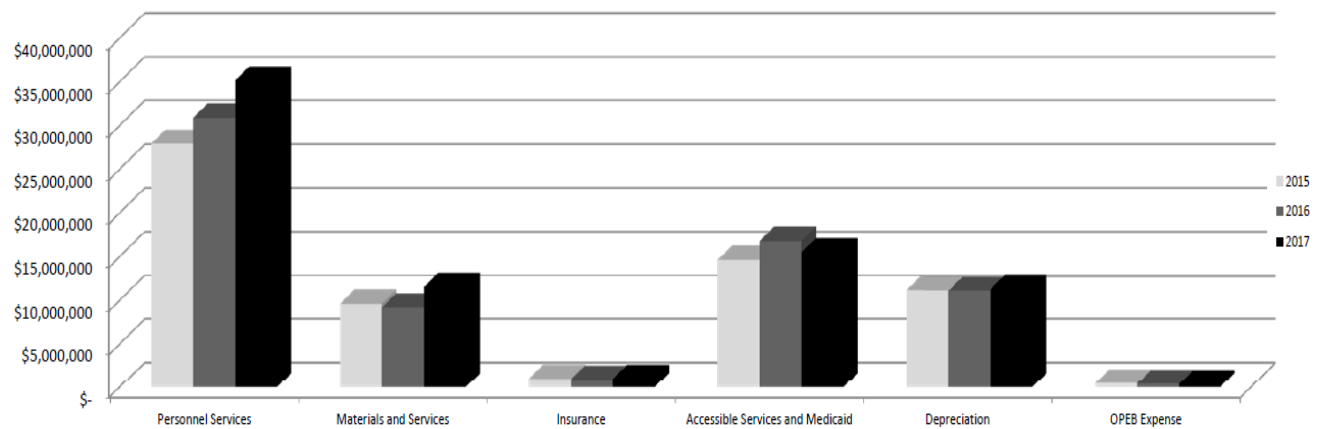
**LANE TRANSIT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Operating and Nonoperating Revenues**



Operating expenses of \$74.8 million were up 8.1 percent in FY17. Personnel services were up 13.8 percent (\$4.3 million). Personnel cost increases were primarily for bus operators and public safety. Bus operators were added in preparation for the EmX West. Public safety increases were the result of insourcing of this formerly outsourced service. Personnel service benefit cost increases were a result of a one-time \$1 million payment to reduce the unfunded pension liability, an increase in the number of personnel, and a 10 percent increase in medical premium costs in January 2017. Decreases in Accessible Services and Medicaid of 7.7 percent were driven by a decline in demand for those programs. Materials and services increased \$2.3 million or 25.6 percent primarily for fuel, parts, and contracted services. The charge for depreciation stayed relatively flat, increasing \$.2 million.

**Operating and Other Expenses**



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.

**LANE TRANSIT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**FY16**

The District's net position increased \$35.8 million in FY16 to \$173.1 million. Total revenues were up \$3.2 million (5.2 percent), offset by an increase in total expenses of \$4.5 million (6.9 percent). Federal assistance in the amount of \$4.7 million contributed to the favorable change in net position.

Operating revenues of \$21.9 million reflect an increase of 4.1 percent in FY16. Most of this increase was attributable to continuing growth in Accessible Services and Medicaid programs. Advertising increased 1.36 percent.

Non-operating revenues of \$42.1 million were up 5.8 percent in FY16. The increase in capital contributions is related to the EmX West project and is the primary driver of the increase in non-operating revenues. Also, 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 \$3.4 million. This increase was offset by the reduction of state payroll assessments collected by \$.2 million.

Operating expenses of \$69.2 million were up 6.9 percent in FY16. Personnel services were up 10.6 percent (\$3 million). Increases in Accessible Services and Medicaid of 14.7 percent were driven by strong demand for those programs. Materials and services decreased \$.4 million or 4.43 percent. The charge for depreciation stayed flat at 11.1 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.

**Capital Assets**

At June 30, 2017, the District had invested \$182.2 million, net of accumulated depreciation, in a variety of capital assets.

	District Total			Increase (decrease) 2017-2016	Percentage Change 2017-2016	Increase (decrease) 2016-2015	Percentage Change 2016-2015
	2017	2016	2015				
Land	\$ 12,105,276	\$ 12,057,496	\$ 12,057,496	\$ 47,780	0.4%	\$ -	0.0%
Freestanding public art	366,917	366,917	366,917	-	0.0%	-	0.0%
Construction in progress	88,711,001	61,519,546	26,809,415	27,191,455	44.2%	34,710,131	129.5%
Busways	27,449,945	29,742,702	32,088,829	(2,292,757)	-7.7%	(2,346,127)	-7.3%
Rolling stock and related equipment	25,731,739	26,489,252	23,240,402	(757,513)	-2.9%	3,248,850	14.0%
Stations, shelters, and bus signs	6,884,493	8,178,976	9,228,780	(1,294,483)	-15.8%	(1,049,804)	-11.4%
Buildings and improvements	17,477,399	18,627,551	18,302,790	(1,150,152)	-6.2%	324,761	1.8%
Accessible Services vehicles	763,020	1,329,808	1,035,846	(566,788)	-42.6%	293,962	28.4%
Other equipment and support vehicles	2,689,223	2,151,912	2,316,772	537,311	25.0%	(164,860)	-7.1%
	<u>\$ 182,179,014</u>	<u>\$ 160,464,160</u>	<u>\$ 125,447,247</u>	<u>\$ 21,714,854</u>	13.5%	<u>\$ 35,016,913</u>	27.9%

**FY17**

In FY17, the District spent \$33 million for capital acquisition and construction, approximately 81 percent of which was reimbursed by federal and state governments. Of this amount, \$27.6 million was spent for construction activities related to the EmX West. Other expenditures included \$3.4 million for acquisition of accessible services vehicles and buses. Overall, the District's net position in capital assets increased by \$21.7 million after the charge for depreciation.

**LANE TRANSIT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**FY16**

In FY16, the District spent \$46.7 million for capital acquisition and construction, approximately 81 percent of which was reimbursed by federal and state governments. Of this amount, \$32.5 million was spent for construction activities related to the EmX West. Other expenditures included \$.9 million for acquisition of accessible services vehicles, \$7.3 million for the purchase of buses, \$1.1 million for new computer hardware and software, passenger boarding improvements, and facilities improvements. Overall, the District's net position in capital assets increased by \$35 million after the charge for depreciation.

Note 3(d) (page 28) 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 FY18 budget:

- Payroll and self-employment taxes declined in FY17, falling below FY17 budget amounts by \$3.5 million due to a \$2 million taxpayer amended return in FY17 for overpayment of their payroll taxes in FY15 and FY16. Growth was approximately 5.4 percent after adjusting for the impact of the amended return which is in alignment with the FY17 Budget. At the time of the FY18 budget adoption, which was prior to the taxpayer amended return, payroll and self-employment taxes were projected to increase to \$40 million. Revised estimates, which take into account the FY15 and FY16 overpayment while holding the FY17 growth rate constant at 5.4 percent projects payroll and self-employment taxes at \$38.3 million. This forecast allows for revenue growth generated by the scheduled January 2018 payroll tax rate increase of one one-hundredth of one percent (.001%).
- Operating revenues, including passenger fares, monthly passes, Group Pass Program, advertising, and special services, are forecast to increase to \$8 million, a 1.5 percent increase from the prior year. Growth is predicted in passenger fares and special service revenues, with the EmX West forecasted to bring in incremental revenues of over \$300,000, which will be partially offset by lower revenues as a result of lower Lane Community College and University of Oregon enrollment.
- The FY18 budget does not include revenues or spending related to the State of Oregon House Bill 2017 that passed in July 2017. This bill includes a major transportation tax utilizable for transit services. The transportation bill includes a statewide employee payroll tax of one-tenth of one percent (.1%) on eligible gross taxable employee wages. The tax will go into effect July 1, 2018, and funds will be accessible in January 1, 2019.
- Staff belonging to the Amalgamated Transit Union Local 757 increased from the FY16 budget to the FY17 budget by twelve bus operators to provide increased service as part of EmX West. The current Amalgamated Transit Union Local 757 contract expired as of June 30, 2017, and is currently being renegotiated. The impacts of the new contract are unknown and excluded from the current FY18 budget.
- \$9.5 million is programmed to fund to the completion of the EmX West.



**LANE TRANSIT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

- \$4.2 million in grant funding is allocated to purchase five new all-electric buses. Another \$1.7 million is appropriated to replace 7 accessible service vehicles. The Capital Improvements Program calls for purchasing an additional three 60-foot buses and an additional 2 accessible service vehicles in FY19 as funding becomes available. All bus purchases will replace vehicles that have reached the end of their useful life.
- \$3.5 million of grant funding and local match is allocated to expand the capacity of the Glenwood bus lot and facility. The changes upgrade the infrastructure to accommodate new and larger vehicles and technologies which will keep the facility functional and improve efficiencies.
- \$10.3 million of grant funding and local match is being used to construct a new station near Hunsaker and River Road in Eugene. For FY17, \$1.1 million is budgeted to be spent. This new station will accommodate both regular and EmX vehicles, reducing operational delays and improving the customer experience.

**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**

**Lane Transit District  
Statements of Net Position  
June 30, 2017 and 2016**

	2017	2016
<b>Assets</b>		
Current assets		
Cash and investments		
Unrestricted	\$ 14,686,242	\$ 23,122,153
Restricted	3,272,217	10,190,243
Accounts receivable	1,879,675	1,556,589
Taxes receivable	8,614,940	8,761,057
Grants receivable	3,278,273	7,416,812
Due from other governments	105,699	124,624
Inventory of parts and supplies	931,733	2,009,317
Prepaid expense	793,941	296,769
Deposits	60,000	60,000
Total current assets	33,622,720	53,537,564
Capital assets		
Land	12,105,276	12,057,496
Freestanding public art	366,917	366,917
Construction in progress	88,711,001	61,519,546
Other capital assets (net of depreciation)	80,995,820	86,520,201
Net capital assets	182,179,014	160,464,160
Total assets	215,801,734	214,001,724
<b>Deferred outflows of resources</b>		
Deferred outflows - LTD ATU Pension Trust	4,024,659	2,878,845
Deferred outflows - LTD Salaried Employees' Plan	1,210,770	3,388,869
Total deferred outflows of resources	5,235,429	6,267,714
Total assets and deferred outflows of resources	\$ 221,037,163	\$ 220,269,438

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

**Lane Transit District**  
**Statements of Net Position (Continued)**  
**June 30, 2017 and 2016**

	2017	2016
<b>Liabilities</b>		
Accounts payable	\$ 6,484,806	\$ 5,886,711
Accrued payroll	722,774	588,767
Payroll withholdings and taxes	54,891	44,686
Accrued pension	134,309	117,362
Accrued vacation and sick leave	939,216	570,869
Unearned revenue	654,217	8,424,751
Other current liabilities	27,554	1,600,020
Total current liabilities	9,017,767	17,233,166
 Noncurrent liabilities		
Accrued vacation and sick leave	1,865,918	1,517,773
Net OPEB obligation	4,869,347	4,516,192
Net pension liability - LTD ATU Pension Trust	13,359,305	13,314,322
Net pension liability - LTD Salaried Employees' Plan	8,699,370	10,243,516
Total noncurrent liabilities	28,793,940	29,591,803
 Total liabilities	37,811,707	46,824,969
 <b>Deferred inflows of resources</b>		
Deferred inflows of resources - LTD ATU Pension Trust	696,930	351,796
Total deferred inflows of resources	696,930	351,796
 <b>Net position</b>		
Investment in capital assets	182,179,014	160,464,158
Restricted for Accessible Services and Medicaid programs	38,863	2,775,776
Unrestricted	310,649	9,852,739
Total net position	182,528,526	173,092,673
 Total liabilities, deferred inflows of resources and net position	\$ 221,037,163	\$ 220,269,438

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

**Lane Transit District**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the fiscal years ended June 30, 2017 and 2016**

	2017	2016
Operating revenues		
Passenger fares	\$ 7,319,892	\$ 7,119,850
Special services	154,541	243,928
Accessible Services and Medicaid	12,572,295	14,115,352
Advertising	447,000	443,887
Total operating revenues	20,493,728	21,923,017
Operating Expenses		
Personnel services	35,138,532	30,873,553
Materials and services	11,527,120	9,178,422
Insurance	985,149	880,893
Accessible Services and Medicaid	15,482,280	16,768,307
Depreciation	11,331,319	11,129,702
OPEB expense	353,155	395,154
Total operating expenses	74,817,555	69,226,031
Operating loss	(54,323,827)	(47,303,014)
Nonoperating Revenues		
Employer payroll tax, net of state administrative fees (2017, \$391,988; 2016, \$510,294)	32,827,455	34,394,558
Self-employment tax, net of state administrative fees (2017, \$83,907; 2016, \$87,617)	1,983,365	1,902,866
State payroll assessment	411,860	400,795
Grant revenue	115,475	5,052,775
Interest	201,295	99,207
Facility rental and other nonoperating revenues	349,986	238,853
Gain on disposal of capital assets	37,721	6,644
Total nonoperating revenues	35,927,157	42,095,698
Loss before capital contributions	(18,396,670)	(5,207,316)
Capital contributions		
Federal and state grants for capital acquisition	27,832,523	40,998,913
Changes in net position	9,435,853	35,791,597
Total net position - beginning	173,092,673	137,301,076
Total net position - ending	\$ 182,528,526	\$ 173,092,673

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

**Lane Transit District**  
**Statements of Cash Flows**  
**For the fiscal years ended June 30, 2017 and 2016**

	2017	2016
Cash flows from operating activities		
Cash received from customers	\$ 20,189,567	\$ 20,980,905
Cash received from other sources	-	238,903
Cash paid to suppliers for goods and services	(28,388,508)	(25,721,160)
Cash paid to employees for services	(34,382,625)	(31,311,563)
Net cash used for operating activities	(42,581,566)	(35,812,915)
 Cash flows from noncapital financing activities		
Employer payroll tax	32,827,455	34,969,634
Self-employment tax	1,995,574	1,883,652
State payroll assessment	545,768	276,171
Federal operating grant	-	7,432,823
State operating grant	-	151,042
Local operating grant	115,475	161,641
Facility rental and other nonoperating revenues	349,986	-
Net cash provided by noncapital financing activities	35,834,258	44,874,963
 Cash flows from capital and related financing activities		
Contribution from federal and state agencies	24,200,528	49,103,349
Proceeds from disposal of capital assets	37,721	19,199
Acquisition and construction of capital assets	(33,046,173)	(44,591,434)
Net cash provided by (used for) capital and related financing activities	(8,807,924)	4,531,114
 Cash flows from investing activities		
Interest receipts	201,295	99,207
 Net change in cash and cash equivalents	(15,353,937)	13,692,369
Cash and cash equivalents, beginning of the year	33,312,396	19,620,027
Cash and cash equivalents, end of the year	\$ 17,958,459	\$ 33,312,396
 Reconciliation of operating loss to net cash used for operating activities:		
Operating loss	(54,323,827)	(47,303,014)
Adjustments to reconcile operating loss to net cash used for operating activities		
Depreciation	11,331,319	11,129,702
Change in net pension liability and related deferred inflows and outflows	(121,744)	971,654
OPEB expense	353,155	395,154
Facility rental and other nonoperating revenues	-	238,853
Change in accounts receivable	(304,161)	(583,301)
Change in inventory of parts and supplies	1,077,584	961,987
Change in prepaid expenses	(497,172)	(716)
Change in accounts payable	598,095	201,338
Change in accrued payroll and related liabilities	877,651	(437,978)
Change in unearned revenue	-	(371,661)
Change in other current liabilities	(1,572,466)	(1,014,933)
	\$ (42,581,566)	\$ (35,812,915)

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

**Lane Transit District  
Statements of Fiduciary Net Position**

	<b>Amalgamated Transit Union, Local No. 757 Pension Trust Fund As of December 31, 2016</b>	<b>Amalgamated Transit Union, Local No. 757 Pension Trust Fund As of December 31, 2015</b>
<b>Assets</b>		
Cash		
Cash and cash equivalents	\$ 485,963	\$ 562,672
Investments		
Shares of registered investment companies	24,473,926	22,088,592
Total Assets	24,959,889	22,651,264
<b>Liabilities</b>		
Withholding payable	-	4,658
Accrued expenses	28,893	23,319
Total Liabilities	28,893	27,977
<b>Fiduciary Net Position - Restricted for Pensions</b>	<b>\$ 24,930,996</b>	<b>\$ 22,623,287</b>

	<b>Lane Transit District Salaried Employee's Retirement Plan Trust Fund As of June 30, 2017</b>	<b>Lane Transit District Salaried Employee's Retirement Plan Trust Fund As of June 30, 2016</b>
<b>Assets</b>		
Cash		
Cash and cash equivalents	\$ 491,746	\$ 173,782
Investments		
Shares of registered investment companies	17,197,541	15,180,802
Total Assets	17,689,287	15,354,584
<b>Liabilities</b>		
Accrued expenses	20,489	15,072
<b>Fiduciary Net Position - Restricted for Pensions</b>	<b>\$ 17,668,798</b>	<b>\$ 15,339,512</b>

