

CENTRAL OREGON COMMUNITY COLLEGE

FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

CENTRAL OREGON COMMUNITY COLLEGE

DISTRICT OFFICIALS

JUNE 30, 2019

Chairperson

Laura Cooper
Zone 2

Vice Chairperson

Erica Skatvold
Zone 4

Board Members

Joe Krenowicz
Zone 1

Laura Cooper
Zone 2

Alan Unger
Zone 3

Jim Clinton
Zone 5

Bruce Abernethy
Zone 6

Oliver Tatom
Zone 7

President

Shirley I. Metcalf

Chief Financial Officer

David Dona

CENTRAL OREGON COMMUNITY COLLEGE

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INDEPENDENT AUDITORS' REPORT

Board of Officials
Central Oregon Community College
Bend, Oregon

We have audited the accompanying financial statements of Central Oregon Community College and Central Oregon Community College Foundation, its discretely presented component unit, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Central Oregon Community College'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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 Central Oregon Community College and Central Oregon Community College Foundation as of June 30, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and other information starting on page 4, be presented to supplement the basic financial statements. Such information, although not 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 management's discussion and analysis in accordance 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.

Accounting principles generally accepted in the United States of America require that the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Government 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. 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 budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards and Other Information


In accordance with Government Auditing Standards, we have also issued our report dated December 18, 2019, on our consideration of Central Oregon Community College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Central Oregon Community College's basic financial statements as a whole. The Supplemental Information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements. The Supplemental Information and Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and directly relate to the underlying accounting and other records used to prepare the 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion, is fairly stated in all material respects when considered in relation to the financial statements taken as a whole.

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued a report titled "Independent Auditors' Report Required by State Regulations" dated December 18, 2019, which is also a required part of the financial statements. The purpose of the report is to address specific matters required by the State of Oregon.

Price Fronk & Co.
Certified Public Accountants & Consultants

By: 

Wesley B. Price III – a partner
December 18, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

CENTRAL OREGON COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

This section of Central Oregon Community College District (the College) Annual Financial Report presents management's discussion and analysis (MD&A) of the College's financial activities during the fiscal year ended June 30, 2019. The purpose of the MD&A is to assist readers in understanding the accompanying financial statements by providing an analysis of the College's financial activity based on currently known facts and conditions. Management prepares this discussion, and is responsible for the completeness and reliability of the information. This discussion should be read in conjunction with the financial statements and related footnote disclosures.

Accounting Standards

The financial statements have been prepared in accordance with Governmental Accounting Standards Board Statement Number 35 (Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities), adopted the fiscal year ended June 30, 2003. The financial statements also include discrete presentations of financial activities for the College's independent Foundation in accordance with Governmental Accounting Standards Board Statement Number 39 (Determining Whether Certain Organizations Are Component Units) and Governmental Accounting Standards Board Statement Number 61 (The Financial Reporting Entity: Omnibus). The College implemented Governmental Accounting Standards Board Number 68 (Accounting and Financial Reporting for Pensions) for the fiscal year ended June 30, 2015.

Overview of the Financial Statements

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

- *The Statement of Net Position* presents information on the College's financial position at the end of the fiscal year and includes all assets and liabilities with the net difference reported as net position. Over time, increases or decreases in the net position are an indicator of the improvement or deterioration of the College's financial health. Assets and liabilities are generally measured using current values; capital assets are stated at historical cost, less an allowance for depreciation.
- *The Statement of Revenues, Expenses, and Changes in Net Position* presents the revenues earned and the expenses incurred during the year. Revenues and expenses are generally reported using the accrual basis of accounting, or as soon as the underlying event giving rise to the change occurs, regardless of when cash is exchanged. Thus, revenues and expenses are reported in this statement for some items that will affect cash flows in future fiscal periods. Utilization of long-term capital assets is reported in the financial statements as depreciation expense, which amortizes the cost of assets over their estimated

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MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

useful lives. Revenues and expenses are reported as either operating or non-operating. The primary sources of operating revenues include tuition, fees, and grants. State appropriations and property taxes are classified as non-operating revenues. Because of the College's dependency on state aid and property tax revenue, this statement presents an operating loss.

- *The Statement of Cash Flows* presents information on cash flows from operating activities, noncapital financial activities, capital financing activities and investment activities. It provides the net increase or decrease in cash between the beginning and end of the fiscal year. This statement assists the reader in evaluating the College's financial viability and its ability to meet financial obligations as they become due.
- *The Notes to the Basic Financial Statements* provides additional information that is essential to a full understanding of the data provided in the entity-wide financial statements.

Financial Highlights

- The College's financial position as of June 30, 2019, consists of total assets and deferred outflows of \$157.5 million, liabilities and deferred inflows of \$105.7 million, and net position of \$51.8 million, a decrease of \$7.5 million from the prior year. GASB Statement Nos. 68 requires the College to accrue pension assets, liabilities and related deferred inflows and deferred outflows of resources. Due to changes in the actuarial assumptions, pension assets increased by \$1.6 million and pension liabilities increased by \$ 5.1 million, resulting in a \$3.5 million operating expense adjustment. Unrestricted fund balance is now reported as a \$ 4.7 million deficit balance compared to last year's positive balance of \$1.4 million.
- Student credit enrollment decreased by 5.9% from the prior year. Declining enrollment impacted bookstore, food services, and residence hall revenues, resulting in a 9.6% percent decrease in Auxiliary Enterprise revenues.
- Property tax revenues for operations increased \$935 thousand due to increasing property values and new construction. Other impacts on property taxes include voter approved Measure 5 and Measure 50. Measure 5 limits the maximum allowable tax to \$5 for each \$1,000 of real market value on property assessed by all public school districts including community colleges. Measure 50 further limits future annual property tax growth to 3.0 percent of assessed value. The total property taxes received of \$20.5 million by the college district includes taxes for the annual debt service for the voter approved general obligation bonds issued in June 2010.
- The State Aid for student reimbursement decreased \$5.2 million due to the State's deferral of the biennium's 8th quarter community college support fund payment for 2018-19 received in 2019-20. State Aid payments were historically made quarterly in August, October, January and April each year. In 2003, the Oregon Legislature began delaying the eighth quarter payment in each biennium until July of the

CENTRAL OREGON COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

following fiscal year. The Oregon local budget law was amended to allow community colleges to accrue the delayed payment, which is reported within the budgetary basis statements. The basic financial statements, which are prepared using the full accrual accounting basis, report the eighth quarter delayed payment as revenue in the year received. This reporting timing difference between the two sets of statements is illustrated below.

<u>Fiscal Year</u>	<u>Number of State Aid Payments</u>		<u>Amount (in thousands, 000's)</u>	
	<u>Full Accrual Statements</u>	<u>Budgetary Basis Statements</u>	<u>Full Accrual Statements</u>	<u>Budgetary Basis Statements</u>
2013-14	5	4	\$ 8,013	\$ 6,739
2014-15	3	4	5,721	7,577
2015-16	5	4	11,266	9,411
2016-17	3	4	6,958	9,321
2017-18	5	4	11,662	9,299
2018-19	3	4	6,012	7,847

Analysis of the Statement of Net Position

The Statement of Net Position includes all assets and liabilities of the College using the accrual basis of accounting. Net position is the difference between assets and liabilities and is one measure of the College's financial condition.

CENTRAL OREGON COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

The comparative Statement of Net Position is provided below:

STATEMENT OF NET POSITION

	2019	2018	Change	% Change
In thousands of dollars (000's)				
Assets				
Current assets	\$ 32,227	\$ 34,535	\$ (2,308)	-7.2%
Capital assets, net depreciation	98,282	101,971	(3,689)	-3.8%
Non-depreciable assets	3,957	3,989	(32)	-0.8%
Other noncurrent assets	8,700	8,998	(298)	-3.4%
Total Assets	143,166	149,493	(6,327)	-4.4%
Deferred outflows of resources				
Net pension deferred outflows	14,406	12,735	1,671	11.6%
Total Assets and Deferred Outflows	\$ 157,572	\$ 162,228	\$ (4,656)	-3.0%
Liabilities				
Current liabilities	\$ 8,380	\$ 7,917	\$ 463	5.5%
Net pension liability	35,258	31,356	3,902	11.1%
Noncurrent liabilities	59,564	62,268	(2,704)	-4.5%
Total Liabilities	103,202	101,541	1,661	1.6%
Deferred inflows of resources				
Net pension related deferred inflows	2,512	1,247	1,265	50.4%
Total Liabilities and Deferred Inflows	105,714	102,788	2,926	2.8%
Net Position				
Net investment in capital assets	49,090	50,588	(1,498)	-3.1%
Restricted	7,477	7,467	10	0.1%
Unrestricted	(4,709)	1,385	(6,094)	129.4%
Total Net Position	51,858	59,440	(7,582)	-14.6%
Total Liabilities and Net Position	\$ 157,572	\$ 162,228	\$ (4,656)	-3.0%

Current assets, which consist of pooled cash and investments, accounts receivable, and inventory, decreased \$2.3 million from the prior year. Cash balances decreased by \$2.1 million and accounts receivable decreased by \$362 thousand. Property taxes receivable increased slightly from prior year, while prepaid assets increased by

CENTRAL OREGON COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

\$103 thousand. Capital assets consist of land, buildings, equipment and land improvements net of accumulated depreciation. Capital assets decreased \$3.6 million due to new equipment purchases and building remodels, net of accumulated depreciation. Other noncurrent assets include a pension prepayment and the beneficial interest in a perpetual trust.