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

**Lane Transit District  
Statements of Changes in Fiduciary Net Position**

	<b>Amalgamated Transit Union, Local No. 757 Pension Trust Fund</b>	<b>Amalgamated Transit Union, Local No. 757 Pension Trust Fund</b>
	<b>For the Year Ended December 31, 2016</b>	<b>For the Year Ended December 31, 2015</b>
<b>Additions</b>		
Employer contributions	\$ 3,089,304	\$ 2,309,003
Investment income		
Net change in fair value of investments	1,103,413	(1,011,821)
Interest, dividends and other income	466,560	474,983
Investment expenses	(85,574)	(40,786)
Net investment income (loss)	1,484,399	(577,624)
Total Additions	4,573,703	1,731,379
<b>Deductions</b>		
Benefits paid to participants	2,172,794	1,963,737
Administrative expenses	93,200	70,779
Total deductions	2,265,994	2,034,516
Net increase (decrease) in fiduciary net position	2,307,709	(303,137)
<b>Fiduciary Net Position - Restricted for Pensions Beginning of the year</b>	22,623,287	22,926,424
<b>Fiduciary Net Position - Restricted for Pensions End of the year</b>	\$ 24,930,996	\$ 22,623,287

	<b>Lane Transit District Salaried Employee's Retirement Plan Trust Fund</b>	<b>Lane Transit District Salaried Employee's Retirement Plan Trust Fund</b>
	<b>For the Year Ended June 30, 2017</b>	<b>For the Year Ended June 30, 2016</b>
<b>Additions</b>		
Employer contributions	\$ 1,842,970	\$ 1,174,309
Investment income		
Net change in fair value of investments	1,724,151	(565,550)
Interest, dividends and other income	301,363	314,503
Investment expenses	(59,275)	(27,591)
Net investment income (loss)	1,966,239	(278,638)
Total Additions	3,809,209	895,671
<b>Deductions</b>		
Benefits paid to participants	1,443,998	1,224,898
Administrative expenses	35,925	105,822
Total deductions	1,479,923	1,330,720
Net increase (decrease) in fiduciary net position	2,329,286	(435,049)
<b>Fiduciary Net Position - Restricted for Pensions Beginning of the year</b>	15,339,512	15,774,561
<b>Fiduciary Net Position - Restricted for Pensions End of the year</b>	\$ 17,668,798	\$ 15,339,512

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



**NOTES TO BASIC FINANCIAL STATEMENTS**

**LANE TRANSIT DISTRICT**  
**Notes to Basic Financial Statements**  
**Years Ended June 30, 2017 and 2016**

**1. Organization and Summary of Significant Accounting Policies**

Lane Transit District, Oregon (“LTD” or “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. The District 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 sub-districts. The Board of Directors set District policy, levy taxes, appropriate funds, adopt budgets, serve as contract board, and perform other duties required by state and federal law. The District uses one budgetary fund to account for its operating activities: General. The General Fund accounts for the financial resources associated with operating the District. Principle sources of revenue in the General Fund are passenger fares, employer payroll and self-employment taxes, State of Oregon payroll assessments (“in lieu”), federal grants, and interest. Primary expenditures in the General Fund are personal services, materials and services, and principal and interest on debt secured by General Fund revenues. The District has the following three other funds: Accessible Services Fund, Medicaid Fund, and Capital Projects Fund. The District also has fiduciary responsibility for two pension plan trust funds: The Lane Transit District Salaried Employee’s Retirement Plan Trust Fund covering nonunion employees, and the Amalgamated Transit Union, Local No. 757 Pension Trust Fund covering union employees. The investment, pension funding and benefit payment activity are reported in these two LTD fiduciary pension trust funds.

**(a) Financial Reporting Entity**

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government, all organizations for which the primary government is financially accountable and other organizations that, by the nature and significance of their relationship with the primary government, would cause the financial statements to be incomplete or misleading if excluded. Based on these criteria, LTD is considered a primary government and does not have any component unit relationships. Conversely, LTD is not considered a component unit of any primary government.

**LANE TRANSIT DISTRICT**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended June 30, 2017 and 2016**

**1. Summary of Significant Accounting Policies (Continued)**

**(b) 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 on 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, 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.

**(c) 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 0.72 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 paid are based on actual cash receipts from employers and are trued up following the tax return filings of employers. Future cash distributions are adjusted for true-ups identified during the filing of employer tax returns.

**(d) 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.

**LANE TRANSIT DISTRICT**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended June 30, 2017 and 2016**

**1. Summary of Significant Accounting Policies (Continued)**

**(e) Cash and Investments**

Cash and cash equivalents include deposits in the State of Oregon Local Government Investment Pool and financial institutions.

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 are accounted for at fair value in accordance with GASB Statement No. 72.

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.

**(f) Grant Receivables**

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

**(g) 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.

**(h) Capital Assets and Depreciation**

Capital assets are stated at cost, except for donated capital assets, donated works of art and similar items and capital assets received in a service concession arrangement, which are stated at the acquisition 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.

**LANE TRANSIT DISTRICT**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended June 30, 2017 and 2016**

**1. Summary of Significant Accounting Policies (Continued)**

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

**(i) 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.

**(j) 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.

**(k) 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.

**LANE TRANSIT DISTRICT**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended June 30, 2017 and 2016**

**1. Summary of Significant Accounting Policies (Continued)**

**(l) 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.

**(m) 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.

**(n) New Accounting Pronouncements**

*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 to Certain Provisions of GASB Statements 67 and 68.* The purpose of this Statement is to provide guidance for defined benefit pensions and for defined contribution pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes. There is no significant impact in the current year as a result of the application of this Statement.

*GASB Statement No. 74 – Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.* The purpose of this Statement is to provide guidance for other postemployment benefits (OPEB) plans, defined benefit and defined contribution, administered through trusts that meet the specified criteria. This Statement also includes requirements to address financial reporting for assets accumulated for purposes of providing defined benefit OPEB through OPEB plans that are not administered through trusts that meet the specified criteria. LTD has no OPEB administered through a trust, and therefore this statement is not applicable.

*GASB Statement No. 77, Tax Abatement Disclosures.* This statement defines tax abatements and contains required disclosures about a reporting government's own tax abatement agreements and those that are entered into by other governments that reduce the reporting government's tax revenues. LTD has no tax revenues that are reduced by tax abatement agreements, and therefore this statement is not applicable.

**LANE TRANSIT DISTRICT**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended June 30, 2017 and 2016**

**1. Summary of Significant Accounting Policies (Continued)**

*GASB Statement No. 80 – Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14.* The purpose of this Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. LTD has no component units, and therefore there is no financial reporting impact.

*GASB Statement No. 82 – Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73.* The purpose of this Statement is to provide guidance relating to the definition of covered payroll included in Required Supplementary Information (RSI). The pronouncement also clarifies that a deviation from actuarial standards is not considered to be in conformity with the requirements of GASB 67 or 68 for selection of assumptions in determining the total pension liability. Finally, the Statement clarifies employer-paid member contributions should not be treated as a pension expense. See Note 4(a) and the RSI section for additional information.

**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.

**LANE TRANSIT DISTRICT**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended June 30, 2017 and 2016**

**2. Stewardship, Compliance, and Accountability (Continued)**

- **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 RideSource 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 September 2016, the Board adopted an amendment to the budget necessitated by a decrease in federal grant funding and an increase in self-employment taxes and state-in-lieu revenues in the General Fund. Several internal departments in the General Fund were reorganized and the budget was adjusted for changes due to Board approval of a Fund Balance and Budgetary Reserve Policy. The Accessible Services Fund budget was adjusted at the same time due to an increase in federal and state grant revenue. The Capital Projects fund was also adjusted to reflect a decrease in federal and local grant assistance partially offset by an increase in state assistance and an increase in transfers from the General Fund.

**(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 lapse at year-end and do not constitute expenses or liabilities.



**LANE TRANSIT DISTRICT**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended June 30, 2017 and 2016**

**3. Detail Notes**

**(a) Cash and Investments**

Cash and investments at June 30 are comprised of the following:

	<u>2017</u>	<u>% of portfolio</u>	<u>2016</u>	<u>% of portfolio</u>
<u>Cash and investments</u>				
Cash on hand	\$ 4,550	0.0%	\$ 4,400	0.0%
Demand deposits with financial institutions	4,847,342	27.0%	6,289,227	18.9%
Oregon local government investment pool	<u>13,106,567</u>	73.0%	<u>27,018,769</u>	81.1%
Total cash and investments	<u>\$ 17,958,459</u>		<u>\$ 33,312,396</u>	

Cash and investments are reflected in the Statements of net position as follows:

<u>Cash and cash equivalents</u>			
Unrestricted	\$ 14,686,242		\$ 23,122,153
Restricted	<u>3,272,217</u>		<u>10,190,243</u>
Total cash and cash equivalents	<u>\$ 17,958,459</u>		<u>\$ 33,312,396</u>

Cash and cash equivalents

Cash includes cash on hand and demand deposits. Demand deposits are covered by the Federal Deposit Insurance Corporation ("FDIC") or by collateral held by the State of Oregon.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 - Unadjusted quoted prices for identical instruments in active markets.

Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 - Valuations derived from valuation techniques in which significant inputs are unobservable.

**LANE TRANSIT DISTRICT**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended June 30, 2017 and 2016**

**3. Detail Notes (Continued)**

The Local Government Investment Pool (LGIP) is administered by the Oregon State Treasury. The LGIP is an open ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short-Term Fund Board, which is not registered with the U.S. Securities and Exchange Commission as an investment company. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. The Oregon Audits Division of the Secretary of State's Office audits the LGIP annually. The Division's most recent audit report on the LGIP was unqualified. The fair value of pool shares is equal to Lane Transit District's proportionate position in the pool. The LGIP includes investments in external investment pools and does not meet the requirements for "leveling" disclosures as established in GASB Statement No. 72. Therefore, fair value of the LGIP is determined by the pool's underlying portfolio.

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, 2017 and 2016, is reported at fair value, which approximates cost and its share 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 regard 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.

**LANE TRANSIT DISTRICT**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended June 30, 2017 and 2016**

**3. Detail Notes (Continued)**

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.

**(b) Receivables**

Accounts - Unrestricted accounts receivable at June 30 consisted of the following:

	2017	2016
Passenger fares	\$ 528,569	\$ 376,100
Medicaid reimbursement	514,001	23,283
Medicaid nonmedical reimbursement	187,620	188,918
Medicaid developmental disability reimbursement	637,685	715,630
Miscellaneous	11,800	252,658
Net total accounts receivable	<u>\$ 1,879,675</u>	<u>\$ 1,556,589</u>

Taxes - Unrestricted taxes receivable at June 30 consisted of the following:

	2017	2016
Employer payroll taxes	\$ 8,556,927	\$ 8,690,835
Self-employment taxes	58,013	70,222
Total unrestricted	<u>\$ 8,614,940</u>	<u>\$ 8,761,057</u>

Grants - Grants receivable at June 30 consisted of the following:

	2017	2016
Unrestricted federal grants	\$ 2,519,917	\$ 6,460,725
Unrestricted state grants	357,991	181,953
Total unrestricted grants	2,877,908	6,642,678
Grants restricted for Accessible Services and Medicaid	400,365	774,134
Total grants receivable	<u>\$ 3,278,273</u>	<u>\$ 7,416,812</u>

**LANE TRANSIT DISTRICT**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended June 30, 2017 and 2016**

**3. Detail Notes (Continued)**

**(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, 2017, were as follows:

	Accessible Services and Medicaid	Capital Projects	Total
Restricted assets			
Cash and investments	\$ -	\$ 3,272,217	\$ 3,272,217
Accounts receivable	1,339,306	-	1,339,306
Federal and state grants receivable	400,365	-	400,365
Total restricted assets	<u>1,739,671</u>	<u>3,272,217</u>	<u>5,011,888</u>
Liabilities payable from restricted assets			
Accounts payable	\$ (1,419,127)	\$ (3,055,642)	\$ (4,474,769)
Unearned revenue	(281,681)	(216,575)	(498,256)
Total liabilities payable from restricted assets	<u>(1,700,808)</u>	<u>(3,272,217)</u>	<u>(4,973,025)</u>
Total net restricted assets	<u>\$ 38,863</u>	<u>\$ -</u>	<u>\$ 38,863</u>

The components of the restricted assets, liabilities payable from restricted assets, and restricted net positions as of June 30, 2016, were as follows:

	Accessible Services and Medicaid	Capital Projects	Total
Restricted assets			
Cash and investments	\$ 2,159,158	\$ 8,031,085	\$ 10,190,243
Accounts receivable	927,831	-	927,831
Federal and state grants receivable	774,134	-	774,134
Total restricted assets	<u>3,861,123</u>	<u>8,031,085</u>	<u>11,892,208</u>
Liabilities payable from restricted assets			
Accounts payable	\$ (860,011)	\$ -	\$ (860,011)
Unearned revenue	(225,336)	(8,031,085)	(8,256,421)
Total liabilities payable from restricted assets	<u>(1,085,347)</u>	<u>(8,031,085)</u>	<u>(9,116,432)</u>
Total net restricted assets	<u>\$ 2,775,776</u>	<u>\$ -</u>	<u>\$ 2,775,776</u>

**LANE TRANSIT DISTRICT**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended June 30, 2017 and 2016**

**3. Detail Notes (Continued)**

**(d) Capital Assets**

Major classes of capital assets and accumulated depreciation as of June 30, 2017 and 2016:

	Balance June 30, 2016	Additions	Deletions	Transfers	Balance June 30, 2017
Capital assets not being depreciated:					
Land	\$ 12,057,496	\$ 47,780	\$ -	\$ -	\$ 12,105,276
Public art	366,917	-	-	-	366,917
Construction in progress	61,519,546	27,608,210	-	(416,755)	88,711,001
Total capital assets not being depreciated	<u>73,943,959</u>	<u>27,655,990</u>	<u>-</u>	<u>(416,755)</u>	<u>101,183,194</u>
Capital assets being depreciated:					
Busways	46,970,779	56,179	-	-	47,026,958
Rolling stock and related equipment	61,504,195	3,401,325	-	-	64,905,520
Stations, shelters, and bus signs	20,707,017	27,664	-	-	20,734,681
Buildings and improvements	42,652,548	56,575	-	416,755	43,125,878
Accessible Services vehicles	5,829,260	-	(382,135)	-	5,447,125
Other equipment and support vehicles	12,918,802	1,848,440	(100,031)	-	14,667,211
Total capital assets being depreciated	<u>190,582,601</u>	<u>5,390,183</u>	<u>(482,166)</u>	<u>416,755</u>	<u>195,907,373</u>
Less accumulated depreciation for:					
Busways	17,228,077	2,348,936	-	-	19,577,013
Rolling stock and related equipment	35,014,943	4,158,838	-	-	39,173,781
Stations, shelters, and bus signs	12,528,041	1,322,146	-	-	13,850,187
Buildings and improvements	24,024,997	1,623,482	-	-	25,648,479
Accessible Services vehicles	4,499,452	566,788	(382,135)	-	4,684,105
Other equipment and support vehicles	10,766,890	1,311,129	(100,031)	-	11,977,988
Total accumulated depreciation	<u>104,062,400</u>	<u>11,331,319</u>	<u>(482,166)</u>	<u>-</u>	<u>114,911,553</u>
Total capital assets being depreciated, net	<u>86,520,201</u>	<u>(5,941,136)</u>	<u>-</u>	<u>416,755</u>	<u>80,995,820</u>
Total capital assets, net	<u>\$ 160,464,160</u>	<u>\$ 21,714,854</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 182,179,014</u>
	Balance June 30, 2015	Additions	Deletions	Transfers	Balance June 30, 2016
Capital assets not being depreciated:					
Land	\$ 12,057,496	\$ -	\$ -	\$ -	\$ 12,057,496
Public art	366,917	-	-	-	366,917
Construction in progress	26,809,415	34,710,131	-	-	61,519,546
Total capital assets not being depreciated	<u>39,233,828</u>	<u>34,710,131</u>	<u>-</u>	<u>-</u>	<u>73,943,959</u>
Capital assets being depreciated:					
Busways	46,970,779	-	-	-	46,970,779
Rolling stock and related equipment	54,863,568	7,325,024	(684,397)	-	61,504,195
Stations, shelters, and bus signs	20,440,493	266,524	-	-	20,707,017
Buildings and improvements	40,740,633	1,911,915	-	-	42,652,548
Accessible Services vehicles	5,437,618	878,810	(487,168)	-	5,829,260
Other equipment and support vehicles	11,867,574	1,071,780	(20,552)	-	12,918,802
Total capital assets being depreciated	<u>180,320,665</u>	<u>11,454,053</u>	<u>(1,192,117)</u>	<u>-</u>	<u>190,582,601</u>
Less accumulated depreciation for:					
Busways	14,881,950	2,346,127	-	-	17,228,077
Rolling stock and related equipment	31,623,166	4,072,174	(680,397)	-	35,014,943
Stations, shelters, and bus signs	11,211,713	1,316,328	-	-	12,528,041
Buildings and improvements	22,437,843	1,587,154	-	-	24,024,997
Accessible Services vehicles	4,401,772	576,293	(478,613)	-	4,499,452
Other equipment and support vehicles	9,550,802	1,231,626	(15,538)	-	10,766,890
Total accumulated depreciation	<u>94,107,246</u>	<u>11,129,702</u>	<u>(1,174,548)</u>	<u>-</u>	<u>104,062,400</u>
Total capital assets being depreciated, net	<u>86,213,419</u>	<u>324,351</u>	<u>(17,569)</u>	<u>-</u>	<u>86,520,201</u>
Total capital assets, net	<u>\$ 125,447,247</u>	<u>\$ 35,034,482</u>	<u>\$ (17,569)</u>	<u>\$ -</u>	<u>\$ 160,464,160</u>

**LANE TRANSIT DISTRICT**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended June 30, 2017 and 2016**

**3. Detail Notes (Continued)**

Depreciation expense was \$11,331,319 and \$11,129,702, for fiscal years ended June 30, 2017 and 2016, respectively.