Current liabilities consist of accounts payable, interest payable, accrued expenses, unearned revenue and the current portion of long-term debt, which increased \$463 thousand from the prior year. Accounts payable increased \$309 thousand, and the current portion of long term debt increased \$180 thousand. Included in the noncurrent liabilities are long-term obligations in the form of full faith & credit bonds, pension obligation bonds, general obligation bonds, capital leases, net pension liability and other post-employment benefits (OPEB). The net pension liability increased \$3.9 million due to changes in actuarial assumptions, offset by a \$2.7 million decrease in noncurrent liabilities due to debt service payments.

The College implemented GASB Statement Nos. 68 in 2015, which requires the College to recognize deferred inflows, and deferred outflows of resources and the associated pension liability as long-term obligations. The net pension liability represents the College's proportionate share of the Oregon Public Employees Retirement System (PERS). The asset net pension deferred outflows increased \$1.7 million and net pension liabilities (net of deferred inflows) increased \$5.2 million resulting in an increase in operating expenses of \$3.5 million. These changes do not have a long-term impact on the budgetary basis statements where the college reports actual pension payments made to PERS.

Net position is the difference between total assets and total liabilities. The College reports investment in capital assets (land, buildings, and major equipment) at historical cost, net of accumulated depreciation and less any debt used to acquire those assets. The College has \$49 million (95%) of total net position invested in capital assets, \$7.5 million (14%) is restricted primarily for construction, and negative \$4.8 million (-9%) is unrestricted. The change in unrestricted from a positive to a negative balance reflects changes in actuarial assumptions for the pension asset and liabilities.

Analysis of Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents the combination of operating and non-operating revenue and expenses during the year, with the difference increasing or decreasing the College's net position. GASB standards require the College to categorize revenues as either operating or non-operating. Operating revenues include tuition, fees, grants, contracts and sales and services of various self-supporting operations. Although property taxes and State appropriations are budgeted as operating revenues, under GASB standards these funding sources are reported as non-operating revenues. The comparative Statement of Revenues, Expenses and Changes in Net Position is provided below:

CENTRAL OREGON COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2019	2018	Change	% Change
<i>In thousands of dollars (000's)</i>				
Operating Revenue				
Student tuition and fees	\$ 11,335	\$ 10,993	\$ 342	3.0%
Grants and contracts	2,054	2,078	(24)	-1.2%
Sales of goods and services	5,984	5,745	239	4.0%
Other operating revenue	1,062	1,086	(24)	-2.3%
Auxiliary enterprises	4,960	5,439	(479)	-9.7%
Total Operating Revenues	<u>25,395</u>	<u>25,341</u>	<u>54</u>	<u>0.2%</u>
Non-operating Revenues				
Federal appropriations	7,994	8,763	(769)	-9.6%
State appropriations	9,983	15,226	(5,243)	-52.5%
Property taxes	20,521	19,586	935	4.6%
Investment earnings	737	497	240	32.6%
Total Non-Operating Revenues	<u>39,235</u>	<u>44,072</u>	<u>(4,837)</u>	<u>-12.3%</u>
Total Revenues	<u>\$ 64,630</u>	<u>\$ 69,413</u>	<u>\$ (4,783)</u>	<u>-7.4%</u>
Operating Expenses				
Instruction	\$ 28,119	\$ 25,832	\$ 2,287	8.1%
Instructional support services	4,384	3,683	701	16.0%
Student services	11,979	12,596	(617)	-5.2%
College support service	8,046	6,990	1,056	13.1%
Plant operations and maintenance	4,710	6,649	(1,939)	-41.2%
Information and technology services	4,742	3,920	822	17.3%
Depreciation	4,243	4,243	0.0%	0.0%
Auxiliary enterprise	2,898	2,756	142	4.9%
Total Operating Expenses	<u>69,121</u>	<u>66,669</u>	<u>2,452</u>	<u>3.5%</u>
Non-operating Expenses				
Loss on disposal of capital assets	9		9	100.0%
Interest expense	3,082	3,030	52	1.7%
Total Non-operating Expenses	<u>3,091</u>	<u>3,030</u>	<u>61</u>	<u>2.0%</u>
Total Expenses	<u>72,212</u>	<u>69,699</u>	<u>2,513</u>	<u>3.5%</u>
Decrease in net position	<u>(7,582)</u>	<u>(286)</u>	<u>(7,296)</u>	<u>96.2%</u>
Net position - beginning of year as originally stated				
	59,440	59,448	(8)	0.0%
Prior period adjustment				
		278	(278)	
Net position - beginning of year as restated				
	<u>59,440</u>	<u>59,726</u>	<u>(286)</u>	<u>-0.5%</u>
Net position - end of year				
	<u>\$ 51,858</u>	<u>\$ 59,440</u>	<u>\$ (7,582)</u>	<u>-14.6%</u>

CENTRAL OREGON COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

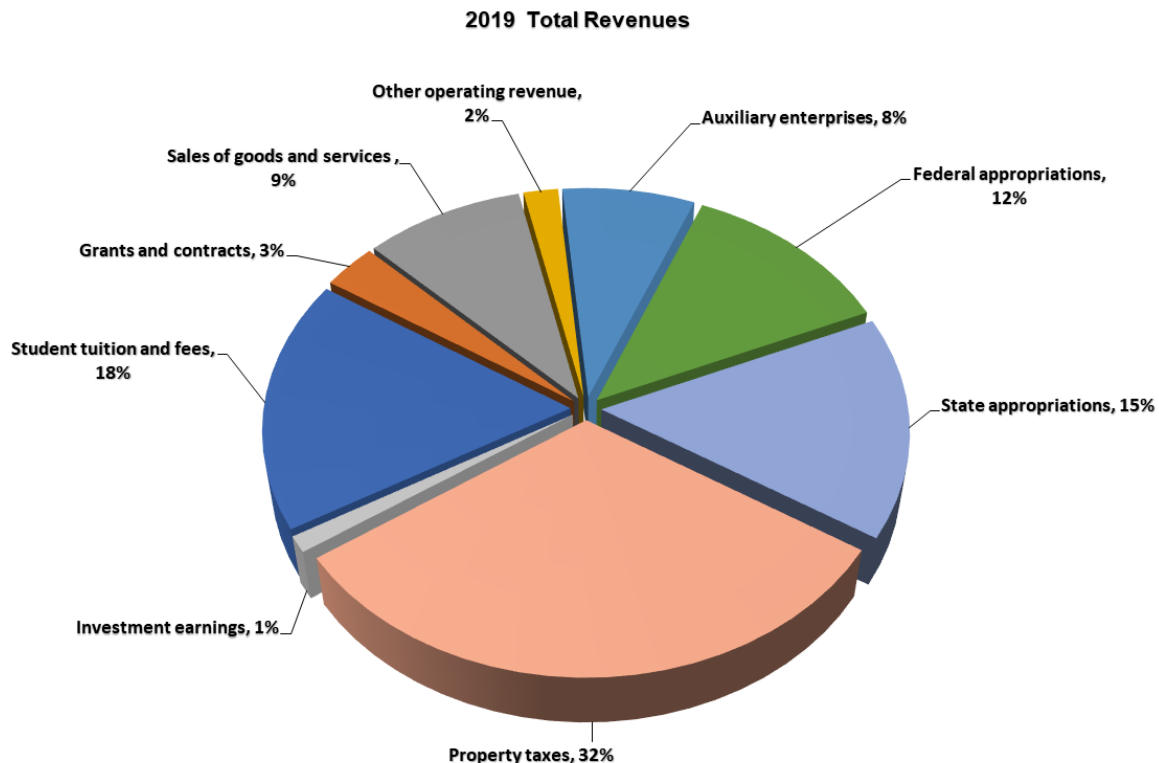
JUNE 30, 2019

Revenues

Operating revenues increased by \$55 thousand from the prior fiscal year. Tuition and fee revenues increased \$342 thousand due to an increase in the technology fee. Sales of goods and services increased \$239 thousand offset by decreases in other operating revenues and grants and contracts. Auxiliary enterprise revenues decreased \$478 thousand due to the decline in student enrollment and lower bookstore sales.

Non-operating revenues decreased \$4.8 million from the prior year. Federal appropriations decreased \$769 thousand due to a decrease in PELL financial aid awards. State appropriations decreased \$5.2 million due to the timing differences in State reimbursement payments. The College received three State Aid payments in 2019 and five payments in 2018, a timing difference of \$5.6 million. Offsetting this decrease is an increase of \$622 thousand in state grants. Property tax revenue increased \$935 thousand from increasing property values and new building construction. Total investment earnings increased \$240 thousand due to improved investment performance.

The following graph illustrates the total revenue sources for the College for the 2019 fiscal year. Federal appropriations now represent 12% of College revenues compared to 13% last year. State appropriations decreased to 15% from 22% while property taxes increased from 28% to 32%. Student tuition and fees increased by 2% from the prior year, while grants and contracts, sales of goods and services, auxiliary enterprises, and other revenue remained relatively flat from the prior year as a percentage of total revenues.