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:

	<u>2017</u>	<u>2016</u>
Accrued vacation and sick leave payable at beginning of period	\$ 2,088,642	\$ 2,683,141
Total vacation accrued for period	1,847,174	1,157,615
Total sick leave accrued for period	870,454	350,914
Total vacation taken for period	(1,458,933)	(1,442,658)
Total sick leave taken for period	(509,989)	(482,968)
Total sick leave lost for period	<u>(32,214)</u>	<u>(177,403)</u>
Accrued vacation and sick leave payable at end of period	<u>\$ 2,805,134</u>	<u>\$ 2,088,641</u>
Vacation time - union-represented employees	\$ 1,068,939	\$ 887,339
Combined annual leave - nonunion employees	673,953	467,312
Sick leave - union-represented employees	597,596	499,179
Extended illness bank - nonunion employees	464,646	234,812
Total accrued vacation and sick leave	<u>\$ 2,805,134</u>	<u>\$ 2,088,642</u>
Current portion vacation and sick leave	\$ 939,216	\$ 570,869
Noncurrent vacation and sick leave	<u>1,865,918</u>	<u>1,517,773</u>
Total	<u>\$ 2,805,134</u>	<u>\$ 2,088,642</u>

**4. Other Information**

**(a) Pension Benefits**

The District contributes to two single-employer public employee retirement plans. The Lane Transit District Salaried Employee's Retirement Plan Trust Fund (LTDSP) covers all nonunion employees. Amalgamated Transit Union, Local No. 757 Pension Trust Fund (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 included in the reporting entity of the District as fiduciary pension trust funds. 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**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended June 30, 2017 and 2016**

**4. Other Information (Continued)**

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

*Plan Description*

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 Assistant General Manager 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 member's compensation for each payroll period that begins after six calendar months of employment. For the years ended June 30, 2017 and 2016, employer contributions to this plan recognized as expense were \$264,755 and \$277,389, respectively.

**LANE TRANSIT DISTRICT**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended June 30, 2017 and 2016**

**4. Other Information (Continued)**

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

*Employees Covered by Benefit Terms*

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

Inactive employees or beneficiaries currently receiving benefits	65
Inactive employees entitled to but not yet receiving benefits	41
Active employees	56
	162
	162

*Summary of Accounting Policies*

The LTDSP financial statements are prepared using the accrual basis of accounting. LTD contributions are recognized in the period in which the contributions are earned. Benefits are recognized when due and payable in accordance with the terms of the plan.

*Investment Policy and Method to Value Investments*

The LTDSP investment policy allows the plan to utilize multiple professional investment management firms to implement the investment program. The long-term performance objective of the plan is an optimized return on plan funds achieved through a prudent mix of income production and asset growth, utilizing a diversified portfolio of asset classes. Eligible investments include the following: Equity investments, fixed income investments, short-term investments, and alternative investments.

Plan investments are reported at fair value. The LTDSP categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value of securities is determined by the plan asset managers at quoted market price, where available, except for securities which are not actively traded, which are valued at net asset value by the asset manager. The LTDSP has the following fair value measurements by fair value level at June 30, 2017:

	Balance at June 30, 2017	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Measured at Fair Value Level:				
Mutual Funds - Fixed income	\$ 3,347,509	\$ -	\$ 3,347,509	\$ -
Mutual Funds - Equities	8,772,727	-	8,772,727	-
Mutual Funds - Balanced	5,077,305	-	5,077,305	-
Total Fair Value of Investments	17,197,541	-	17,197,541	-

Of the \$15,180,802 in LTDSP investments at June 30, 2016, a significant portion was also invested in Level 2 mutual funds.



**LANE TRANSIT DISTRICT**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended June 30, 2017 and 2016**

**4. Other Information (Continued)**

*Net Pension Liability*

The District's net pension liability for the LTDSP Part 1 at June 30, 2016, 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, 2015.

*Actuarial Methods and Assumptions*

The total pension liability in the July 1, 2015, actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Inflation Rate	2.75%
Salary increases	Age based, with ultimate rate of 3%
Investment rate of return, net	6.50%
Mortality	RP-2014 Mortality Tables with White Collar adjustment

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. Equities	15.5%	8.70%
Small/Mid Cap Global Equities	3.0%	6.40%
Domestic Equities - Full Market	11.0%	9.50%
Non-U.S. Equities	20.5%	4.10%
Fixed Income	20.0%	3.90%
Real Return (all asset strategies)	10.0%	4.90%
Global Tactical Asset Allocation (GTAA)	20.0%	5.20%
Total	<u>100.0%</u>	

*Discount Rate*

The discount rate used to measure the total pension liability was 6.50 percent as of June 30, 2017 and 2016. 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.

**LANE TRANSIT DISTRICT**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended June 30, 2017 and 2016**

**4. Other Information (Continued)**

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b>Balances at 6/30/16</b>	\$ 25,625,083	\$ 15,381,567	\$ 10,243,516
<b>Changes for the year:</b>			
Service cost	486,472	-	486,472
Interest	1,651,225	-	1,651,225
Differences between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Employer contributions	-	1,842,970	(1,842,970)
Net investment income	-	1,893,124	(1,893,124)
Benefit payments	(1,332,068)	(1,332,068)	-
Administrative expense	-	(54,251)	54,251
<b>Net changes</b>	<b>805,629</b>	<b>2,349,775</b>	<b>(1,544,146)</b>
<b>Balances at 6/30/17</b>	<b>\$ 26,430,712</b>	<b>\$ 17,731,342</b>	<b>\$ 8,699,370</b>

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b>Balances at 6/30/15</b>	\$ 21,670,536	\$ 15,857,188	\$ 5,813,348
<b>Changes for the year:</b>			
Service cost	521,040	-	521,040
Interest	1,564,487	-	1,564,487
Differences between expected and actual experience	99,443	-	99,443
Changes of assumptions	2,952,420	-	2,952,420
Employer contributions	-	1,174,309	(1,174,309)
Net investment income	-	(361,265)	361,265
Benefit payments	(1,182,843)	(1,182,843)	-
Administrative expense	-	(105,822)	105,822
<b>Net changes</b>	<b>3,954,547</b>	<b>(475,621)</b>	<b>4,430,168</b>
<b>Balances at 6/30/16</b>	<b>\$ 25,625,083</b>	<b>\$ 15,381,567</b>	<b>\$ 10,243,516</b>

*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 for the years ended June 30, 2017 and 2016. The District makes an additional level dollar contribution to further reduce the unfunded accrued liability. For the years ended June 30, 2017 and 2016, that amount was \$919,927 and \$672,479, respectively.

**LANE TRANSIT DISTRICT**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended June 30, 2017 and 2016**

**4. Other Information (Continued)**

*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 6.50 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:

	<b>Net Pension Liability</b>
2017	
1% decrease (5.50%)	\$ 11,671,811
Current discount rate (6.50%)	8,699,370
1% increase (7.50%)	6,176,448
2016	
1% decrease (5.50%)	13,125,211
Current discount rate (6.50%)	10,243,516
1% increase (7.50%)	7,797,617

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

For the years ended June 30, 2017 and 2016, the District recognized pension expense of \$2,476,923 and \$1,199,044, respectively. The District reported deferred outflows of resources and deferred inflows of resources from the following sources at June 30:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2017		
Differences between expected and actual experience	\$ 28,413	\$ -
Changes in assumptions or inputs	843,548	-
Net difference between projected and actual earnings	<u>338,809</u>	-
Total	<u>\$ 1,210,770</u>	<u>\$ -</u>
2016		
Differences between expected and actual experience	\$ 114,548	\$ -
Changes in assumptions or inputs	1,970,289	-
Net difference between projected and actual earnings	<u>1,304,032</u>	-
Total	<u>\$ 3,388,869</u>	<u>\$ -</u>

**LANE TRANSIT DISTRICT**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended June 30, 2017 and 2016**

**4. Other Information (Continued)**

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,		
2018	\$	955,969
2019		306,238
2020		124,806
2021		(176,243)
2022		-
Thereafter		-
	<u>\$</u>	<u>1,210,770</u>

**Lane Transit District Salaried Employee's Defined Contribution Program**

*Plan Description*

The Lane Transit District Salaried Employee's 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, 2017 and 2016, employer contributions recognized as expense were \$220,978 and \$161,457, 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.

**Amalgamated Transit Union, Local No. 757 Pension Trust Fund**

*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.

**LANE TRANSIT DISTRICT**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended June 30, 2017 and 2016**

**4. Other Information (Continued)**

*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	199
Inactive employees entitled to but not yet receiving benefits	41
Active employees	243
	483
	483

**LANE TRANSIT DISTRICT**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended June 30, 2017 and 2016**

**4. Other Information (Continued)**

*Net Pension Liability*

The District's net pension liability for the LTD ATU Pension Trust at June 30, 2017, was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016.

*Summary of Accounting Policies*

The LTD ATU Pension Trust financial statements are prepared using the accrual basis of accounting. LTD contributions are recognized in the period in which the contributions are earned. Benefits are recognized when due and payable in accordance with the terms of the plan

*Investment Policy and Method to Value Investments*

The LTD ATU Pension Trust investment policy allows the plan to utilize multiple professional investment management firms to implement the investment program. The long-term performance objective of the plan is an optimized return on plan funds achieved through a prudent mix of income production and asset growth, utilizing a diversified portfolio of asset classes. Eligible investments include the following: Equity investments, fixed income investments, short-term investments, and alternative investments.

Plan investments are reported at fair value. The LTD ATU Pension Trust categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value of securities is determined by the plan asset managers at quoted market price, where available, except for securities which are not actively traded, which are valued at net asset value by the asset manager. The LTD ATU Pension Trust has the following fair value measurements by fair value level at December 31, 2016:

	Balance at December 31, 2016	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Measured at Fair Value Level:				
Mutual Funds - Fixed income	\$ 4,271,565	\$ -	\$ 4,271,565	\$ -
Mutual Funds - Equities	12,320,028	-	12,320,028	-
Mutual Funds - Balanced	7,370,395	-	7,370,395	-
	<u>23,961,988</u>	<u>-</u>	<u>23,961,988</u>	<u>-</u>
Measured at Net Asset Value:				
Partnerships/Joint Ventures	<u>511,938</u>			
Total Fair Value of Investments	<u>\$ 24,473,926</u>			

Of the \$22,088,592 in LTD ATU Pension Trust investments at December 31, 2015, a significant portion was also invested in Level 2 mutual funds.

**LANE TRANSIT DISTRICT**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended June 30, 2017 and 2016**

**4. Other Information (Continued)**

*Actuarial Methods and Assumptions*

The total pension liability in the January 1, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate	2.75%
Salary increases	3.00%
Future benefit rate increases	3.00%
Investment rate of return, net	6.75%
Mortality	RP-2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, projected to 2015 using Scale AA

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. Equities	15.5%	8.70%
Small/Mid Cap Global Equities	3.0%	6.40%
Domestic Equities - Full Market	11.0%	9.50%
Non-U.S. Equities	20.5%	4.10%
Fixed Income	20.0%	3.90%
Real Return (all asset strategies)	10.0%	4.90%
Global Tactical Asset Allocation (GTAA)	20.0%	5.20%
Total	<u>100.0%</u>	

*Discount Rate*

The discount rate used to measure the total pension liability was 6.75 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.

**LANE TRANSIT DISTRICT**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended June 30, 2017 and 2016**

**4. Other Information (Continued)**

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b>Balances at December 31, 2015</b>	\$ 35,937,609	\$ 22,623,287	\$ 13,314,322
<b>Changes for the year:</b>			
Service cost	817,980	-	817,980
Interest	2,586,906	-	2,586,906
Employer contributions	-	3,089,304	(3,089,304)
Net investment income		1,506,119	(1,506,119)
Benefit payments	(2,148,257)	(2,148,257)	-
Administrative expense	-	(110,564)	110,564
Effect of economic/demographic (gains) or losses	(627,827)		
Effect of assumptions changes or inputs	1,752,783	-	1,752,783
<b>Net changes</b>	<b>2,381,585</b>	<b>2,336,602</b>	<b>672,810</b>
<b>Balances at December 31, 2016</b>	<b>\$ 38,319,194</b>	<b>\$ 24,959,889</b>	<b>\$ 13,987,132</b>

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b>Balances at December 31, 2014</b>	\$ 34,611,469	\$ 22,926,424	\$ 11,685,045
<b>Changes for the year:</b>			
Service cost	794,155	-	794,155
Interest	2,495,722	-	2,495,722
Employer contributions	-	2,309,003	(2,309,003)
Net investment income	-	(577,624)	577,624
Benefit payments	(1,963,737)	(1,963,737)	-
Administrative expense	-	(70,779)	70,779
<b>Net changes</b>	<b>1,326,140</b>	<b>(303,137)</b>	<b>1,629,277</b>
<b>Balances at December 31, 2015</b>	<b>\$ 35,937,609</b>	<b>\$ 22,623,287</b>	<b>\$ 13,314,322</b>

*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 \$5.03 and \$4.89 for the years ended December 31, 2016 and 2015, respectively. Actual contributions by the District were made at a higher rate of \$4.89 for the year ended December 31, 2014, in order to accelerate the reduction of the unfunded accrued liability. No employee contributions are required or permitted.



**LANE TRANSIT DISTRICT**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended June 30, 2017 and 2016**

**4. Other Information (Continued)**

*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 6.75 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:

	<b>Net Pension Liability</b>	
	<b>2017</b>	<b>2016</b>
1% decrease (5.75%)	\$ 17,158,506	\$ 16,849,208
Current discount rate (6.75%)	13,359,305	13,314,322
1% increase (7.75%)	10,080,445	10,259,992

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

For the years ended December 31, 2016 and 2015, the District recognized pension expense of \$2,408,644 and \$1,882,483, respectively. The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at December 31:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b>2017</b>		
Differences between expected and actual experience	\$ -	\$ 696,930
Changes in assumptions or inputs	1,371,743	-
Net difference between projected and actual earnings	<u>1,394,555</u>	<u>-</u>
Total (prior to post-measurement date contributions)	2,766,298	696,930
Contributions made subsequent to the measurement date	<u>1,258,361</u>	
Total	<u><u>\$ 4,024,659</u></u>	<u><u>\$ 696,930</u></u>
<b>2016</b>		
Differences between expected and actual experience	\$ -	\$ 351,796
Net difference between projected and actual earnings	<u>1,696,161</u>	<u>-</u>
Total (prior to post-measurement date contributions)	1,696,161	351,796
Contributions made subsequent to the measurement date	<u>1,182,684</u>	<u>-</u>
Total	<u><u>\$ 2,878,845</u></u>	<u><u>\$ 351,796</u></u>

**LANE TRANSIT DISTRICT**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended June 30, 2017 and 2016**

**4. Other Information (Continued)**

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 December 31,		
2018	\$	448,295
2019		760,243
2020		704,300
2021		156,530
2022		-
Thereafter		-
	\$	2,069,368

**Amalgamated Transit Union, Local No. 757, Defined Contribution Program**

*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 December 31, 2016 and 2015, employer contributions recognized as expense were \$289,617 and \$292,893, 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.

**LANE TRANSIT DISTRICT**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended June 30, 2017 and 2016**

**4. Other Information (Continued)**

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, 2016, actuarial valuation date, there were 135 retirees receiving benefits under the plan and 329 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.