CENTRAL OREGON COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

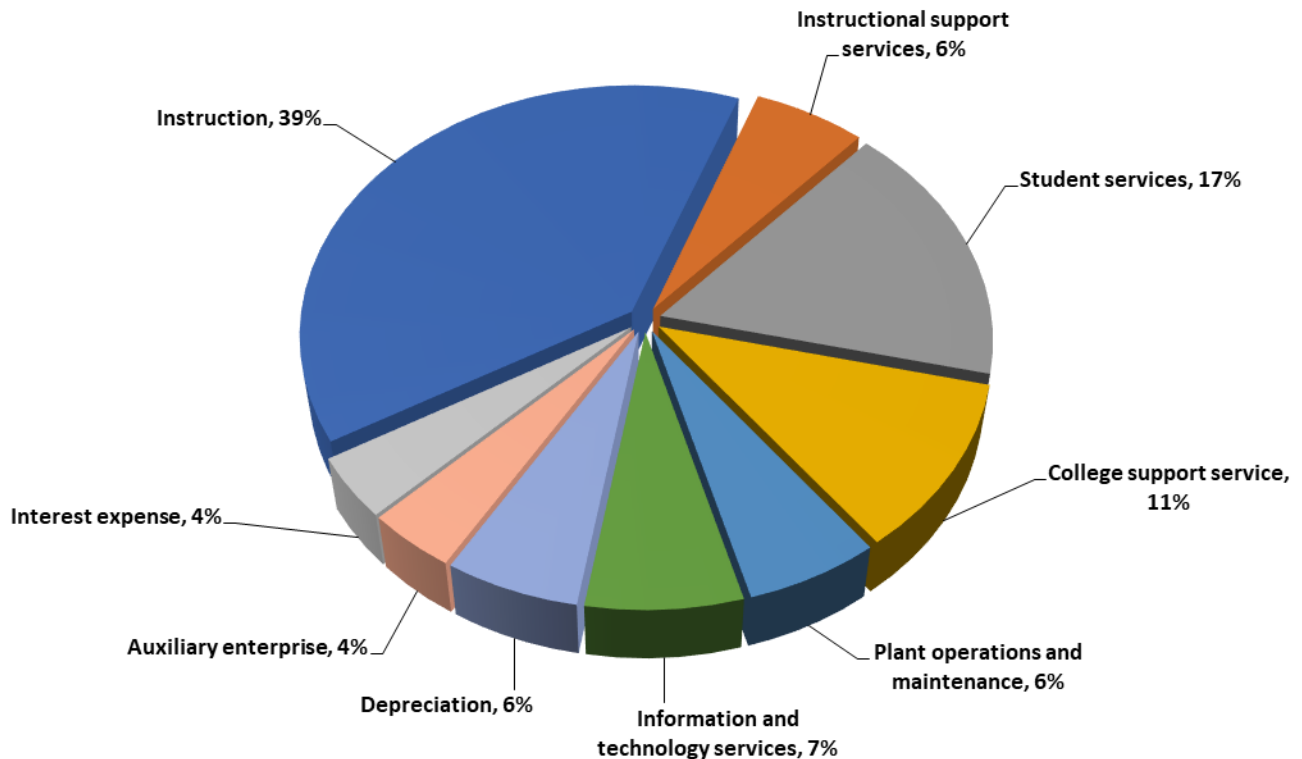
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Expenses

Operating expenses consist of salaries and payroll assessments, materials and services, utilities, grants and scholarships, and depreciation. Total operating expenses increased \$2.5 million from the prior year due to an increase in the pension liability adjustment of \$3.5 million, which is spread across all related payroll expense categories. Offsetting the increase in the pension liability is a decrease in outside services activities and repairs.

Non-operating expenses remain flat from the prior year. The following graph illustrates the total expenditures for the College for the 2019 fiscal year. Instruction and instructional support now represents 45% of College expenditures compared to 42% last year, while plant operations and maintenance decreased to 6% from 10%. All other categories of expense remained relatively flat from the prior year.

2019 Total Expenses



CENTRAL OREGON COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

Analysis of the Statement of Cash Flows

This statement provides a measurement of the College's financial health by providing information on the sources and uses of cash. It provides the user information on cash receipts and cash payments to help assess the College's ability to generate net cash flows, its ability to meet its obligations as they become due, and its need for external financing. The Statement of Cash Flows presents information on cash flows from operating activities, noncapital financial activities, capital financing activities, and investment activities. It provides the net increase or decrease in cash between the beginning and end of the fiscal year. This statement is reported using the direct method in accordance with Governmental Accounting Standards Board Statement Number 35 (Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities).

The comparative Statement of Cash Flows is provided below:

	STATEMENT OF CASH FLOW			
	<u>2019</u>	<u>2018</u>	<u>Change</u>	<u>% Change</u>
Cash flows from operating activities	\$ (35,091)	\$ (36,596)	\$ 1,505	-4.3%
Cash flows from noncapital financing activities	37,284	42,464	(5,180)	-13.9%
Cash flows from capital financing activities	(5,032)	(5,761)	729	-14.5%
Cash flows from investing activities	737	496	241	32.7%
Net increase (decrease) in cash and investments	(2,102)	603	(2,705)	128.7%
Cash and pooled investments - beginning of year	<u>29,769</u>	<u>29,166</u>	<u>603</u>	<u>2.0%</u>
Cash and pooled investments - end of year	<u>\$ 27,667</u>	<u>\$ 29,769</u>	<u>\$ (2,102)</u>	<u>-7.6%</u>

The largest sources of cash from operating activities include student tuition and fees, auxiliary enterprises and financial aid. Major uses of operating cash include payments for employees, facilities, and materials and supplies. Current accounting standards now require that cash payments from property taxes, state appropriations and federal appropriations be classified as noncapital financing activities even though colleges budget these revenues for operations. Other noncapital components include long-term debt service payments, change in other post-employment benefits payable, and changes in pension obligations. The use of cash from capital financing activities reflect the capital related long-term debt service payments, major equipment and building construction.

General Fund Budgetary Highlights

The general fund is the College's primary operating fund. It accounts for operational activities of the College except those designated or restricted activities accounted for in other funds. The general fund's actual ending fund balance totaled \$5.6 million, a decrease of \$422 thousand over the beginning balance. The \$786 thousand negative variance in total revenue reflects reductions to transfers-in (\$300 thousand), lower than budgeted

CENTRAL OREGON COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

tuition and fees (\$122 thousand), and lower than budgeted state appropriations (\$490 thousand). The reductions are offset by positive revenue changes for property taxes (\$157 thousand).

The budgetary savings in total expenditures of \$3 million are instruction \$1.2 million, student services \$506 thousand, college support services \$176 thousand, plant operations and maintenance \$298 thousand, information and technology services \$509 thousand and \$300 thousand operating contingency. Across all appropriation categories salaries were under budget by \$1.1 million, payroll assessments by \$903 thousand, materials and services by \$723 thousand and operating contingency by \$300 thousand.

GENERAL FUND SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE SUMMARY

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget Over (Under)</u>	<u>% Variance</u>
<i>In thousands of dollars (000's)</i>				
Resources				
Local:				
Property taxes	\$ 17,098	\$ 17,255	\$ 157	0.9%
Tuition and fees	17,028	16,906	(122)	-0.7%
Investment earnings	15	68	53	353.3%
Other operating revenue	190	106	(84)	-44.2%
Intergovernmental:				
State appropriations	8,337	7,847	(490)	-5.9%
Transfer-in from other funds	2,191	1,891	(300)	-13.7%
Total Resources	<u>44,859</u>	<u>44,073</u>	<u>(786)</u>	<u>-1.8%</u>
Expenditures				
Instruction and instructional support ser	25,933	24,726	(1,207)	-4.7%
Student services	4,833	4,327	(506)	-10.5%
College support services	5,840	5,664	(176)	-3.0%
Plant operations and maintenance	4,849	4,551	(298)	-6.1%
Information and technology services	4,963	4,454	(509)	-10.3%
Financial aid	295	273	(22)	-7.5%
Operating contingency	800	500	(300)	-37.5%
Total Expenditures	<u>47,513</u>	<u>44,495</u>	<u>(3,018)</u>	<u>-6.4%</u>
Beginning fund balance	<u>5,950</u>	<u>6,013</u>	<u>63</u>	<u>1.1%</u>
Ending fund balance	<u>\$ 3,296</u>	<u>\$ 5,591</u>	<u>\$ 2,295</u>	<u>69.6%</u>

CENTRAL OREGON COMMUNITY COLLEGE

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JUNE 30, 2019

Capital Assets

The College records all capital assets at historical cost with associated accumulated depreciation. The College added \$300 thousand in capital assets before depreciation this fiscal year. The comparative Summary of Capital Assets presented below identifies the capital assets by categories and amounts.

SUMMARY OF CAPITAL ASSETS

	<u>2019</u>	<u>2018</u>	<u>\$ Change</u>	<u>% Change</u>
Land and land improvements	\$ 10,753,215	\$ 10,726,697	\$ 26,518	0.2%
Construction work in progress	16,150	49,785	(33,635)	-208.3%
Buildings	128,604,988	128,173,438	431,550	0.3%
Equipment/library books/art	11,363,243	11,487,605	(124,362)	-1.1%
Change in capital assets	150,737,596	150,437,525	300,071	0.2%
Accumulated depreciation	<u>(48,498,327)</u>	<u>(44,477,867)</u>	<u>(4,020,460)</u>	<u>8.3%</u>
Net Capital Assets	<u>\$ 102,239,269</u>	<u>\$ 105,959,658</u>	<u>\$ (3,720,389)</u>	<u>-3.6%</u>

Debt Administration

As of June 30, 2019, the College had \$60.6 million in outstanding long-term debt, a decrease of \$2.6 million from the prior year. The decrease reflects the long-term debt principal payments. The Oregon Revised Statutes limits bonded indebtedness to 1.5 percent of real market value of property within the college district for the outstanding principal amount of general obligation bonds. The College may levy property taxes in the amount required to pay annual debt service of general obligation bonds. The College has an underlying credit rating of AA issued by Standard & Poor's. The following table summarizes the long-term debt by type of debt instrument and amount.