**LANE TRANSIT DISTRICT**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended June 30, 2017 and 2016**

**4. Other Information (Continued)**

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

	2017	2016	2015
Annual required contribution	\$ 1,087,382	\$ 1,154,343	\$ 1,115,276
Interest earned on net OPEB obligation	158,067	144,236	128,076
Adjustment to the annual required contribution	<u>(392,119)</u>	<u>(357,811)</u>	<u>(317,722)</u>
Annual OPEB cost (expense)	853,330	940,768	925,630
Contribution made	<u>(500,175)</u>	<u>(545,614)</u>	<u>(463,915)</u>
Increase in net OPEB obligation	353,155	395,154	461,715
Net OPEB obligation, beginning of year	<u>4,516,192</u>	<u>4,121,038</u>	<u>3,659,323</u>
Net OPEB obligation, end of year	<u><u>\$ 4,869,347</u></u>	<u><u>\$ 4,516,192</u></u>	<u><u>\$ 4,121,038</u></u>
Percentage of annual OPEB cost contributed	58.6%	58.0%	50.1%

*Funding Status and Funding Progress*

The plan's funded status as of January 1, 2016, the most recent actuarial valuation date, is shown below:

Actuarial value of assets	\$ -
Actuarial accrued liability	<u>7,442,049</u>
Unfunded actuarial accrued liability (UAAL)	7,442,049
Funded ration	0%
Covered payroll	17,205,055
UAAL as a percentage of covered payroll	43.3%

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.

**LANE TRANSIT DISTRICT**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended June 30, 2017 and 2016**

**4. Other Information (Continued)**

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

Actuarial valuation date	January 1, 2016
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	2.75%
Projected salary increases	N/A
Healthcare inflation rate	5.85% initial, 4.75% 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:

Description	Retention Level (Deductible)	Limits of Coverage
Vehicle liability / uninsured motorist	\$ 100,000	\$ 10,000,000
Property and contents	25,000	29,762,949
General and tort liability	25,000	10,000,000
Bus - physical damage	50,000	Stated value
Earthquake / flood	Greater of \$5,000 or 2% of covered loss	15,000,000
Pollution liability (fuel storage tanks)	10,000	1,000,000
Public employee blanket	1,000	250,000
Workers' compensation	N/A	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.

**LANE TRANSIT DISTRICT**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended June 30, 2017 and 2016**

**4. Other Information (Continued)**

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		
	2017	2016	2015
Unpaid claims and claim adjustment expenses, beginning of the year	\$ 22,455	\$ 78,600	\$ 143,540
Incurred claims (including IBNRs)	-	31,487	90,832
Claim payments	-	(87,632)	(155,772)
Total unpaid claims and claim adjustment expenses, end of the year	\$ 22,455	\$ 22,455	\$ 78,600

Unpaid claims are carried at estimated gross settlement value.

**(d) Commitments and Contingencies**

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, 2017, the District had commitments of approximately \$17.2 million for the West Eugene Extension, Facility management Building upgrades and the purchase of five all-electric buses.

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. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." This statement is effective for fiscal years beginning after June 15, 2017.

**(e) Budgetary Fund Balance Restatement**

In prior years, various differences have accrued between budgetary fund balance in the General Fund and Accessible Services Fund and government-wide net position. An adjustment of \$5,952,443 has been made to correct the General Fund differences, and an adjustment of \$22,796 has been made to the correct the Accessible Service Fund differences. Budgetary fund balances will be reconciled to net position at least annually going forward.

**REQUIRED SUPPLEMENTARY INFORMATION**

**LANE TRANSIT DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2017**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**LTD Salaried Employee's Retirement Plan Trust Fund**  
**Last 10 Fiscal Years <sup>1</sup>**

	2017	2016	2015	2014	2013	2012
Total pension liability						
Service cost	\$ 486,472	\$ 521,040	\$ 545,340	\$ 538,088	\$ 527,537	\$ -
Interest	1,651,225	1,564,487	1,504,888	1,426,182	1,343,938	-
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	99,443	-	354,334	-	-
Changes of assumptions	-	2,952,420	-	506,129	-	-
Benefit payments	(1,332,068)	(1,224,898)	(1,182,843)	(939,485)	(690,418)	-
Net change in total pension liability	805,629	3,912,492	867,385	1,885,248	1,181,057	-
Total pension liability - beginning	25,583,028	21,670,536	20,803,151	18,917,903	17,736,846	-
Total pension liability - ending	<u>\$ 26,388,657</u>	<u>\$ 25,583,028</u>	<u>\$ 21,670,536</u>	<u>\$ 20,803,151</u>	<u>\$ 18,917,903</u>	<u>\$ 17,736,846</u>
Plan fiduciary net position						
Employer contributions	\$ 1,842,970	\$ 1,174,309	\$ 1,333,241	\$ 1,161,609	\$ 1,165,565	\$ -
Net investment income	1,893,124	(361,265)	222,900	2,081,971	1,298,746	-
Benefit payments	(1,332,068)	(1,224,898)	(1,182,843)	(939,485)	(690,418)	-
Administrative expense	(54,251)	(105,822)	(55,910)	(87,860)	(92,282)	-
Other	-	-	-	-	-	-
Net change in plan fiduciary net position	2,349,775	(517,676)	317,388	2,216,235	1,681,611	-
Plan fiduciary net position - beginning	15,339,512	15,857,188	15,539,800	13,323,565	11,641,954	-
Plan fiduciary net position - ending	<u>\$ 17,689,287</u>	<u>\$ 15,339,512</u>	<u>\$ 15,857,188</u>	<u>\$ 15,539,800</u>	<u>\$ 13,323,565</u>	<u>\$ 11,641,954</u>
District's net pension liability - ending	<u>\$ 8,699,370</u>	<u>\$ 10,243,516</u>	<u>\$ 5,813,348</u>	<u>\$ 5,263,351</u>	<u>\$ 5,594,338</u>	<u>\$ 6,094,892</u>
Plan fiduciary net position as a percentage of the total pension liability	67.03%	59.96%	73.17%	74.70%	70.43%	65.64%
Covered-employee payroll	\$ 3,717,503	\$ 5,860,715	\$ 4,263,366	\$ 5,226,297	\$ 5,214,746	\$ 5,092,690
District's net pension liability as a percentage of covered-employee payroll	234.01%	174.78%	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.



LANE TRANSIT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2017  
Schedule of Employer Contributions  
LTD Salaried Employee's Retirement Plan Trust Fund  
Last 10 Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 1,455,247	\$ 1,175,000	\$ 1,205,400	\$ 1,157,450	\$ 1,156,122	\$ 931,962	\$ 949,385	\$ 918,391	\$ 917,967	\$ 846,480
Contribution in relation to the actuarially determined contribution	<u>1,842,970</u>	<u>1,174,309</u>	<u>1,333,241</u>	<u>1,161,609</u>	<u>1,156,127</u>	<u>1,026,587</u>	<u>949,698</u>	<u>918,391</u>	<u>1,142,967</u>	<u>846,480</u>
Contribution deficiency (excess)	<u>\$ (387,723)</u>	<u>\$ 691</u>	<u>\$ (127,841)</u>	<u>\$ (4,159)</u>	<u>\$ (5)</u>	<u>\$ (94,625)</u>	<u>\$ (313)</u>	<u>\$ -</u>	<u>\$ (225,000)</u>	<u>\$ -</u>
Covered employee payroll	3,717,503	5,860,715	4,263,366	5,226,297	5,214,746	5,092,690	5,187,894	5,463,292	5,463,589	5,130,173
Contributions as a percentage of covered-employee payroll	49.58%	20.04%	31.27%	22.23%	22.17%	20.16%	18.31%	16.81%	20.92%	16.50%

Notes to Schedule:

Valuation date	7/1/2015	7/1/2013	7/1/2013	7/1/2011	7/1/2011	7/1/2009	7/1/2009	7/1/2007	7/1/2007	7/1/2005
Investment rate of return assumption	7.25%	7.25%	7.25%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%

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 amortization, level percentage of pay Effective July 1, 2005: Open 20-year amortization, level percentage of pay
Asset valuation method	Effective July 1, 2011: Market value of assets Effective 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 Health Mortality Table projected using Scale AA to 2018 for others Effective July 1, 2003: RP-2000 Combined Health Mortality Table
Inflation	3% per year
Salary increases	Effective July 1, 2011: Age-based, with ann ultimate rate of 3.5% per year at ages 50+ Effective July 1, 2005: Generally 5% per year

**LANE TRANSIT DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2017**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**Amalgamated Transit Union, Local No. 757 Pension Trust Fund**  
**Last 10 Fiscal Years <sup>1</sup>**

	2017	2016	2015	2014	2013
Total pension liability					
Service cost	\$ 817,980	\$ 794,155	\$ 853,018	\$ 828,173	\$ -
Interest	2,586,906	2,495,722	2,424,057	2,326,828	-
Changes of benefit terms		-	356,341 <sup>2</sup>	-	-
Differences between expected and actual experience	(627,827)	-	(646,134)	-	-
Changes of assumptions	1,752,783	-	-	-	-
Benefit payments	(2,148,257)	(1,963,737)	(1,916,128)	(1,761,397)	-
Net change in total pension liability	2,381,585	1,326,140	1,071,154	1,393,604	-
Total pension liability - beginning	35,937,609	34,611,469	33,540,315	32,146,711	-
Total pension liability - ending	<u>\$ 38,319,194</u>	<u>\$ 35,937,609</u>	<u>\$ 34,611,469</u>	<u>\$ 33,540,315</u>	<u>\$ 32,146,711</u>
Plan fiduciary net position					
Employer contributions	\$ 3,089,304	\$ 2,309,003	\$ 2,222,585	\$ 2,248,159	\$ -
Net investment income	1,506,119	(577,624)	1,008,693	2,498,570	-
Benefit payments	(2,148,257)	(1,963,737)	(1,916,128)	(1,761,397)	-
Administrative expense	(110,564)	(70,779)	(115,303)	(82,478)	-
Other	-	-	-	-	-
Net change in plan fiduciary net position	2,336,602	(303,137)	1,199,847	2,902,854	-
Plan fiduciary net position - beginning	22,623,287	22,926,424	21,726,577	18,823,723	-
Plan fiduciary net position - ending	<u>\$ 24,959,889</u>	<u>\$ 22,623,287</u>	<u>\$ 22,926,424</u>	<u>\$ 21,726,577</u>	<u>\$ 18,823,723</u>
District's net pension liability - ending	<u>\$ 13,359,305</u>	<u>\$ 13,314,322</u>	<u>\$ 11,685,045</u>	<u>\$ 11,813,738</u>	<u>\$ 13,322,988</u>
Plan fiduciary net position as a percentage of the total pension liability	65.14%	62.95%	66.24%	64.78%	58.56%
Covered-employee payroll	\$ 11,848,383	\$ 11,344,340	\$ 10,512,685	\$ 10,530,897	\$ 10,449,969
District's net pension liability as a percentage of covered-employee payroll	112.75%	117.37%	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.

LANE TRANSIT DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 YEAR ENDED JUNE 30, 2017  
 Schedule of Employer Contributions  
 Amalgamated Transit Union, Local No. 757 Pension Trust Fund  
 Last 10 Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 2,490,859	\$ 2,324,000	\$ 2,265,346	\$ 2,129,522	\$ 2,130,945	\$ 1,981,455	\$ 2,034,036	\$ 1,926,992	\$ 1,939,870	\$ 1,618,642
Contribution in relation to the actuarially determined contribution	3,089,304	2,295,380	2,265,346	2,234,627	2,228,856	2,193,790	2,034,037	1,926,992	2,414,870	1,618,642
Contribution deficiency (excess)	\$ (598,445)	\$ 28,620	\$ -	\$ (105,105)	\$ (97,911)	\$ (212,335)	\$ (1)	\$ -	\$ (475,000)	\$ -
Covered employee payroll	11,848,383	11,344,340	10,802,019	10,625,261	10,629,043	10,288,538	10,998,431	11,724,870	11,171,828	10,953,639
Contributions as a percentage of covered-employee payroll	26.07%	20.23%	20.97%	21.03%	20.97%	21.32%	18.49%	16.44%	21.62%	14.78%

Notes to Schedule:

Valuation date	1/1/2016	1/1/2014	1/1/2014	1/1/2012	1/1/2012	1/1/2010	1/1/2010	1/1/2008	1/1/2008	1/1/2006
Investment rate of return assumption	6.75%	7.25%	7.25%	7.25%	7.25%	7.50%	7.50%	7.50%	7.50%	7.50%

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
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 Health Mortality Table with Blue Collar Adjustment, projected using Scale AA to 2015 Effective January 1, 2010: RP-2000 Combined Health 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

**LANE TRANSIT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2017  
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
1/1/2016	\$ -	\$ 7,442,049	\$ 7,442,049	0.00%	\$ 17,205,055	43.26%
1/1/2014	-	7,789,243	7,789,243	0.00%	16,745,100	46.52%
1/1/2012	-	7,210,300	7,210,300	0.00%	15,381,200	46.88%
1/1/2010	-	6,584,300	6,584,300	0.00%	16,783,500	39.23%

**SUPPLEMENTARY INFORMATION**

**Lane Transit District**  
**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, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Passenger fares	\$ 7,324,037	\$ 7,324,037	\$ 7,319,892	\$ (4,145)
Special services	145,000	145,000	154,541	9,541
Advertising	445,000	445,000	447,000	2,000
Employer payroll tax	36,257,400	36,257,400	32,827,455	(3,429,945)
Self-employment tax	1,812,870	2,012,870	1,983,365	(29,505)
State payroll assessment	350,000	412,000	411,860	(140)
Federal assistance	5,050,000	850,000	117,830	(732,170)
State assistance	-	-	-	-
Local assistance	15,000	15,000	40,080	25,080
Miscellaneous	296,400	296,400	349,986	53,586
Interest	65,000	65,000	201,295	136,295
Sale of assets	-	-	37,721	37,721
<b>Total revenues</b>	<b>51,760,707</b>	<b>47,822,707</b>	<b>43,891,025</b>	<b>(3,931,682)</b>
<b>Expenditures</b>				
Personnel services	35,893,193	35,975,952	34,543,789	1,432,163
Materials and services	9,995,675	10,062,789	8,364,584	1,698,205
Insurance	1,053,718	1,064,518	985,149	79,369
<b>Other uses</b>				
Transfer to Accessible Services Fund	2,508,791	2,508,791	2,225,180	283,611
Transfer to Medicaid Fund	275,000	275,000	275,000	-
Transfer to Capital Projects Fund	2,509,300	18,487,923	18,487,923	-
Operating contingency	1,000,000	1,000,000	-	1,000,000
Working capital contingency	29,609,930	-	-	-
Self-insurance contingency	1,000,000	1,000,000	-	1,000,000
<b>Total expenditures and other uses</b>	<b>83,845,607</b>	<b>70,374,973</b>	<b>64,881,625</b>	<b>5,493,348</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(32,084,900)</b>	<b>(22,552,266)</b>	<b>(20,990,600)</b>	<b>1,561,666</b>
<b>Fund balance, beginning of year</b>	<b>32,084,900</b>	<b>30,839,996</b>	<b>33,603,693</b>	<b>2,763,697</b>
Restatement - Note 4(e)	-	-	5,952,443	5,952,443
<b>Fund balance, beginning of year, restated</b>	<b>32,084,900</b>	<b>30,839,996</b>	<b>39,556,136</b>	<b>8,716,140</b>
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ 8,287,730</b>	<b>\$ 18,565,536</b>	<b>\$ 10,277,806</b>

**Lane Transit District**  
**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, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Passenger fares	\$ 348,500	\$ 348,500	\$ 299,505	\$ (48,995)
Federal assistance	2,672,167	2,674,167	2,077,516	(596,651)
State assistance	1,119,029	1,316,329	1,173,555	(142,774)
Local assistance	123,408	123,408	124,360	952
<b>Other sources</b>				
Transfer from General Fund	2,508,791	2,508,791	2,273,633	(235,158)
<b>Total revenues</b>	<b>6,771,895</b>	<b>6,971,195</b>	<b>5,948,569</b>	<b>(1,022,626)</b>
<b>Expenditures</b>				
<b>Eugene-Springfield services</b>				
ADA RideSource	5,819,400	5,819,400	4,975,665	843,735
Transit training and hosts	149,695	149,695	106,129	43,566
Special transportation	100,500	100,500	100,770	(270)
<b>Total Eugene-Springfield services</b>	<b>6,069,595</b>	<b>6,069,595</b>	<b>5,182,564</b>	<b>887,031</b>
<b>Rural Lane County services</b>				
South Lane	126,200	126,200	138,073	(11,873)
Florence	199,600	274,600	187,504	87,096
Florence/Yachats	-	-	3,877	(3,877)
Oakridge	233,100	233,100	256,890	(23,790)
<b>Total rural Lane County services</b>	<b>558,900</b>	<b>633,900</b>	<b>586,344</b>	<b>47,556</b>
<b>Other services</b>				
Mobility management	150,000	150,000	93,106	56,894
Crucial connections	5,300	5,300	3,882	1,418
Volunteer coordination	-	37,800	377	37,423
EZ Access pilot	-	86,500	-	86,500
Veterans transportation	10,300	10,300	6,589	3,711
Lane County coordination	60,000	60,000	58,669	1,331
<b>Total other services</b>	<b>225,600</b>	<b>349,900</b>	<b>162,623</b>	<b>187,277</b>
<b>Other uses</b>				
Operating contingency	130,000	130,000	-	130,000
<b>Total expenditures and other uses</b>	<b>6,984,095</b>	<b>7,183,395</b>	<b>5,931,531</b>	<b>1,251,864</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(212,200)</b>	<b>(212,200)</b>	<b>17,038</b>	<b>229,238</b>
<b>Fund balance, beginning of year</b>				
	212,200	212,200	168,381	(43,819)
Restatement - Note 4(e)	-	-	(22,796)	(22,796)
<b>Fund balance, beginning of year, restated</b>	<b>212,200</b>	<b>212,200</b>	<b>145,585</b>	<b>(66,615)</b>
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 162,623</b>	<b>\$ 162,623</b>