OUTSTANDING LONG-TERM DEBT AS OF JUNE 30, 2019

Full Faith & Credit Bonds	\$ 19,677,791
Pension Obligation Bonds	7,379,726
General Obligation Bonds	33,471,935
Capital Lease	<u>47,127</u>
	<u>\$ 60,576,579</u>

CENTRAL OREGON COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

Future Economic Outlook

The College relies on three primary sources of operating revenue and support; 1) State Aid support from the State's community college support fund; 2) current and prior year property taxes; 3) student tuition and fees.

The State of Oregon continues to experience strong economic growth throughout most areas of the state. The impacts of a robust construction sector, low interest rates and high levels of employment has dramatically improved Oregon's financial condition. High levels of employment and strong corporate earnings are particularly important as individual and corporate income taxes represent the largest source of revenue for the State's general fund. As part of the State's 2019-2021 biennial budget process, the budget appropriation for the community college support fund (CCSF) increased from \$570 million to \$640 million, an increase of \$70 million (12%). The Oregon Higher Education Coordinating Commission (HECC) had requested \$647 million for the CCSF, an increase of \$77 million (14%) over the current CCSF funding level for the 2019-2021 biennium. The State utilizes a distribution formula to distribute funding from the community college support fund to Oregon's 17 community colleges. Numerical elements such as property taxes and student enrollment within the funding formula will affect the amount each college receives. State Aid to COCC now represents 19 percent of the College's general fund budget for the current year.

Property tax revenue represents 39 percent of the current year's general fund budgeted revenue and the largest single source of revenue for general operations. The financial health, economic vitality and population growth of the College district impacts property values and associated property taxes. The college district is large covering 10,000 square miles and encompasses all of Crook, Deschutes and Jefferson counties, as well as parts of Wasco, Lake and Klamath counties. Like most areas throughout the country, the college district is diverse with some communities experiencing strong economic growth and full employment while other communities are experiencing slower economic growth and lower employment levels. Property tax revenue for current year operations is projected to increase to \$18 million, an increase of \$886 thousand (5%) from the prior fiscal year. Property values are anticipated to increase for the next decade.

The College experienced unprecedented student enrollment growth during the period of 2008 – 2012, with credit enrollment growing 110 percent. Large numbers of individuals returned to college due to job losses and high levels of unemployment. The 5.9 percent enrollment decline for fiscal year 2019 was the seventh year of enrollment declines since reaching the peak enrollment year of 2012. This student enrollment decline is expected to continue for fiscal year 2020. Colleges and universities throughout the state and nationally continue to experience declines in student enrollment as current students continue to graduate or cycle-out at a rate higher than newly admitted students. Community college student enrollment levels tend to be countercyclical with the economy. When the economy improves and employment levels rise, student enrollment levels commonly decline. The unemployment rates (4.2% – 5.1%) for the college's district remain at historic lows.

CENTRAL OREGON COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

Requests for Information

This financial report is designed to provide citizens, taxpayers, students, creditors and other stakeholders with a general overview of the College's financial position, accountability of resources, and stewardship of facilities. If you have questions or would like to request additional information, contact the Fiscal Services Department at 2600 NW College Way, Bend, Oregon, 97703.

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

CENTRAL OREGON COMMUNITY COLLEGE

STATEMENT OF NET POSITION JUNE 30, 2019

	College	Foundation
ASSETS		
Current Assets		
Pooled cash and investments	\$ 27,667,437	\$ 23,772,935
Cash surrender value of life insurance benefit		45,597
Cash with county treasurers	118,371	
Property taxes receivable	601,315	
Accounts receivable	3,761,549	100,255
Allowance for uncollectible accounts	(321,507)	
Prepays and advances	103,765	
Inventory	296,074	
Total current assets	32,227,004	23,918,787
Noncurrent Assets		
Beneficial interest in perpetual trust	1,319,745	1,166,653
Pension prepayment	7,379,726	
Land	3,327,690	
Construction work in process	16,150	
Other non-depreciable assets	613,802	
Capital assets - net of accumulated depreciation	98,281,627	
Total noncurrent assets	110,938,740	1,166,653
Deferred Outflows of Resources		
Pension related	14,305,167	
OPEB related	101,148	
Total deferred outflows of resources	14,406,315	
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 157,572,059	\$ 25,085,440
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 4,786,921	\$ 53,566
Interest payable	132,942	
Accrued expenses	658,318	
Unearned revenue	225,949	
Current portion of bonds and notes payable	2,576,429	
Total current liabilities	8,380,559	53,566
Noncurrent Liabilities		
Other post employment benefits payable	1,563,604	
Net pension liability	35,258,079	
Bonds and notes payable - net of current portion	58,000,150	
Total noncurrent liabilities	94,821,833	
Deferred Inflows of Resources		
Deferred pension inflows of resources	2,511,501	
TOTAL LIABILITIES AND DEFERRED INFLOWS	105,713,893	53,566
NET POSITION		
Net Investments in Capital Assets	49,089,542	
Restricted		
Capital projects	5,468,710	
Permanent non-expendable endowment	1,549,733	
Student scholarships		3,489,217
Debt service	304,933	
Unrestricted	(4,554,752)	21,542,657
TOTAL NET POSITION	51,858,166	25,031,874
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 157,572,059	\$ 25,085,440

See notes to the basic financial statements

CENTRAL OREGON COMMUNITY COLLEGE

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2019

	College	Foundation
Operating Revenue		
Tuition and fees	\$ 11,335,035	\$
Operating gifts, grants and contracts	2,054,039	1,639,137
Sales and other services	6,203,344	
Other operating revenue	842,689	235,756
Auxiliary Enterprises		
College Bookstore	1,557,233	
Food Service Operations	1,364,886	
Residence Hall	2,038,452	
Total operating revenue	25,395,678	1,874,893
Operating Expenses		
Instruction	28,119,056	
Instruction support	4,384,110	
Student services	11,979,461	
College support services	8,046,067	2,137,854
Plant operations and maintenance	4,709,704	
Information technology services	4,741,623	
Depreciation	4,242,983	
Auxiliary Enterprises		
College Bookstore	1,657,715	
Food Service Operations	735,472	
Residence Hall	505,039	
Total operating expense	69,121,230	2,137,854
TOTAL OPERATING LOSS	(43,725,552)	(262,961)
Non-operating Revenue (Expenses)		
Federal appropriations	7,994,343	
State appropriations	9,983,364	
Property taxes	20,520,802	
Investment earnings	736,570	1,904,916
Interest expense	(3,081,783)	
Loss on disposal of capital assets	(9,107)	
Net Non-operating Revenue	36,144,189	1,904,916
Increase (decrease) in net position	(7,581,363)	1,641,955
Net position - beginning of year	59,439,529	23,389,919
Net position - end of year	\$ 51,858,166	\$ 25,031,874

See notes to the basic financial statements

CENTRAL OREGON COMMUNITY COLLEGE

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2019

	College
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 25,732,416
Cash payments for goods and services	(22,031,481)
Cash payments to employees	(38,791,529)
Net cash used by operating activities	(35,090,594)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Cash received from federal appropriation	7,994,343
Cash received from state appropriation	9,983,364
Cash received from property taxes	20,487,790
Change in beneficial interest in perpetual trust	(14,810)
Principal paid on long-term debt	(313,469)
Interest paid on long-term debt	(853,072)
Net cash provided by noncapital financing activities	37,284,146
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition of buildings, improvements and equipment	(531,698)
Principal paid on capital-related long-term debt	(2,082,222)
Interest paid on capital-related long-term debt	(2,418,506)
Net cash used by capital financing activities	(5,032,426)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investment income	736,570
Net cash provided by investing activities	736,570
Net decrease in cash and pooled investments	(2,102,304)
Cash and pooled investments - beginning of year	29,769,741
Cash and pooled investments - end of year	\$ 27,667,437
Reconciliation of operating loss to net cash flows from operating activities:	
Operating loss	\$ (43,725,552)
Adjustments to reconcile operating loss to net cash provided by (used) by operating activities:	
Depreciation	4,242,983
Loss on disposal of capital assets	9,107
(Increase) decrease in:	
Receivables	355,589
Prepaid expenses	(103,165)
Inventory	1,556
Pension prepayment	313,469
Deferred pension outflows of resources	(101,148)
Deferred OPEB outflows of resources	(1,570,545)
Increase (decrease) in:	
Accounts payable	309,677
Accrued expenses	(3,942)
Unearned revenue	(18,851)
Other post employment benefits payable	33,479
Net pension liability	3,902,236
Deferred pension inflows of resources	1,264,513
Net Cash Used By Operating Activities	\$ (35,090,594)

See notes to the basic financial statements

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity

Central Oregon Community College, (the College), located in Bend, Oregon, is an accredited two-year Oregon community college serving the residents of Central Oregon. The College encompasses all of Crook, Deschutes, and Jefferson counties and portions of Klamath, Lake, and Wasco counties. Founded in 1949 as an extension of Deschutes County School District No. 1, the College was separated from School District No. 1, extended to cover its present geographic area, and established as an independent taxing District in 1962.

The accompanying financial statements present the College and its component unit (COCC Foundation), an entity whose primary purpose is for the financial benefit of the College. The Foundation is a legally separate nonprofit 501(c)(3) corporation with the purpose of providing funds to support the mission and students of the College. Although the Foundation selects its Board of Directors independently of the College, the Foundation is a component unit as defined in Governmental Accounting Standards Board Statement No. 39 because of the nature and significance of its financial relationship with the College and its students.

Basis of Presentation

The financial statements of the College have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, and Statement No. 35, *Basic Financial Statements and Management’s Discussion and Analysis of Public College and Universities*, issued in June and November, 1999, as amended by Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, issued June 2011. The College follows the “business-type activities” reporting requirements of GASB Statement No. 35 that provides a comprehensive one-column look at the College’s financial activities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing accounting and financial reporting principles.