**Lane Transit District**  
**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, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Medicaid nonemergency medical transportation (NEMT)	\$ 11,175,754	\$ 11,175,754	\$ 8,536,855	\$ (2,638,899)
Medicaid waived transportation	454,593	454,593	737,079	282,486
Other sources				
Transfer from General Fund	275,000	275,000	275,000	-
Total revenues and other sources	<u>11,905,347</u>	<u>11,905,347</u>	<u>9,548,934</u>	<u>(2,356,413)</u>
Expenditures				
Medicaid nonemergency medical transportation (NEMT)				
Services	9,247,600	9,247,600	6,820,897	2,426,703
Mobility management	66,300	66,300	85,839	(19,539)
Program administration	1,660,400	1,660,400	1,705,245	(44,845)
Total Medicaid NEMT	<u>10,974,300</u>	<u>10,974,300</u>	<u>8,611,981</u>	<u>2,362,319</u>
Medicaid waived transportation				
Services	690,000	690,000	668,028	21,972
Mobility management	56,000	56,000	38,471	17,529
Program administration	4,400	4,400	6,165	(1,765)
Grant program match requirements	230,000	230,000	226,103	3,897
Total Medicaid waived transportation	<u>980,400</u>	<u>980,400</u>	<u>938,767</u>	<u>41,633</u>
Other uses				
Operating contingency	131,347	131,347	-	131,347
Total expenditures and other uses	<u>12,086,047</u>	<u>12,086,047</u>	<u>9,550,748</u>	<u>2,535,299</u>
Excess (deficiency) of revenues over expenditures	(180,700)	(180,700)	(1,814)	178,886
Fund balance, beginning of year	180,700	180,700	(144,742)	(325,442)
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (146,556)</u>	<u>\$ (146,556)</u>



**Lane Transit District  
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, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Federal assistance	\$ 58,990,035	\$ 36,563,285	\$ 22,119,296	\$ (14,443,989)
State assistance	9,177,473	10,632,855	5,214,087	(5,418,768)
Local assistance	515,000	-	31,678	31,678
Miscellaneous	-	-	-	-
<b>Other sources</b>				
Transfer from General Fund	2,509,300	18,487,923	18,487,923	-
<b>Total revenues and other sources</b>	<u>71,191,808</u>	<u>65,684,063</u>	<u>45,852,984</u>	<u>(19,831,079)</u>
<b>Expenditures</b>				
<b>Frequent transit network</b>				
West Eugene EmX extension	40,744,200	35,365,000	26,709,015	8,655,985
Gateway EmX extension	12,000	-	-	-
Main Street / McVay transit study	590,000	325,000	44,033	280,967
Santa Clara/River Road station	-	3,900,000	234,938	3,665,062
Baldy Viw bus only lane	-	70,000	-	70,000
18th & Oak Patch traffic signal	-	225,000	-	225,000
Franklin Blvd. Phase 1 Transit Station	-	200,000	78,564	121,436
Willow Creek Station	-	2,000,000	1,202,674	797,326
MovingAhead	1,590,545	2,000,000	874,092	1,125,908
<b>Total frequent transit network</b>	<u>42,936,745</u>	<u>44,085,000</u>	<u>29,143,316</u>	<u>14,941,684</u>
<b>Other capital outlay</b>				
Land	-	-	-	-
Revenue vehicles - fixed route	9,995,866	7,854,000	3,845,617	4,008,383
Revenue vehicles - accessible services	875,000	200,477	1,470	199,007
Support vehicles	250,000	250,000	230,068	19,932
Stations, shelters and facilities	3,980,304	5,875,295	713,878	5,161,417
Computer hardware and software	1,573,500	1,638,500	878,260	760,240
Intelligent transportation systems	3,531,300	1,375,400	1,099,549	275,851
Transit security projects	816,600	101,600	10,236	91,364
Communications equipment	199,500	802,500	-	802,500
Shop equipment	64,000	250,000	112,476	137,524
Miscellaneous equipment	120,000	173,000	125,760	47,240
<b>Total other capital outlay</b>	<u>21,406,070</u>	<u>18,520,772</u>	<u>7,017,314</u>	<u>11,503,458</u>
<b>Total expenditures</b>	<u>64,342,815</u>	<u>62,605,772</u>	<u>36,160,630</u>	<u>26,445,142</u>
<b>Excess (deficiency) of revenues over expenditures</b>	6,848,993	3,078,291	9,692,354	(46,276,221)
<b>Fund balance, beginning of year</b>	<u>13,410,600</u>	<u>-</u>	<u>(2,729,788)</u>	<u>(2,729,788)</u>
<b>Fund balance, end of year</b>	<u>\$ 20,259,593</u>	<u>\$ 3,078,291</u>	<u>\$ 6,962,566</u>	<u>\$ (49,006,009)</u>

Lane Transit District  
Reconciliation of Excess (Deficiency) of Revenues  
Over Expenditures on a Budgetary Basis to  
Changes in Net Position on a GAAP Basis  
For the fiscal year ended June 30, 2017

Excess (deficiency) of revenues over expenditures	
General Fund	\$ (20,990,600)
Accessible Services Fund	17,038
Medicaid Fund	(1,814)
Capital Projects Fund	<u>9,692,354</u>
Total excess (deficiency) of revenues over expenditures	<u>(11,283,022)</u>
Reconciling items:	
Depreciation	(11,331,319)
Acquisition of capital assets	32,998,094
OPEB expense	(353,155)
Pension contributions in excess of pension expense	121,747
Compensated absences accrual	(716,492)
Gain on disposal of assets	37,721
Proceeds from disposal of assets	<u>(37,721)</u>
Total reconciling items	<u>20,718,875</u>
Change in net position on a GAAP basis	<u><u>\$ 9,435,853</u></u>

Lane Transit District  
Reconciliation of Budgetary Fund Balances to  
Net Position on a GAAP Basis  
June 30, 2017

Budgetary fund balances:	
General Fund	\$ 18,565,536
Accessible Services Fund	162,623
Medicaid Fund	(146,556)
Capital Projects Fund	<u>6,962,566</u>
Total budgetary fund balances	<u>25,544,169</u>
Reconciling items:	
Capital assets	182,179,014
Deferred outflows of resources	5,235,429
Compensated absences	(2,805,134)
Net OPEB obligation	(4,869,347)
Net pension liability	(22,058,675)
Deferred inflows of resources	<u>(696,930)</u>
Total reconciling items	<u>156,984,357</u>
Net position on a GAAP basis	<u><u>\$ 182,528,526</u></u>

**STATISTICAL SECTION**

# 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 TRENDS

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**LANE TRANSIT DISTRICT**  
**Comparative Statements of Net Position**  
**Last Ten Years At June 30**

	2017	2016	2015	Restated 2014	2013	2012	Restated 2011	2010	2009	2008
<b>Assets</b>										
Current assets	\$ 33,622,720	\$ 53,537,564	\$ 56,639,732	\$ 41,747,999	\$ 37,774,109	\$ 30,346,275	\$ 28,380,179	\$ 25,404,558	\$ 26,310,655	\$ 27,312,219
Capital assets, net of accumulated depreciation	182,179,014	160,464,160	125,447,247	113,337,904	114,242,299	122,613,663	113,197,851	110,201,071	92,451,905	87,082,507
Other assets	-	-	-	-	1,068,705	1,006,960	700,000	-	2,083	8,333
<b>Total assets</b>	<b>215,801,734</b>	<b>214,001,724</b>	<b>182,086,979</b>	<b>155,085,903</b>	<b>153,085,113</b>	<b>153,966,898</b>	<b>142,278,030</b>	<b>135,605,629</b>	<b>118,764,643</b>	<b>114,403,059</b>
Deferred outflows of resources	5,235,429	6,267,714	1,540,509	1,693,168	-	-	-	-	-	-
<b>Total assets and deferred outflows of resources</b>	<b>\$ 221,037,163</b>	<b>\$ 220,269,438</b>	<b>\$ 183,627,488</b>	<b>\$ 156,779,071</b>	<b>\$ 153,085,113</b>	<b>\$ 153,966,898</b>	<b>\$ 142,278,030</b>	<b>\$ 135,605,629</b>	<b>\$ 118,764,643</b>	<b>\$ 114,403,059</b>
<b>Liabilities</b>										
Current liabilities	\$ 9,017,767	\$ 17,233,166	\$ 22,159,541	\$ 10,036,528	\$ 9,926,804	\$ 8,224,324	\$ 6,160,791	\$ 8,273,281	\$ 7,597,959	\$ 8,614,294
Noncurrent liabilities	28,793,940	29,591,803	23,454,799	22,635,145	4,167,895	3,505,481	2,991,988	2,394,610	1,753,891	1,044,793
<b>Total liabilities</b>	<b>37,811,707</b>	<b>46,824,969</b>	<b>45,614,340</b>	<b>32,671,673</b>	<b>14,094,699</b>	<b>11,729,805</b>	<b>9,152,779</b>	<b>10,667,891</b>	<b>9,351,850</b>	<b>9,659,087</b>
Deferred outflows of resources	696,930	351,796	712,072	1,784,272	-	-	-	-	-	-
<b>Net position</b>										
Investment in capital assets	182,179,014	160,464,158	125,447,247	113,337,904	114,242,299	122,613,660	113,197,851	110,201,071	92,451,905	84,082,507
Restricted for Accessible Services and Medicaid programs	38,863	2,775,776	440,273	398,255	436,632	491,306	456,115	449,066	302,918	529,014
Unrestricted	310,649	9,852,739	11,413,556	8,586,967	24,311,483	19,132,127	19,471,285	14,287,601	16,657,970	20,132,451
<b>Total net position</b>	<b>182,528,526</b>	<b>173,092,673</b>	<b>137,301,076</b>	<b>122,323,126</b>	<b>138,990,414</b>	<b>142,237,093</b>	<b>133,125,251</b>	<b>124,937,738</b>	<b>109,412,793</b>	<b>104,743,972</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 221,037,163</b>	<b>\$ 220,269,438</b>	<b>\$ 183,627,488</b>	<b>\$ 156,779,071</b>	<b>\$ 153,085,113</b>	<b>\$ 153,966,898</b>	<b>\$ 142,278,030</b>	<b>\$ 135,605,629</b>	<b>\$ 118,764,643</b>	<b>\$ 114,403,059</b>



**LANE TRANSIT DISTRICT  
Changes in Net Position  
Last Ten Years Ended June 30**

	2017	2016	2015	Restated 2014	2013	2012	Restated 2011	2010	2009	2008
<b>Operations</b>										
<b>Fixed route</b>										
Revenue	\$ 7,921,433	\$ 7,807,665	\$ 7,893,869	\$ 7,733,140	\$ 7,640,918	\$ 7,608,840	\$ 8,150,969	\$ 7,933,611	\$ 7,723,787	\$ 7,320,990
Expense	(47,650,802)	(40,932,868)	(38,541,017)	(36,660,628)	(35,813,713)	(34,411,349)	(33,880,028)	(34,792,955)	(33,118,646)	(31,952,517)
Total fixed route	(39,729,369)	(33,125,203)	(30,647,148)	(28,927,488)	(28,172,795)	(26,802,509)	(25,729,059)	(26,859,344)	(25,394,859)	(24,631,527)
<b>Accessible Services and Medicaid</b>										
Revenue	12,572,295	14,115,352	13,173,252	9,857,780	9,394,430	8,069,191	8,172,584	7,859,572	6,120,502	3,408,944
Expense	(15,482,280)	(16,768,307)	(14,617,685)	(12,314,118)	(10,841,746)	(9,965,985)	(9,561,690)	(8,571,459)	(8,465,040)	(5,052,516)
Total Accessible Services	(2,909,985)	(2,652,955)	(1,444,433)	(2,456,338)	(1,447,316)	(1,896,794)	(1,389,106)	(711,887)	(2,344,538)	(1,643,572)
Loss from operations	(42,639,354)	(35,778,158)	(32,091,581)	(31,383,826)	(29,620,111)	(28,699,303)	(27,118,165)	(27,571,231)	(27,739,397)	(26,275,099)
<b>Nonoperating revenues</b>										
Employer payroll tax	32,827,455	34,394,558	30,981,560	25,374,737	24,891,777	23,047,471	22,197,770	21,424,079	22,169,137	23,303,571
Self-employment tax	1,983,365	1,902,866	1,683,987	1,647,329	1,576,826	1,507,575	1,440,902	1,381,109	1,444,342	1,618,655
State payroll assessment	411,860	400,795	609,978	1,914,665	1,941,063	1,869,854	1,740,509	1,755,311	1,490,098	1,432,590
Federal assistance	-	4,736,708	6,001,519	5,993,929	6,563,936	5,431,231	4,008,381	6,567,015	572,074	639,972
State assistance	115,475	154,426	29,688	723,888	-	1,992	350	-	-	-
Interest	201,295	99,207	52,359	85,619	77,171	62,653	60,462	56,200	293,980	686,566
Other revenues	349,986	400,494	433,787	366,327	325,339	276,975	497,739	343,208	306,755	118,835
Total nonoperating revenues	35,889,436	42,089,054	39,792,878	36,106,494	35,376,112	32,197,751	29,946,113	31,526,922	26,276,386	27,800,189
Income (loss) before capital contributions	(6,749,918)	6,310,896	7,701,297	4,722,668	5,756,001	3,498,448	2,827,948	3,955,691	(1,463,011)	1,525,090
<b>Capital contributions</b>										
Federal and state grants for capital acquisition	27,832,523	40,998,913	18,893,678	8,564,456	2,165,876	16,366,583	14,887,318	22,568,387	13,542,263	9,713,840
Changes in net position before depreciation, OPEB expense, and gain (loss) on sale of assets	21,082,606	47,309,808	26,594,975	13,287,124	7,921,877	19,865,031	17,715,266	26,524,078	12,079,252	11,238,930
Depreciation	(11,331,319)	(11,129,702)	(11,152,433)	(10,519,936)	(10,561,286)	(10,169,031)	(9,557,098)	(7,313,600)	(6,781,286)	(6,805,823)
OPEB expense	(353,155)	(395,154)	(461,715)	(555,778)	(614,905)	(586,592)	(641,742)	(624,953)	(635,353)	-
Gain (loss) on disposal of capital assets	37,721	6,644	(2,877)	13,052	7,635	2,434	(28,913)	(3,060,580)	6,208	7,374
Changes in net position	\$ 9,435,853	\$ 35,791,596	\$ 14,977,950	\$ 2,224,462	\$ (3,246,679)	\$ 9,111,842	\$ 7,487,513	\$ 15,524,945	\$ 4,668,821	\$ 4,440,481

**LANE TRANSIT DISTRICT**  
**Total Debt Outstanding**  
**Last Ten Years**

	<u>Outstanding at June 30</u>
2017	\$ -
2016	-
2015	-
2014	-
2013	-
2012	-
2011	-
2010	-
2009	-
2008	3,000,000
2007	3,000,000

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## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

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**LANE TRANSIT DISTRICT  
Principal Employers of Lane County  
Current Year and Nine Years Ago**

Employer	2017			2008		
	Employees	Rank	Percentage of Lane County Employment	Employees	Rank	Percentage of Lane County Employment
PeaceHealth Corp	5,808	1	3.9%	5,239	1	3.5%
University of Oregon	5,549	2	3.7%	4,311	2	2.9%
Eugene 4J School District	2,553	3	1.7%	2,794	3	1.9%
City of Eugene	1,747	4	1.2%	1,818	6	1.2%
U.S. Government	1,677	5	1.1%	1,757	7	1.2%
State of Oregon	1,656	6	1.1%	2,000	4	1.4%
Lane Community College	1,650	7	1.1%	1,924	5	1.3%
Lane County	1,567	8	1.0%	1,350	9	0.9%
Springfield School District	1,242	9	0.8%	1,500	8	1.0%
Mckenzie-Willamette Med Ctr <sup>2</sup>	898	10	0.6%	802	10	0.5%
	<u>24,347</u>		<u>16.2%</u>	<u>23,495</u>		<u>15.9%</u>
Total Employees	<u>150,596</u> <sup>1</sup>			<u>148,120</u> <sup>1</sup>		

<sup>1</sup>Per Bureau of Labor Statistics, total covered employment (January)

Source: Eugene Chamber of Commerce, Oregon Employment Department

<sup>2</sup> Per McKenzie-Willamette Human Resources

**LANE TRANSIT DISTRICT**  
**Demographic and Economic Statistics**  
**Last Ten Years**

Fiscal Year	Lane Transit District Population (a)	Lane County, Oregon			
		Population (c)	Personal Income (,000) (c)	Per Capita Income (c)	Unemployment Rate (d)
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	13,575,594	37,867	7.0%
2015	302,200	362,600	14,597,955	40,259	6.1%
2016	305,350	369,519	15,160,278	41,027	5.5%

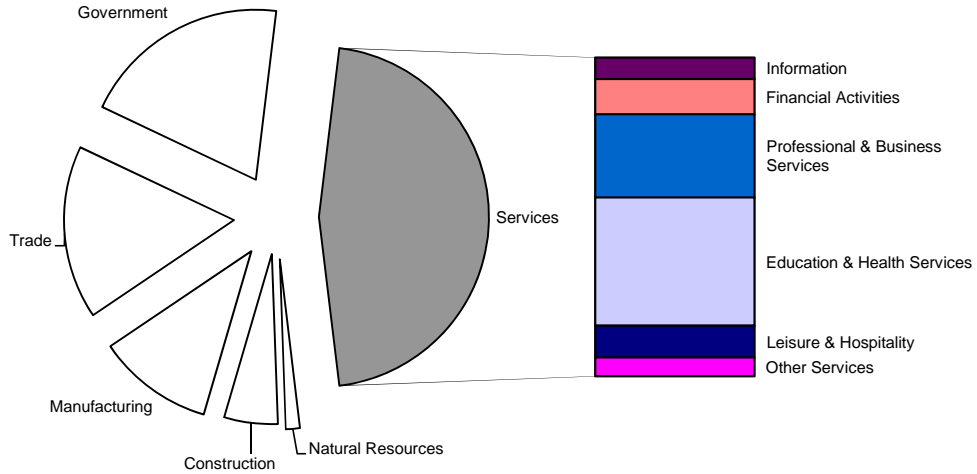
Notes

- 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 population 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 2016 Covered Payroll



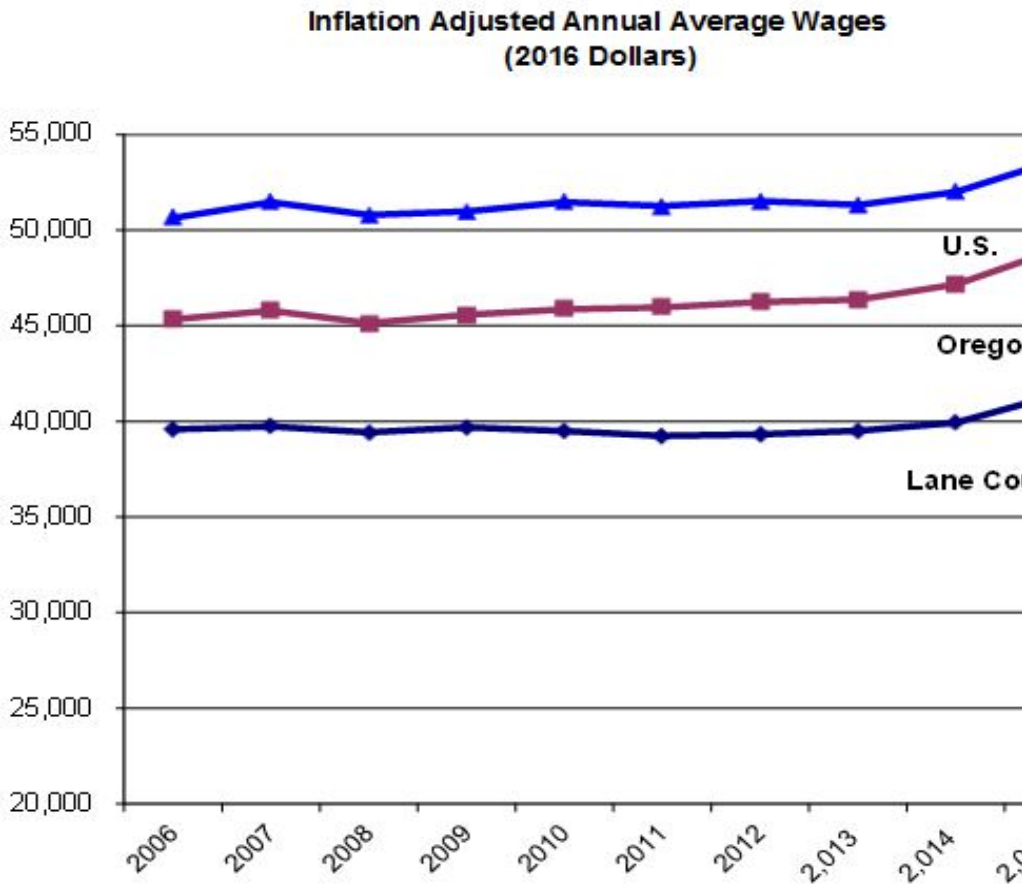
Lane Transit District

### 2016 Covered Employment and Wages Summary Report for Lane County

	Units	Covered Employment		Covered Payroll		Average Pay
		Count	Percent	Total in Millions	Percent	
Natural Resources	250	2,101	1.4%	\$ 84	1.3%	\$ 40,161
Construction	926	6,440	4.3%	\$ 320	5.1%	\$ 49,739
Manufacturing	571	13,485	8.9%	\$ 694	11.0%	\$ 51,450
Trade	2,024	29,594	19.5%	\$ 1,037	16.5%	\$ 35,040
<b>Service</b>						
Information	190	2,947	1.9%	\$ 197	3.1%	\$ 66,964
Financial Activities	1,060	6,066	4.0%	\$ 321	5.1%	\$ 52,850
Professional & Business Services	1,649	17,312	11.4%	\$ 757	12.0%	\$ 43,749
Education & Health Services	1,360	24,697	16.3%	\$ 1,169	18.6%	\$ 47,333
Leisure & Hospitality	1,132	16,906	11.2%	\$ 290	4.6%	\$ 17,143
Other Services	2,145	6,637	4.4%	\$ 171	2.7%	\$ 25,752
<b>Total Service</b>	<b>7,536</b>	<b>74,565</b>	<b>49.2%</b>	<b>\$ 2,905</b>	<b>46.1%</b>	<b>\$ 38,960</b>
Unclassified/other	38	21				
<b>Government</b>	<b>406</b>	<b>25,312</b>	<b>16.7%</b>	<b>\$ 1,250</b>	<b>19.9%</b>	<b>\$ 49,378</b>
<b>Total 2016 Covered E Employment</b>	<b>11,751</b>	<b>151,518</b>	<b>100%</b>	<b>\$ 6,292</b>	<b>99.9%</b>	<b>\$ 41,523</b>

Source: Oregon Employment Department





Source: Oregon Employment Department

**LANE TRANSIT DISTRICT**  
**Eugene-Springfield Metropolitan Statistical Area (Lane County) Economic Data Sheet**

	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
Net Migration						(4,782)	(1,219)	(550)	(9,376)	4,560
Civilian labor force	125,200	126,700	135,400	137,800	131,300	130,500	132,800	129,600	133,700	138,000
Unemployment	8,500	10,400	13,300	15,300	16,400	14,900	12,200	11,500	11,500	7,900
Unemployment rate	6.8%	8.2%	9.8%	11.1%	12.5%	11.4%	9.2%	8.9%	8.6%	5.7%
Total employment	116,700	116,300	122,100	122,500	114,900	115,600	120,600	118,100	122,200	130,100
Labor-management disputants	0	400	90	70	0	80	0	0	100	100
Percent annual change										
Total personal income (millions)	\$2,124.5	\$2,386.4	\$2,582.1	\$2,755.0	\$2,745.1	\$2,920.3	\$3,162.5	\$3,303.7	\$3,457.2	\$3,693.3
Percent annual change										
Per capita personal income - Lane County	\$8,164	\$8,910	\$9,365	\$9,943	\$10,079	\$10,878	\$11,806	\$12,371	\$12,985	\$13,748
Per capita personal income - Oregon	\$8,534	\$9,395	\$10,157	\$10,861	\$11,146	\$11,881	\$12,831	\$13,429	\$14,107	\$14,756
Per capita personal income - U.S.	\$8,338	\$9,212	\$10,153	\$11,262	\$11,947	\$12,652	\$13,860	\$14,719	\$15,459	\$16,265
As percent of Oregon	96%	95%	92%	92%	90%	92%	92%	92%	92%	93%
As percent of U.S.	98%	97%	92%	88%	84%	86%	85%	84%	84%	85%
Total covered payroll (millions)	\$1,156.5	\$1,288.1	\$1,335.7	\$1,373.1	\$1,308.0	\$1,381.5	\$1,493.6	\$1,552.7	\$1,615.0	\$1,781.1
Percent annual change										
Average annual wage - Lane County	\$11,897	\$12,891	\$13,686	\$14,679	\$15,324	\$15,958	\$16,343	\$16,838	\$17,059	\$17,647
Average annual wage - Oregon	\$12,162	\$13,197	\$14,301	\$15,376	\$16,186	\$16,785	\$17,409	\$17,853	\$18,314	\$18,877
Average annual wage - U.S.		\$12,984	\$14,204	\$15,486	\$16,533	\$17,545	\$18,350	\$19,158	\$19,966	\$20,855
As percent of Oregon	98%	98%	96%	95%	95%	95%	94%	94%	93%	93%
As percent of U.S.	n/av	99%	96%	95%	93%	91%	89%	88%	85%	85%
<b>Inflation adjusted wages and income (2002 Dollars)</b>										
CPI-U; U.S. city average	65.2	72.6	82.4	90.9	96.5	99.6	103.9	107.6	109.6	113.6
Blow-up factor; 2002 = 100	3.6352	3.2647	2.8764	2.6074	2.4561	2.3797	2.2812	2.2028	2.1626	2.0864
Inflation adjusted total covered payroll (millions)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Percent annual change										
Inflation adjusted average annual wage - Lane County	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inflation adjusted average annual wage - Oregon	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inflation adjusted average annual wage - U.S.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inflation adjusted total personal income (millions)	7723.07	7790.960995	7427.18082	7183.398594	6742.28874	6949.319402	7214.389145	7277.280976	7476.489334	7705.739805
Inflation adjusted per capita personal income - Lane County	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inflation adjusted per capita personal income - Oregon	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inflation adjusted per capita personal income - U.S.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

## **OPERATING INFORMATION**

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

	2016	2015	2014	2013	2012	Restated 2011	2010	2009	2008	2007
<b>Operations</b>										
Transportation	\$ 21,227,434	\$ 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
Percent of total operations	37.4%	36.7%	36.3%	37.6%	38.3%	39.1%	41.7%	41.6%	44.2%	42.1%
FTEs at end of period	203.6	203.6	202.0	202.0	196.0	192.0	218.0	220.0	230.0	222.0
Maintenance	9,976,217	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
Percent of total operations	17.6%	19.1%	19.8%	20.6%	22.0%	21.4%	19.9%	20.1%	24.0%	21.3%
FTEs at end of period	52.5	52.5	51.1	51.3	51.3	50.3	52.3	52.3	53.3	53.3
Customer Service, Marketing, and Planning	3,645,111	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
Percent of total operations	6.4%	6.3%	7.6%	6.9%	5.2%	4.9%	5.0%	5.1%	5.2%	14.3%
FTEs at end of period	27.9	27.9	22.2	22.3	20.9	18.2	19.2	19.2	19.2	19.2
Administration	4,146,877	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
Percent of total operations	7.3%	7.4%	9.0%	8.7%	9.6%	9.8%	10.1%	9.9%	10.5%	10.0%
FTEs at end of period	25.8	25.8	35.0	31.0	31.5	32.0	34.0	34.0	35.0	32.8
Insurance and Risk	941,876	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
Percent of total operations	1.7%	2.1%	2.2%	2.7%	2.4%	2.5%	2.7%	2.7%	2.3%	2.8%
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	16,768,307	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
Percent of total operations	29.6%	28.3%	25.1%	23.6%	22.5%	22.4%	20.6%	20.5%	13.8%	9.6%
FTEs at end of period	2.6	2.6	3.0	3.0	3.4	3.0	3.0	3.0	4.0	3.0
<b>Total operations</b>	<b>56,705,822</b>	<b>51,729,902</b>	<b>49,027,350</b>	<b>45,970,062</b>	<b>44,276,002</b>	<b>42,684,580</b>	<b>41,657,920</b>	<b>41,194,597</b>	<b>36,608,999</b>	<b>35,938,373</b>
<b>Total FTEs at end of period</b>	<b>312.4</b>	<b>312.4</b>	<b>313.3</b>	<b>309.5</b>	<b>303.0</b>	<b>295.5</b>	<b>326.5</b>	<b>328.5</b>	<b>341.5</b>	<b>330.2</b>
Capital transfers from General Fund	1,667,600	3,351,100	1,792,700	1,600,000	3,031,900	-	-	1,752,000	2,211,600	-
Capital transfers from Accessible Services Fund	-	-	-	7,236	25,062	4,769	33,899	-	12,979	109,144
<b>Total operations and capital transfers</b>	<b>\$ 58,373,422</b>	<b>\$ 55,081,002</b>	<b>\$ 50,820,050</b>	<b>\$ 47,577,298</b>	<b>\$ 47,332,964</b>	<b>\$ 42,689,349</b>	<b>\$ 41,691,819</b>	<b>\$ 42,946,597</b>	<b>\$ 38,833,578</b>	<b>\$ 36,047,517</b>

**LANE TRANSIT DISTRICT**  
**Capital Asset Statistics**  
**Last Ten Years Ended June 30**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Miles of busway	8.45	8.45	8.45	8.45	8.45	8.45	8.45	1.71	1.71	1.71	1.71
Rolling stock											
40-foot buses	73	73	75	79	79	113	89	97	97	97	114
60-foot buses	18	18	24	15	15	15	15	12	15	15	5
< 40-foot buses	0	0	3	6	6	6	6	7	7	7	11
EmX vehicles	18	18	11	11	11	11	11	11	6	6	6
Total rolling stock	109	109	113	111	111	145	121	127	125	125	136
Accessible Services vehicles	73	88	79	82	82	95	83	80	67	70	68
Primary stations	2	2	2	2	2	2	2	2	2	2	2
EmX station platforms	60	37	28	28	28	28	28	10	10	10	10
Other stations	6	6	9	9	9	9	9	9	9	9	9
Shelters	188	181	183	193	193	193	193	193	193	217	218
Signed stops	1300	1,294	1,277	1,262	1,261	1,261	1,387	1,517	1,511	1,511	1,511
Maintenance facility	1	1	1	1	1	1	1	1	1	1	1
Administration facility	1	1	1	1	1	1	1	1	1	1	1
Brokerage/paratransit facility	1	1	1	1	1	1	1	1	1	1	1

**LANE TRANSIT DISTRICT**  
**Operating Revenue & Cost Measurements - Fixed-Route System**  
**Last Ten Fiscal Years**

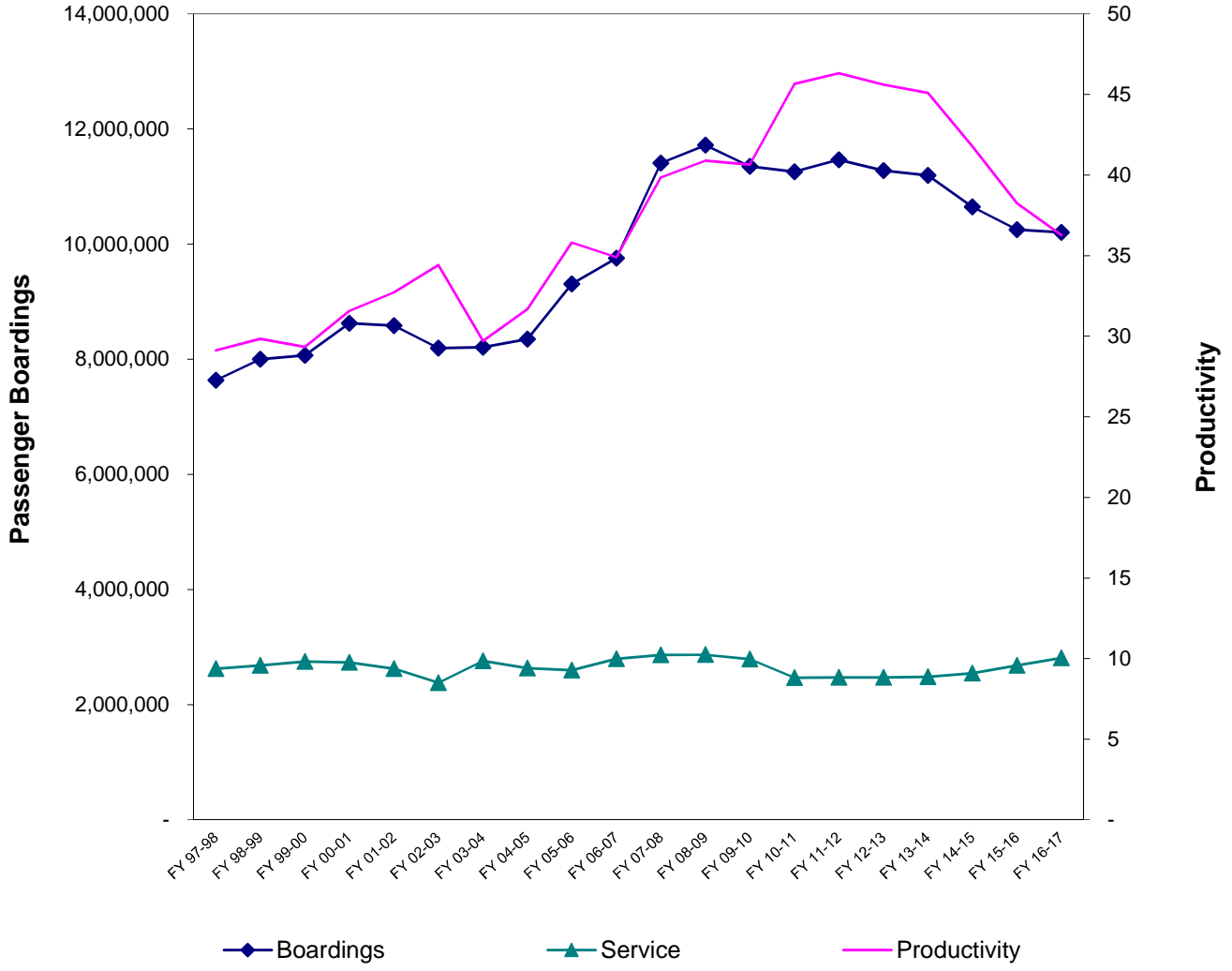
Fiscal Year	Operating* Revenues	Operating* Expenses	Revenue Margin	Revenue Hours	Percent Change	Operating Revenue / Service Hour	Percent Change	Operating Expenses / Revenue Hour	Percent Change
2016-17	\$ 7,921,433	\$ 47,650,801	16.6%	281,280	5.0%	\$28.16	-3.3%	\$169.41	10.9%
2015-16	7,807,665	40,932,868	19.1%	268,010	5.2%	29.13	-6.0%	152.73	1.0%
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%