Basis of Accounting

The financial statements are presented on a full accrual basis of accounting with an economic resource measurement focus. All transactions and events that affect the total economic resources (net position) during the period are reported. An economic resources measurement focus is inextricably connected with full accrual accounting. Under the full accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash inflows and outflows.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Accounting – Continued

The College distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with a proprietary fund's principle ongoing operations. Operating expenses include the cost of sales and services, administrative expenses and overheads, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Use of Resources

It is the College's policy to first apply unrestricted resources when an expense is incurred for the purposes for which both restricted and unrestricted net position is available.

Cash, Cash Equivalents and Investments

Cash and cash equivalents includes amounts in demand deposits, the Oregon Local Government Investment Pool and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the College to invest in obligations of the U.S. Treasury and U.S. Government agencies, commercial paper, repurchase agreements, and the State of Oregon Local Government Investment Pool.

The College's investments as of June 30, 2019, consist of certificates of deposit and deposits in the State of Oregon Local Government Investment Pool, which is managed and monitored by the Oregon State Treasurer. Investments are recorded at cost, which approximates market value. The carrying value of the pool approximates the fair value of pool shares.

Receivables

All accounts, grants and property taxes receivable are shown net of an allowance for uncollectible accounts. Accounts receivable included amounts due from local, state and federal agencies for programs and from students for the balance of tuition and fees.

Property taxes receivable at year end are recognized as revenue. An allowance for doubtful accounts is not deemed necessary, as uncollectible taxes become a lien on the property. Property taxes are levied and become a lien on July 1. Collection dates are November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Inventory

Inventories are stated using the cost (first-in/first-out) method. Inventories consist of books and supplies and are charged to expense when sold or used.

Restricted Assets

Assets whose use is restricted for construction, debt service or by other agreement are segregated by category in the Statement of Net Assets.

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of net 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 future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net 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 future periods and so will not be recognized as an inflow of resources (revenue) until then.

Capital Assets

Capital assets consist of land, buildings, improvements and equipment. Capital assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at estimated fair value as of the date of the donation. Capital assets are defined by the College as assets with an initial, individual cost of \$5,000 or more for machinery and equipment and a cost of \$25,000 or more for improvements and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs for repairs and maintenance are expensed as incurred.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Capital Assets – Continued

Depreciation is recorded as an expense in the Statement of Revenue, Expenses and Changes in Net Position with accumulated depreciation reflected in the Statement of Net Position and is provided on the straight-line basis over the following estimated useful lives:

	Years
Buildings and improvements	40
Improvements other than buildings	15-20
Machinery and equipment	3-15

A prorated amount of depreciation is taken in the year the assets are acquired or retired. Gains or losses from sales or retirements of capital assets are included in operations of the current period. In the fund financial statements, acquisition of capital assets is reported as an expenditure.

Compensated Leave

Accumulated vacation leave is recorded in the fund obligated for such benefits. Compensated leave is recorded as an expense and liability as benefits accrue to the employee.

Pensions

Public Employees Retirement System. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Healthcare Benefits Obligation (OPEB)

Public Employees Retirement System. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Federal Financial Assistance Programs

The College participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, Federal Direct Lending, and Perkins Loans programs. Federal programs are audited in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Scholarship Allowances

Financial aid to students is reported in the basic financial statements under the alternative method as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid such as loans, funds provided to students as awarded by third parties, and Federal Direct Lending is accounted for as a third party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the basic financial statements as operating expenses, or scholarship allowances, which reduce revenues. The amount reported as operating expenses represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on a college basis by allocating the cash payments to students, excluding payment for services, on the ratio of total aid to the aid not considered to be third party aid. The following operating expenses are shown net of scholarship allowances in the amount of:

Student services	\$ 4,623,033
Auxillary enterprises	
College bookstore	140,936
Food service operations	345,934
Residence hall	<u>460,688</u>
Total Scholarship Allowance	<u>\$ 5,570,591</u>

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 2 – BUDGET COMPLIANCE

The College is subject to provisions of the Oregon Revised Statutes which set forth local budget procedures. A budget is prepared for each governmental fund type on the modified accrual basis of accounting. Proprietary fund types and non-expendable trusts are budgeted on the full accrual basis of accounting. Expenditure budgets are appropriated at the program level. Budgeted expenditures at the appropriation level may not be legally overspent. Budgetary information is presented in the Required Supplemental Information section of this report as listed in the table of contents.

The College may, however, approve additional appropriations for reimbursable grant expenditures, which could not be reasonably estimated at the time the budget was adopted. Additionally, budgets may be modified during the fiscal year by the use of appropriation transfers between legal categories. Such transfers require the approval of the Board of Directors.

A supplemental budget may be approved if an occurrence or need exists which had not been ascertained at the time the budget was adopted. Budget amounts shown in the financial statements include the original budget and budget transfers.

Transfers of general operating contingency appropriations which in aggregate during a fiscal year exceed fifteen percent of the total appropriations of the fund may only be made after adoption of a supplemental budget prepared for that purpose.

When the estimated total expenditures contained in a supplemental budget for a fiscal year result in an amount of estimated total expenditures, by the municipal corporation for that fiscal year, that differs by ten percent or more of any individual fund contained in the regular budget for that fiscal year, the supplemental budget, or summary thereof, shall be published. The governing body shall then hold a public hearing on the supplemental budget prior to adoption.

Transfers of appropriations from one fund to another or from one appropriation level to another must be authorized by official resolution or ordinance of the governing body. The resolution or ordinance must state the need for the transfer, the purpose for the authorized expenditures and the amount of the appropriation transferred.

NOTE 3 – POOLED CASH AND INVESTMENTS

The College's investment of cash funds is regulated by Oregon Revised Statutes. Under these guidelines, cash funds may be invested in bank accounts, general obligation issues of the United States, its agencies, and certain states, commercial paper and certain guaranteed investments issued by banks. The College invested in authorized investments during the year. The Oregon State Treasurer's Investment Pool is carried at cost, which approximates market value at June 30, 2019. The Oregon State Treasurer's Investment Pool is characterized as a Level 2 fair value measurement in the Oregon Short Term Fund's audited financial report.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 3 – POOLED CASH AND INVESTMENTS – CONTINUED

The College and Foundation’s cash and investments at June 30, 2019, consist of the following:

	Security	College	Foundation
Cash and cash equivalents			
Cash on hand and other	N/A	\$ 12,350	\$
Demand deposits	FDIC & Collateral	1,442,674	2,283,831
		1,455,024	2,283,831
Investments			
Oregon State Treasurer's			
Investment Pool - Level 2	N/A	26,212,413	
Commonfund Investments			21,489,104
CSV New York Life			45,597
		26,212,413	21,534,701
Cash and investments, as reported in statement of net position		\$ 27,667,437	\$ 23,818,532

Deposits with Financial Institutions

The College and Foundation’s deposits with financial institutions are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). The College policy, in compliance with State Statutes, requires that deposits be covered by the FDIC and deposited in a qualified depository for public funds. Certain financial institutions have pledged they will cover deposits of public funds in any one of the group’s banks. The banks that have joined this group have been identified by the State Treasurer. The College only deposit funds in banks that have been approved by the Office of the State Treasurer. At June 30, 2019, the carrying amount of deposits in financial institutions was \$1,442,675 and \$2,283,831 and the balance per the bank statements was \$2,044,196 and \$2,338,914 for the College and Foundation, respectively. Of this amount, \$250,000 was covered by FDIC for each, the College and the Foundation, and \$1,192,675 and \$2,033,831 was collateralized by securities held by financial institutions acting as agents of the College and Foundation, respectively.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the College’s investment policy requires that investment portfolios have maturities of 18 months or less.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 3 – POOLED CASH AND INVESTMENTS – CONTINUED

Credit Risk

Oregon Revised Statutes limit investments in commercial paper and corporate bonds to those rated at least A-1 and AA respectively by a nationally recognized rating agency. The College investment policy does not further limit its investment choices. At June 30, 2019, the College was in compliance with the above state limitations. The State of Oregon Local Government Pool is unrated.

The Local Government Investment Pool is included in the Oregon Short Term Fund (OSTF) which was established by the State Treasurer. The Oregon Short Term Fund Board and the Oregon Investment Council regulate OSTF investments (ORS 294.805 to 294.895).

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of failure of counterparty, the College will not be able to recover the value of its investments that are in the possession of an outside party. The College did not have investments exposed to custodial credit risk at June 30, 2019.

NOTE 4 – PROPERTY TAXES

The College is currently subject to constitutional property tax limitation on property taxes for schools and non-school government entities. Under the provisions of the limitation, tax revenues are separated into those for public school systems, including community colleges and education service Colleges, and those for local government entities other than the public school system. The limitation specifies \$5 is the maximum allowable tax for each \$1,000 of real property value assessed on a property by all public school systems, including community colleges and education service districts. The limitation does not include taxes to repay bonded debt or certain special assessments.

Under the constitutional limitation, the maximum taxable assessed value of property for 1997-98 was reduced to 90% of each property's assessed value for the 1995-96 year. Increases to the assessed value are limited to 3% per year, with exceptions for new property and certain improvements. For the 1997-98 tax year, the total of most taxing district operating levies in the state were reduced by approximately 17%.

For subsequent years, the tax rates for each taxing district are permanently fixed based on the 1997-98 levy. Voters of a local taxing district may approve special levies limited to five years exceeding this limitation. Elections related to tax levies or bond measures require 50% of the registered voters to cast ballots to be valid except in May and November elections.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 4 – PROPERTY TAXES – CONTINUED

Taxes may be paid by the property owner by November 15 to receive a three percent discount. The installment method can also be used by the property owner, with one-third due November 15, February 15, and May 15, following the date of the lien. Unpaid taxes become subject to foreclosure four years after they become a lien on the property. Tax collections and foreclosure are the responsibility of the county tax collector and treasurer.

The Deschutes County assessor allocates property tax levies to the other counties included in the College's boundaries. The levy for the year ended June 30, 2019, by county, is as follows:

Deschutes County	\$ 15,009,031
Jefferson County	1,252,835
Crook County	1,588,223
Klamath County	289,029
Lake County	138,130
Wasco County	<u>8,005</u>
	<u>\$ 18,285,253</u>

NOTE 5 – RECEIVABLES

Accounts Receivable

All accounts, student loans, grants and property taxes receivable are shown net of an allowance for uncollectible accounts. Student loans receivable are recorded as tuition is assessed, or as amounts are advanced to students, under various federal student financial assistance programs. Allowance for uncollectible accounts is \$321,507 as of June 30, 2019.

Unreimbursed expenses from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenses are incurred. Grant funds received prior to the occurrence of qualifying expenses are recorded as deferred revenue.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 6 – CAPITAL ASSETS

The changes in the College's capital assets for governmental activities are as follows:

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
Capital Assets not being depreciated				
Land	\$ 3,327,690	\$	\$	\$ 3,327,690
Construction work in progress	49,785	16,150	(49,785)	16,150
Art and collectibles	611,207	2,595		613,802
	<u>3,988,682</u>	<u>18,745</u>	<u>(49,785)</u>	<u>3,957,642</u>
Capital Assets being depreciated				
Improvements	7,399,007	26,518		7,425,525
Buildings	128,173,438	431,550		128,604,988
Equipment and other	10,876,397	104,670	(231,626)	10,749,441
	<u>146,448,842</u>	<u>562,738</u>	<u>(231,626)</u>	<u>146,779,954</u>
Accumulated depreciation	<u>(44,477,866)</u>	<u>(4,242,979)</u>	<u>222,518</u>	<u>(48,498,327)</u>
	<u>\$ 105,959,658</u>	<u>\$ (3,661,496)</u>	<u>\$ (58,893)</u>	<u>\$ 102,239,269</u>

The changes in the Foundation's capital assets for governmental activities are as follows:

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
Computer equipment	\$ 9,702	\$	\$ (7,420)	\$ 2,282
Furniture and equipment	13,901		(8,926)	4,975
	23,603		(16,346)	7,257
Accumulated depreciation	<u>(22,953)</u>	<u>(650)</u>	<u>16,346</u>	<u>(7,257)</u>
	<u>\$ 650</u>	<u>\$ (650)</u>	<u>\$ -</u>	<u>\$ -</u>

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 7 – LONG-TERM DEBT

The College issued general obligation bonds to provide funds for the construction of capital facilities as approved by the electorate. The College is also obligated under full faith and credit obligations for the construction of capital facilities.

The College issued pension obligation bonds to offset a portion of the unfunded Oregon Public Employees Retirement Service (PERS) UAL liability. The unfunded liability is the difference between the retirement benefits that have accrued to College employees under PERS and the asset value available to pay for them. The pension obligation payments will be expensed to funds with payroll costs.

The following is a summary of the bond transactions and capital lease transactions for the year ended June 30, 2019:

Full Faith and Credit Obligations

April 16, 2014, original issue was \$20,965,000 interest rate of 4% to 5% payable semiannually, principal paid annually; including unamortized premium of \$362,791. \$ 19,677,791

General Obligation Bonds

June 17, 2010 Issue, original issue was \$41,580,000 interest rate of 2% to 4.75% payable semiannually, principal paid annually; including unamortized premium of \$1,616,935. 33,471,935

Pension Obligation Bonds

April 23, 2003 Issue, original issue was \$11,535,638, interest rate of 2.04% to 6.25% payable semiannually, principal paid annually. 7,379,726

Capital Lease

The College has entered into a contract with Financial Pacific Leasing, Inc. for \$94,325. Payments are \$24,976 per year at 3.97%. 47,127

\$ 60,576,579

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 7 – LONG-TERM DEBT – CONTINUED

The following changes in long-term debt occurred for the year ended June 30, 2019.

<i>Principal</i>						
<u>Issue</u>	<u>Beginning Balance July 1, 2018</u>	<u>Issued</u>	<u>Matured</u>	<u>Paid</u>	<u>Ending Balance June 30, 2019</u>	<u>Due Within One Year</u>
April 23, 2003	\$ 7,693,195	\$	\$ 313,470	\$ 313,470	\$ 7,379,725	\$ 313,324
June 17, 2010	33,480,000		1,625,000	1,625,000	31,855,000	1,785,000
April 16, 2014	19,750,000		435,000	435,000	19,315,000	455,000
Capital lease	69,349		22,222	22,222	47,127	23,105
	<u>60,992,544</u>		<u>2,395,692</u>	<u>2,395,692</u>	<u>58,596,852</u>	<u>\$ 2,576,429</u>
Unamortized premium	2,141,232			(161,505)	1,979,727	
Totals	<u>\$ 63,133,776</u>	<u>\$ -</u>	<u>\$ 2,395,692</u>	<u>\$ 2,234,187</u>	<u>\$ 60,576,579</u>	<u>\$ 2,576,429</u>

<i>Interest</i>				
<u>Issue</u>	<u>Outstanding Issued</u>	<u>Matured</u>	<u>Paid</u>	<u>Outstanding June 30, 2019</u>
April 23, 2003	\$	\$ 853,072	\$ 853,072	\$
June 17, 2010		1,593,250	1,593,250	
April 16, 2014		823,385	823,385	
Capital lease		1,871	1,871	
	<u>\$ -</u>	<u>\$ 3,271,578</u>	<u>\$ 3,271,578</u>	<u>\$ -</u>

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 7 – LONG-TERM DEBT – CONTINUED

Future maturities of long-term debt as are follows:

<u>Year Ended</u>	<u>Future Principal and Interest Requirements April 23, 2003 Issue</u>		<u>Future Principal and Interest Requirements June 17, 2010 Issue</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 313,324	\$ 913,218	\$ 1,785,000	\$ 1,530,350
2021	310,745	975,797	1,955,000	1,457,525
2022	308,180	1,038,362	2,150,000	1,364,663
2023	307,476	1,104,066	2,360,000	1,262,538
2024	1,135,000	346,542	2,580,000	1,150,438
2025-2029	5,005,000	664,233	16,775,000	3,629,592
2030-2033	<u> </u>	<u> </u>	<u>4,250,000</u>	<u>207,498</u>
	<u>\$ 7,379,725</u>	<u>\$ 5,042,218</u>	<u>\$ 31,855,000</u>	<u>\$ 10,602,604</u>

<u>Year Ended</u>	<u>Future Principal and Interest Requirements April 16, 2014 Issue</u>		<u>Future Principal and Interest Requirements Capital Lease</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 455,000	\$ 805,988	\$ 23,105	\$ 1,871
2021	475,000	787,788	24,022	954
2022	490,000	768,787		
2023	510,000	749,188		
2024	530,000	728,787		
2025-2029	2,990,000	3,302,338		
2030-2034	3,730,000	2,572,563		
2035-2039	4,565,000	1,732,813		
2040-2044	<u>5,570,000</u>	<u>727,374</u>		
	<u>\$ 19,315,000</u>	<u>\$ 12,175,626</u>	<u>\$ 47,127</u>	<u>\$ 2,825</u>

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 7 – LONG-TERM DEBT – CONTINUED

Year Ended	Future Principal and Interest Totals Requirements	
	Principal	Interest
2020	\$ 2,576,429	\$ 3,251,427
2021	2,764,767	3,222,064
2022	2,948,180	3,171,812
2023	3,177,476	3,115,792
2024	4,245,000	2,225,767
2025-2029	24,770,000	7,596,163
2030-2034	7,980,000	2,780,061
2035-2039	4,565,000	1,732,813
2040-2044	5,570,000	727,374
	\$ 58,596,852	\$ 27,823,273

NOTE 8 – PARTICIPATION IN PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description

General Information about the Pension Plan

The Oregon Public Employees Retirement Systems (PERS or the System) provides statewide defined benefit and defined contribution plans for eligible employers such as units of state government, political subdivisions, community colleges and school districts. For the District and other eligible employers that have joined the State and Local Government Rate Pool, PERS is a cost-sharing, multiple-employer system. PERS is administered under Oregon Revised Statutes (ORS) Chapter 238, 238A and Internal Revenue Code Section 401(a) by the Public Employees Retirement Board. The Board has the authority under state statutes to amend the Plan's benefits and contribution rates. PERS issues publicly available financial reports that include financial statements and required supplementary information. The reports can be obtained from the Oregon Public Employees Retirement System, PO Box 23700, Tigard, Oregon 97281-3700 or by calling 1-503-598-7377 or at www.oregon.gov/pers. The Plan currently covers 145,863 retired plan members (or their beneficiaries) receiving benefits, 32,687 inactive members not receiving benefits, 13,306 inactive plan members not eligible for refund or retirement, and 175,997 active members.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 8 – PARTICIPATION IN PUBLIC EMPLOYEES RETIREMENT SYSTEM – CONTINUED

Plan Description – Continued

The Plans offer retirement and disability benefits, post-employment healthcare benefits, annual cost of living increases and death benefits to Plan members and beneficiaries. Benefits differ depending upon employee entry date. PERS Tier One/Tier Two plans and the Oregon Public Service Employee's Retirement Plan (OPSRP) established for employees hired after August 29, 2003, are established by state statutes to provide benefits for state and local governments and their employees. The authority to establish and amend the benefit provisions of the Plan rests with the Oregon Legislature.