Fiscal Year	Employees	Revenue Hours / Employees	Percent Change	Passenger Fares	Passenger Boardings	Passenger Fares / Boarding	Operating Expenses / Boarding	Percent Change	Revenue Hours / Trip
2016-17	342	822.46	-3.0%	\$ 7,242,637	10,203,700	0.71	4.67	16.9%	0.028
2015-16	316	848.13	3.9%	7,141,779	10,250,227	0.70	3.99	10.3%	0.026
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

Fiscal Year	Miles	Operating Expenses / Mile	Percent Change	Fleet Maintenance Costs	Fleet Maintenance Cost / Mile	Percent Change	Fuel Cost	Fuel Cost / Mile	Percent Change
2016-17	3,930,595	12.123	11.1%	\$ 6,175,683	1.571	3.7%	\$ 2,441,661	0.621	11.6%
2015-16	3,750,517	10.914	0.7%	5,683,792	1.515	-6.2%	2,086,824	0.556	-2.6%
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%

\*Excludes Accessible Services, depreciation, and OPEB expense

### LANE TRANSIT DISTRICT Ridership, Service, and Productivity Last Twenty Years

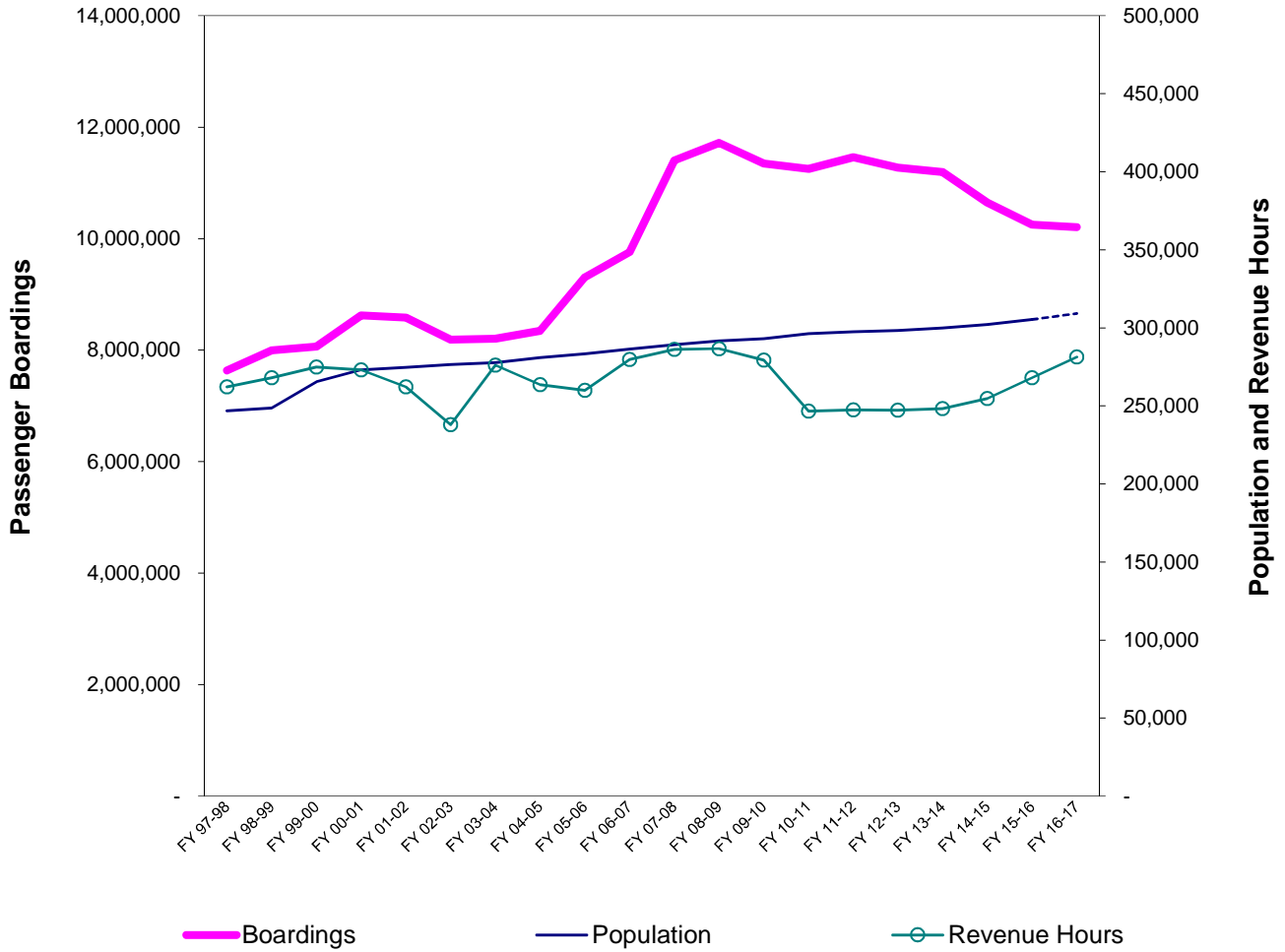




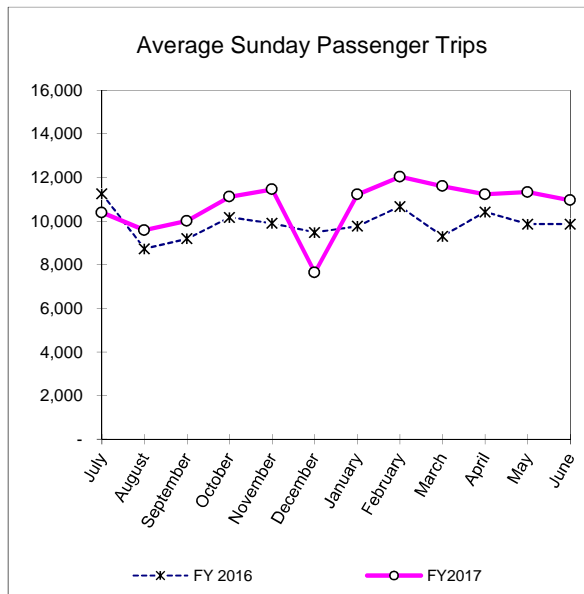
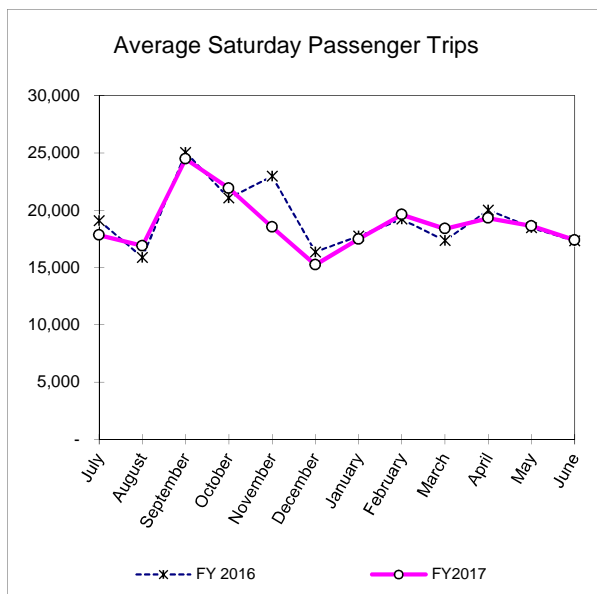
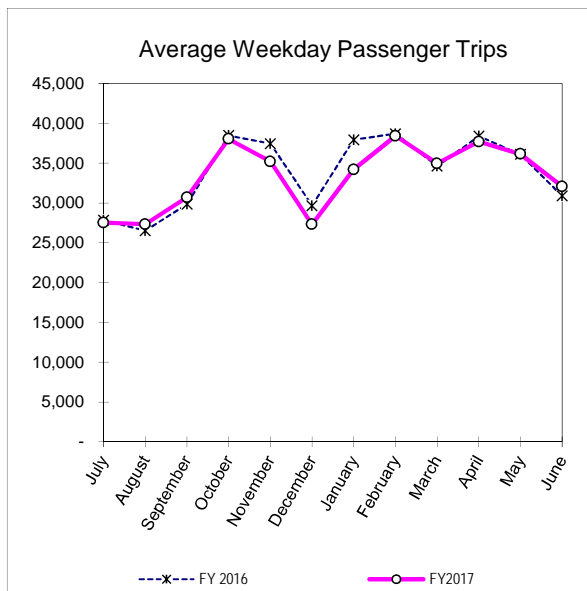
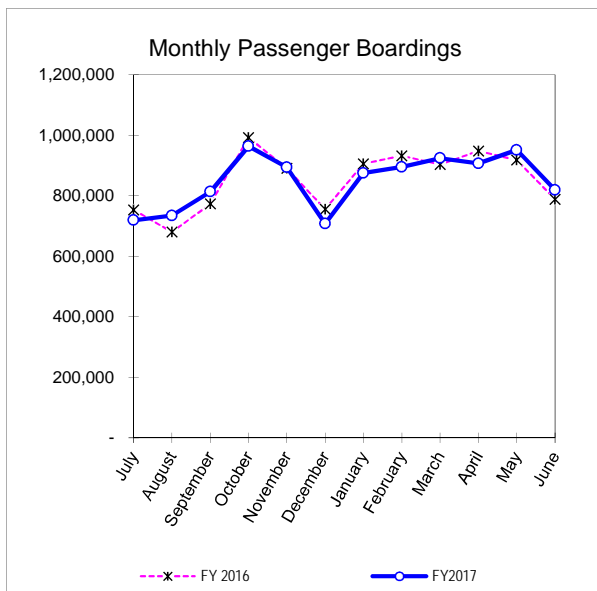
**LANE TRANSIT DISTRICT**  
**Ridership, Fare, Service, and Productivity**  
**Last Twenty One Years**

Fiscal Year	Revenue Hours	Percent Change	Passenger Boardings	Percent Change	System Productivity	Percent Change	Base Cash Fare
2016-17	281,280	5.0%	10,203,700	-0.5%	36.276	-5.15%	\$ 1.75
2015-16	268,010	5.2%	10,250,227	-3.7%	38.246	-8.46%	1.75
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

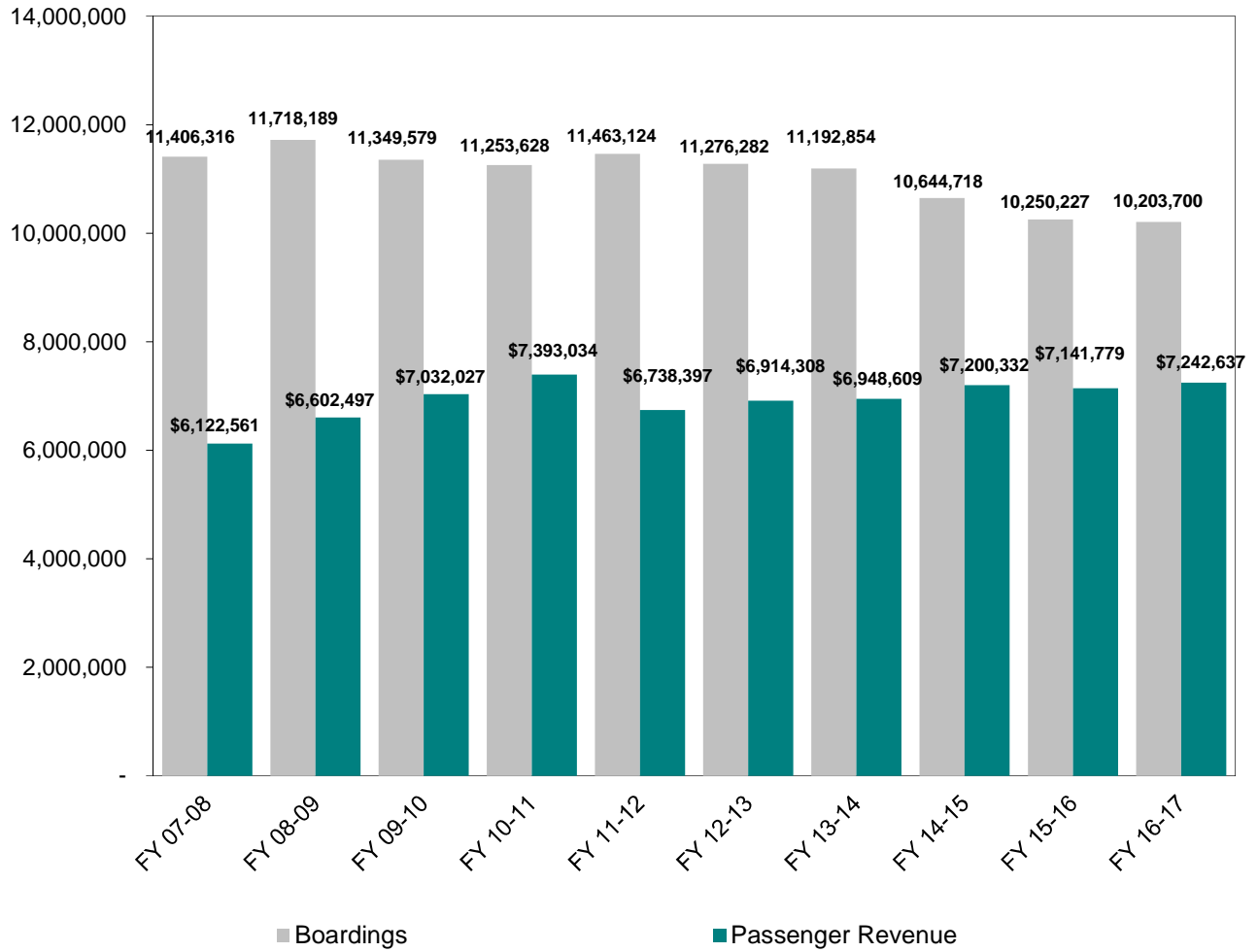
### LANE TRANSIT DISTRICT Ridership, Service, and Service Area Population Last Twenty Years