Benefits Provided

Tier one/tier two retirement benefit ORS Chapter 238

Pension Benefits. The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum payouts. The basic benefit is based on years of service and final average salary. A percentage (2.0% for police and fire employees, 1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under a formula plus annuity (for members who were contributing before August 21, 1981), or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible for retirement after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits. Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS covered job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 8 – PARTICIPATION IN PUBLIC EMPLOYEES RETIREMENT SYSTEM – CONTINUED

Benefits Provided – Continued

Tier one/tier two retirement benefit ORS Chapter 238 – Continued

Disability Benefits. A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

Benefit Changes. After retirement members may choose to continue participation in a variable equities investment account and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living (COLA) changes. The COLA is capped at 2.0 percent.

OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits. Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Recordkeeping. OPERS contracts with VOYA Financial to maintain IAP participant records.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 8 – PARTICIPATION IN PUBLIC EMPLOYEES RETIREMENT SYSTEM – CONTINUED

Individual Account Program

In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for OPERS. The Oregon Public Service Retirement Plan (OPSRP) is effective for all new employees hired on or after August 29, 2003, and applies to any inactive OPERS members who return to employment following a six month or greater break in service. The new plan consists of the defined benefit pension plans and a defined contribution pension plan (the Individual Account Program or IAP). Beginning January 1, 2004, all OPERS member contributions go into the IAP portion of OPSRP. OPERS members retain their existing OPERS accounts, but any future member contributions are deposited into the member's IAP, not the member's OPERS account. Those employees who had established an OPERS membership prior to the creation of OPSRP will be members of both the OPERS and OPSRP system as long as they remain in covered employment. Members of OPERS and OPSRP are required to contribute six percent of their salary covered under the plan which is invested in the IAP. The College makes this contribution on behalf of its employees.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2016 actuarial valuation, which became effective July 1, 2018. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2019 were \$4,767,935, excluding amounts to fund employer specific liabilities.

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

At June 30, 2019, the College reported a net pension liability of \$35,258,079 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The College's proportion of the net pension liability was based on a projection of the College's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the College's proportion was .233% unchanged from the prior year proportionate share.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 8 – PARTICIPATION IN PUBLIC EMPLOYEES RETIREMENT SYSTEM – CONTINUED

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Continued

For the year ended June 30, 2019, the College recognized pension expense of \$3,943,152. At June 30, 2019, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 1,199,374	\$
Changes in assumptions	8,197,436	
Net difference between actual and expected earnings in investments		1,565,658
Changes in proportionate share	93,395	688,171
Differences between employer contributions and employer's proportionate share of system contributions	47,027	257,672
College contributions subsequent to measurement date	4,767,935	
Total	\$ 14,305,167	\$ 2,511,501

Deferred outflow of resources will be recognized by year as follows:

<u>Year Ended June 30,</u>	
2020	\$ 4,126,157
2021	2,875,800
2022	(549,157)
2023	368,412
2024	204,519
Total	\$ 7,025,731

Actuarial assumptions

The employer contribution rates effective July 1, 2017, through June 30, 2019, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 8 – PARTICIPATION IN PUBLIC EMPLOYEES RETIREMENT SYSTEM – CONTINUED

Actuarial assumptions – Continued

amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years. The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions:

Valuation date	December 31, 2016 rolled forward to June 30, 2018
Experience Study Report	2016, Published September 2017
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Projected salary increase	3.50 percent based on overall payroll growth
Cost of living adjustment (COLA)	A blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with the Moro decision, blended based on service.
Mortality	Mortality rates based on healthy retirees and beneficiaries using RP-2014 healthy annuitant, sex-distinct, generational with Unisex, social security data scale, with collar adjustments and set-backs as described in the valuation. For active members RP-2014 healthy annuitant, sex-distinct, generational with Unisex, social security data scale, with collar adjustments and set-backs as described in the valuation. Disabled retiree mortality rates using RP-2014 disabled retirees, sex-distinct, generational with Unisex, social security data scale.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 8 – PARTICIPATION IN PUBLIC EMPLOYEES RETIREMENT SYSTEM – CONTINUED

Actuarial assumptions – Continued

Actuarial valuations of an ongoing plan involve estimates of value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years.

Long-term Expected Rate of Return

To develop an analytical basis for the selection of long-term expected rate of return assumptions, in July 2016 the PERS board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's investment advisors. The table below shows Milliman's assumptions for each asset class in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 8 – PARTICIPATION IN PUBLIC EMPLOYEES RETIREMENT SYSTEM – CONTINUED

Long-term Expected Rate of Return – Continued

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compounded Annual Return (Geometric)</u>
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leverage loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Foreign Equities	4.13%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equities	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event-driven	0.63%	5.86%
Timber	1.87%	5.62%
Farmland	1.87%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.87%	3.84%
 Total	 100.00%	
 Assumed Inflation - Mean		 2.50%

The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 8 – PARTICIPATION IN PUBLIC EMPLOYEES RETIREMENT SYSTEM – CONTINUED

Sensitivity to the College's Proportion of the Net Pension Liability to Changes in the Discount Rate

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 7.20%, as well as what the College's proportionate share of the net pension liability should be if it were calculated using a discount rate that was 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

	1% Decrease 6.20%	Current Discount Rate 7.20%	1% Increase 8.20%
College's proportionate share of the net pension liability/(asset)	\$ 58,922,911	\$ 35,258,079	\$ 15,724,697

Pension plan fiduciary net position

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected rate of return on plan investments may be used to discount liabilities to the extent that the Plan's Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 often requires that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of solvency; it is left to professional judgement.

The following circumstances justify an alternative evaluation of sufficiency for PERS:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the Plan to a 100% funded position by the end of the amortization period if future experiences follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume the Plan assets earn the assumed rate of return and there are not future changes in the Plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the Plan's funded position.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 8 – PARTICIPATION IN PUBLIC EMPLOYEES RETIREMENT SYSTEM – CONTINUED

Pension plan fiduciary net position – Continued

Based on these circumstances, it is the PERS' independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

Deferred inflows of resources and deferred outflows of resources

Deferred inflows and outflows or resources are calculated at the Plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2018, the following deferred items are reported:

- Difference between expected and actual experience
- Changes in assumptions
- Changes in employer proportion since the prior measurement date
- Difference between projected and actual earnings
- Difference between employer contributions and proportionate share of contributions
- Employer contributions made after the measurement date

Difference between expected and actual experience, changes in assumptions, changes in employer proportion and changes between employer contributions and proportionate share of contributions are amortized over the remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize pension expense based on the balance of the closed period "layers" attributable to each measurement period. The average remaining service lives determined at the beginning of each measurement period are:

- Year ended June 30, 2018 – 5.2 years
- Year ended June 30, 2017 – 5.3 years
- Year ended June 30, 2016 – 5.3 years
- Year ended June 30, 2015 – 5.4 years
- Year ended June 30, 2014 – 5.6 years

The net difference between projected and actual earnings attributable to each measurement period is amortized over a closed five-year period.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 9 – RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To reduce the risk of incurring material losses related to the above, the College pays annual insurance premiums to a commercial supplier. Limitations on claims are as follows: general liability of \$15,000,000; excess liability of \$30,000,000 and property coverage of \$100,000,000. The College also carries commercial insurance for workers' compensation and employee health and accident insurance. Settled claims from those risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 10 – ORGANIZATION

The College is organized with a board of directors consisting of seven elected members. The board is charged with the affairs of the College and employs an administrative staff headed by the president of the college to manage the College's activities. The administrative staff is responsible for incorporating the various board actions and policies into the daily affairs of the College.

NOTE 11 – BENEFICIAL INTEREST IN PERPETUAL TRUST

The College is a beneficiary of an irrevocable trust created by a donor, the assets of which are not in the possession of the College. The College has an irrevocable right to receive the income from the trust's assets in perpetuity. Net interest income is paid annually to the College to be used for educational purposes. Effective the first business day of January 2001, the College shall receive an amount equal to the greater of five percent of the net fair value of the Trust assets or 85 percent of the net income of the Trust. Gains or losses related to the beneficial interests are reported as a net gain (loss) on perpetual trust, in the non-expendable trust fund, based on explicit donor stipulations. The fair value at June 30, 2019, of the beneficial interests was \$1,319,745.

The Foundation is a beneficiary of irrevocable trusts created by donors, the assets of which are not in the possession of the Foundation. The Foundation has an irrevocable right to receive the income from the trust's assets in perpetuity. Net realized and unrealized gains (losses) related to the beneficial interests are reported as changes in permanently restricted net assets based on explicit donor stipulations. The fair value at June 30, 2019, of the beneficial interests was \$1,166,653.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Grant Audit

The College receives grants from various federal, state, and local agencies that are subject to review and audit by these agencies. Such audits could result in a request for reimbursement by these agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the College's management, such disallowances, if any will not be significant.

Legal Proceedings

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

NOTE 13 – COMPONENT UNITS

The discretely presented component unit is reported in a separate column in the government-wide statements to emphasize that it is legally separate from the primary government. The Central Oregon Community College Foundation is a separate non-profit organization established in 1955 to provide grants, loans, and endowments for the education of the students of Central Oregon Community College. The Foundation's primary transaction with the College was \$1,281,704 in scholarships made during the year. Complete financial statements for the Central Oregon Community College Foundation may be obtained at the entity's administrative offices located at 2600 NW College Way, Bend, Oregon 97703.