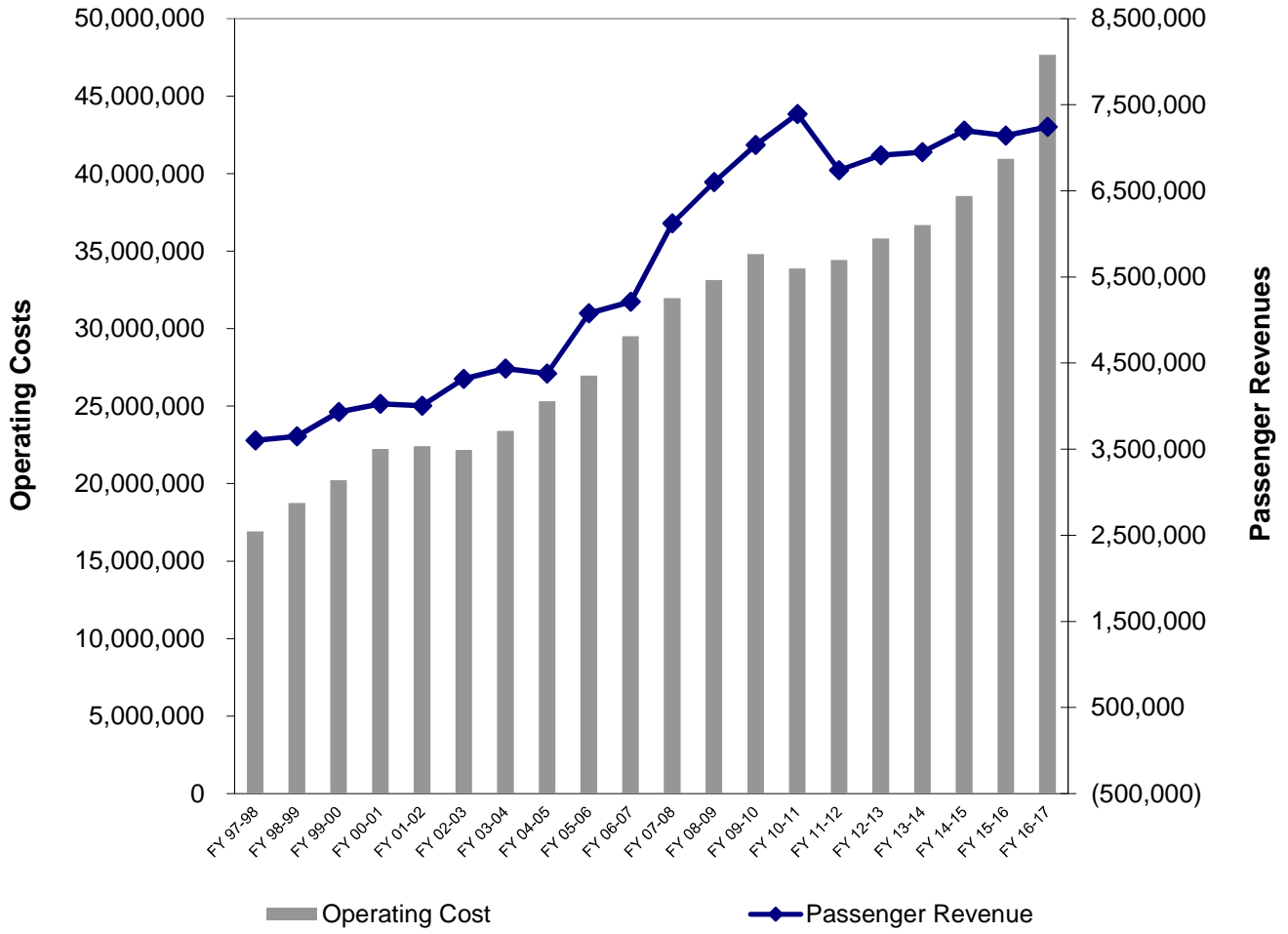
## LANE TRANSIT DISTRICT Ridership Trends by Month For the fiscal years ended June 30, 2017 and 2016



**LANE TRANSIT DISTRICT  
Passenger Boardings and Passenger Revenues  
Last Ten Years**



**LANE TRANSIT DISTRICT**  
**Passenger Revenues and Operating Costs**  
**Last Twenty Years**



**LANE TRANSIT DISTRICT**  
**Transportation Revenues by Category**  
**Last Ten Years**

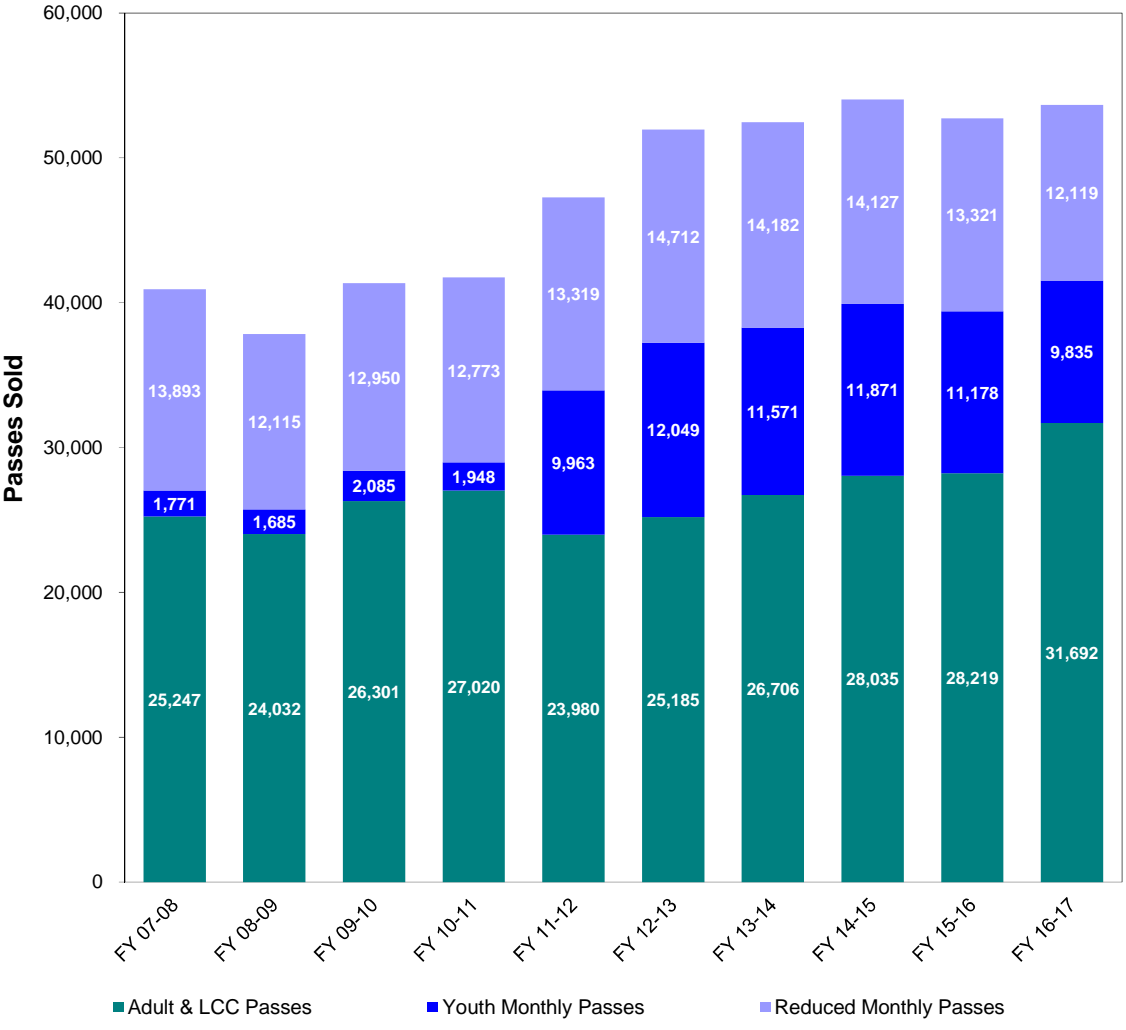
Fiscal Year	Fare Box Cash	Percentage Change	Ten-Ride Ticket Books and Agency Day Passes	Percentage Change	Tokens	Percentage Change	Monthly Passes	Percentage Change
2016-17	\$ 1,923,688	-5.9%	\$ 378,690	4.7%	\$ -	-	\$ 2,385,603	-16.5%
2015-16	2,043,958	0.7%	361,792	33.2%	-	-	2,858,164	26.7%
2014-15	2,029,943	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%

Fiscal Year	Student Transit Pass Program	Percentage Change	Group Pass	Percentage Change	Special Service	Percentage Change	Total Transportation Revenues	Percentage Change
2016-17	\$ -	-	\$ 2,554,656	-0.4%	\$ 231,795	-5.0%	\$ 7,474,433	1.2%
2015-16	-	-	2,565,681	-2.9%	\$ 243,928	-4.6%	\$ 7,385,707	-0.9%
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%

totals don't include football fare

Farebox Cash	Ten Ride	Mo. Passes
41010	41042	41020
41011		41034
41012		41035
41040		41038
41041		41039
		41110
		41111
		41115
		41118
		41121
		41210

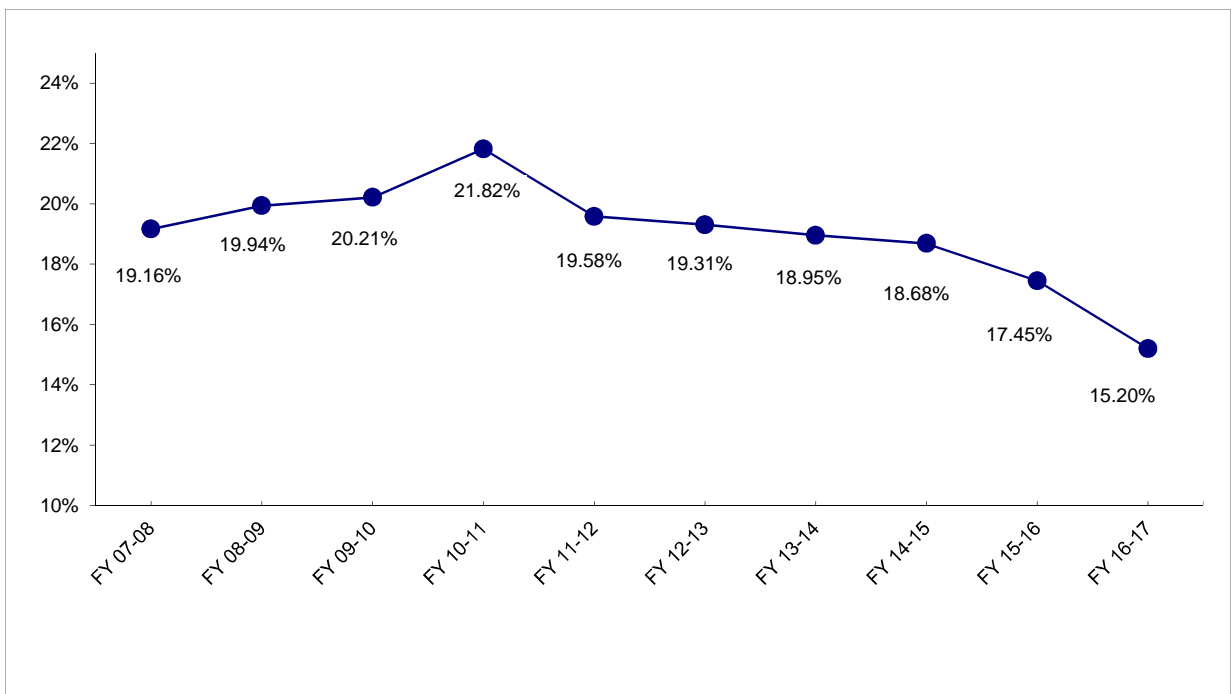
**LANE TRANSIT DISTRICT  
Annual Monthly Pass Sales  
Last Ten Years**



### LANE TRANSIT DISTRICT Passenger Revenues



### Farebox Recovery Ratio





## LANE TRANSIT DISTRICT Fare Structure Last Ten Years

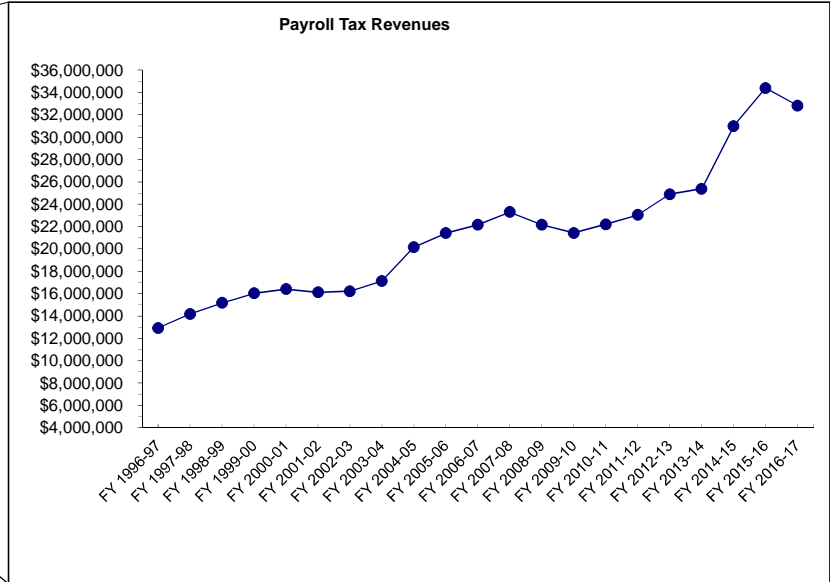
June 30	Cash Fare Adult	Age - Adult	Cash Fare Youth	Age - Youth	Cash Fare Senior	Age - Senior	Cash Fare Reduced	Age - Reduced
2017	1.75	19-64	0.85	6-18	\$ free	65 +	\$ 0.85	NA
2016	1.75	19-64	0.85	6-18	\$ free	65 +	\$ 0.85	NA
2015	1.75	19-64	0.85	6-18	free	65 +	0.85	NA
2014	1.75	19-64	0.85	6-18	free	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

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
2017	\$ 50.00	\$ 25.00	\$ free	\$ 25.00	\$ 135.00	\$ 67.50	\$ free	\$ 67.50
2016	\$ 50.00	\$ 25.00	\$ free	\$ 25.00	\$ 135.00	\$ 67.50	\$ free	\$ 67.50
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

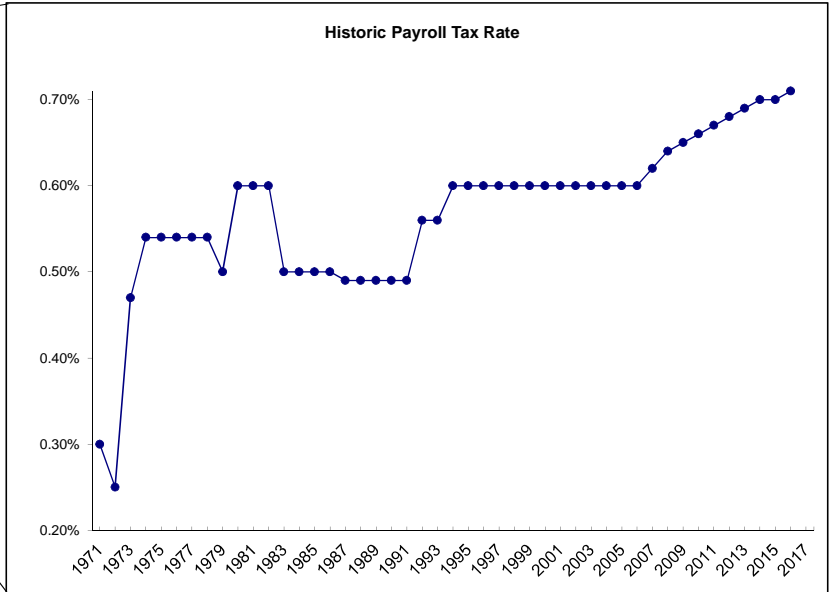
June 30	RideSource Regular Fare	RideSource Escort Fare	RideSource Shopper Fare (Roundtrip)	RideSource Ten-Ride Ticket Book	Tokens Package of 5 Adult	Ten-Ride Ticket Book Adult	Ten-Ride Ticket Book Reduced
2017	\$ 3.50	\$ 3.50	\$ 2.00	\$ 35.00	\$ discontinued	\$ 16.00	\$ 8.00
2016	\$ 3.50	\$ 3.50	\$ 2.00	\$ 35.00	\$ discontinued	\$ 16.00	\$ 8.00
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

## LANE TRANSIT DISTRICT Comparative Payroll Tax Information Last Twenty Years

PAYROLL TAX REVENUE	
Fiscal Year	Amount
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
FY 2015-16	34,394,558
FY 2016-17	32,827,455



HISTORIC PAYROLL TAX RATE	
Date Implemented	Rate
January, 1 2017	0.72%
January, 1 2016	0.71%
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%



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

## **Report of Independent Auditors on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Oregon Municipal Auditing Standards***

Board of Directors  
Lane Transit District, Oregon

We have audited the basic financial statements of Lane Transit District, Oregon (District), as of and for the year ended June 30, 2017, and have issued our report thereon dated February 2, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

### **Compliance**

As part of obtaining reasonable assurance about whether the District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-0000 to 162-10-0330, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

- The accounting records and related internal control structure.
- The use of various depositories to secure the deposit of public funds.
- The requirements relating to the preparation, adoption, and execution of the annual budgets for fiscal years 2018 and 2017.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.
- The statutory requirements pertaining to the investment of public funds.
- The requirements pertaining to the awarding of public contracts and the construction of public improvements.

However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. Except as discussed below, the results of our test disclosed no instances of noncompliance that are required to be reported under *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Oregon Secretary of State.

## **Budget Document**

The 2017-18 proposed and adopted budget documents didn't contain the Oregon Department of Revenue's entire prescribed contents. The actual amounts for the second preceding year, fiscal year 2014-15, was omitted.

## **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 (internal control) 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.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control that we consider to be a material weakness, which is reported in the *Government Auditing Standards* report issued under separate cover as finding 2017-001.

## **Purpose of the Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julie Desimone, Partner  
for Moss Adams LLP  
Portland, Oregon  
February 2, 2018