NOTE 14 – POST-EMPLOYMENT BENEFITS

General Information about the Stipend Benefits Plan

Plan description – The College maintains a single employer stipend benefit program for its employees. This program covers all full-time PERS eligible employees employed by the College with at least 12 years of service as of June 30, 2002, and retire after attaining age 55 with at least 15 years of continuous service. Benefits are paid until the earlier of the participant's age 65, or until one year after the participant's death (one year after death if the stipend is used as a reimbursement of health premiums). The benefit amount is \$500 per month if the participant has 15 or more years of service at June 30, 2002, and \$300 per month if the participant has 12 to 14 years of service as of June 30, 2002, (certain names early retirees are grandfathered into a \$550 per month level).

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 14 – POST-EMPLOYMENT BENEFITS – CONTINUED

General information about the PERS OPEB Plan

Oregon Public Employees Retirement System (PERS or the System) administers the Retirement Health Insurance Account (RHIA) cost-sharing, multiple-employer defined benefit Other Postemployment Benefit (OPEB) plan (the Plan) for units of state government, political subdivisions, community colleges, and school districts, containing multiple actuarial pools. Plan assets may be used to pay the benefits of the employees of any employer that provides OPEB through the Plan. Contributions are mandatory for each employer that is a member of PERS. As of June 30, 2018, there were 801 participating employers.

PERS is administered in accordance with Oregon Revised Statutes (ORS) Chapter 238, Chapter 238A, and Internal Revenue Code Section 401(a). The Oregon Legislature has delegated authority to the Public Employees Retirement Board (Board) to administer and manage the System. All members of the Board are appointed by the governor and confirmed by the State Senate. The governor designates the chairperson. One member must be a public employer manager or a local elected official, one member must be a union-represented public employee or retiree and three members must have experience in business management, pension management or investing.

Contributions

Contributions for employers are recognized on the accrual basis of accounting. Employer contributions to PERS are calculated based on creditable compensation for active members reported by employers. Employer contributions are accrued when due pursuant to legal requirements. These are amounts normally included in the employer statements cut off as of the fifth of the following month.

Plan Membership

RHIA was established by ORS 238.420. The plan was closed to new entrants hired on or after August 29, 2003. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan.

As of June 30, 2018, the inactive RHIA plan participants currently receiving benefits totaled 43,423, and there were 50,076 active and 14,519 inactive members who meet the requirements to receive RHIA benefits when they retire.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 14 – POST-EMPLOYMENT BENEFITS – CONTINUED

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the College reported a net OPEB liability of \$1,563,604 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2018. The Employer's proportion of the net OPEB liability was based on the Employer's share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers. As of the measurement date amounts paid by the College to the RHIA fund of the Oregon PERS, which represents its contributions to OPEB, were included in the College's deferred outflow of resources related to pensions. For the year ended June 30, 2019, the Employer recognized OPEB income of \$33,479.

Actuarial assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown below are based on the 2018 Experience Study, which reviewed experience for the four-year period ended on December 31, 2018.

The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal, level percent of salary
- Interest rate for discount future liabilities – 3.50% per year, based on all years discounted at municipal bond rate (based on Bond Buyer 20-Bond General Obligation Index as of June 30, 2019).
- Inflation - 2.5%
- Salary scale – 2.5% per year plus the Salary Merit Scale
- Salary Merit Scale – total payroll increase is overall payroll growth plus a salary merit scale. Sample rates are as follows:

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 14 – POST-EMPLOYMENT BENEFITS – CONTINUED

Actuarial assumptions – Continued

Duration	Rate
0	3.53%
5	2.01%
10	0.82%
15	-0.07%
20	-0.67%
25	-0.91%
30+	-0.94%

- Annual premium increase rate:

Year	Rate
2019-20	5.0%
2020-21	2.2%
2021-22	6.0%
2022-23	6.6%
2023-24	6.5%
2024-25	6.4%
2025-26	6.3%
2026-27	6.2%
2027-28	6.1%
2028-29	6.0%
2029-30	2.9%
2030-31	5.8%
2032-33	5.6%
2034+	5.0%

- Mortality rates: Male and female – Basic table: RP 2014 employee/healthy annuitant, sex distinct, generational; Improvement scale: Unisex social security data scale (60 year average); Active employee/retiree adjustments: white collar adjustment, set back 12 months; Blended adjustments: Blended 50% blue collar/50% white collar, set back 12 months for males, no set back for females.
- Turnover rates – as developed for the valuation of benefits under Oregon PERS. For the current school year, it is assumed that terminations are reflected in the census data provided.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 14 – POST-EMPLOYMENT BENEFITS – CONTINUED

Actuarial assumptions – Continued

Years of Service	Male	Female
0	16.6%	13.5%
5	6.9%	7.1%
10	3.3%	3.9%
15	2.3%	2.7%
20	1.6%	2.0%
25	1.2%	1.5%
30+	1.2%	1.5%

- Disability rates – As developed for the valuation of benefits under Oregon PERS. Sample rates are as follows:

Age	Rate
30	0.0230%
35	0.0352%
40	0.0567%
45	0.0930%
50	0.1608%

- Retirement rates – as developed for the valuation of benefits under Oregon PERS. For the current school year, it is assumed that retirements are reflected in the census data provided. It is also assumed employees will retire by the time both employee and dependent have reached age 65, the age at which they can no longer receive subsidized health benefits.
- Participation – of the active employees currently enrolled in a medical plan 70% are assumed to remain enrolled at retirement until Medicare eligibility.
- Plan enrollment – current and future retirees are assumed to remain enrolled in the plans in which they are currently enrolled, if any.
- Marital status – 50% of future retirees electing coverage are assumed to cover a spouse as well. Males are assumed to be three years older than their female spouses. Actual marital status as of the valuation date is used for current retirees.
- Coverage of eligible Children – assumed no impact of dependent children on the implicit subsidy.
- Health care claims costs – 2018-19 claims costs for an age 64 retiree or spouse are assumed to be:

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 14 – POST-EMPLOYMENT BENEFITS – CONTINUED

Actuarial assumptions – Continued

	<u>MODA</u>	<u>MODA</u>	<u>Synergy/Summit</u>
A	\$		\$ 14,059
B		13,205	12,441
C		12,229	11,521
D		11,271	10,619
E		10,089	9,506
F		9,987	9,410

- Aging factors – gaining factors are used to adjust the age 64 per capita claims costs:

<u>Attained Age</u>	<u>Factor Per Year</u>
Under 40	4.00%
40-44	3.75%
45-49	3.50%
50-54	3.00%
55-64	3.25%

- Dental and vision costs – no assumed implicit subsidy due to dental or vision costs.
- Changes since prior valuation – Premium increase rates were modified to reflect anticipated experience and current Oregon Law. Demographic assumptions were revised to match (as closely as possible) those developed in the most recent experience study for Oregon PERS.

Discount Rate

The discount rate used to measure the total OPEB liability at June 30, 2018 and June 30, 2019 was 3.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 14 – POST-EMPLOYMENT BENEFITS – CONTINUED

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. More information on the Plan’s portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means are included in the PERS’ audited financial statements.

Sensitivity of the Employer's proportionate share of the net OPEB liability to changes in the discount rate.

The following presents the net OPEB liability of the Plan as of June 30, 2019, calculated using the discount rate of 3.50%, as well as what the RHIC net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate:

	<u>1% Decrease</u> <u>2.50%</u>	<u>Current</u> <u>Discount Rate</u> <u>3.50%</u>	<u>1% Increase</u> <u>4.50%</u>
District's proportionate share of the net pension liability/(asset)	<u>\$ 1,669,126</u>	<u>\$ 1,563,604</u>	<u>\$ 1,497,756</u>

Deferred Inflows of Resources and Deferred Outflows of Resources

Deferred inflows of resources and deferred outflows of resources are calculated at the Plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2019, there were:

- Differences between expected and actual experience.
- Differences due to changes of assumptions.

Differences between expected and actual experience, changes in assumptions, and changes in employer proportion are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize pension expense based on the balance of the closed period “layers” attributable to each measurement period.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 14 – POST-EMPLOYMENT BENEFITS – CONTINUED

Deferred Inflows of Resources and Deferred Outflows of Resources – Continued

The average remaining service life determined as of the beginning of the June 30, 2019, measurement period is 3.7 years.

NOTE 15 – FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY

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 price quotations in active markets/exchanges for identical assets or liabilities that each fund has the ability to access

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each fund's own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgement exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The Oregon State Treasurer's Investment Pool is characterized as a Level 2 fair value measurement in the Oregon Short-Term Fund's audited financial report for the College.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 15 – FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY – CONTINUED

The following table sets forth by level, within the fair value hierarchy, assets at fair value as of June 30, 2019, for the Foundation:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Commonfund investments	\$ 9,973	\$ 22,645,784	\$	\$ 22,655,757
CSV New York Life	45,597			45,597
	<u>\$ 55,570</u>	<u>\$ 22,645,784</u>	<u>\$ -</u>	<u>\$ 22,701,354</u>

The fair value of assets is displayed in the Statement of Financial Position as follows:

Investments	\$ 21,534,701
Beneficial interest in perpetual trust	<u>1,166,653</u>
	<u>\$ 22,701,354</u>

REQUIRED SUPPLEMENTAL INFORMATION

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS YEAR ENDED JUNE 30, 2019

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Fiscal Year Ending June 30,	Employer's proportion of the net pension liability (NPL)	Employer's proportionate share of the net pension liability (NPL)	Employer's covered payroll	NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of total pension
2019	0.024%	\$ 35,258,079	\$ 22,428,063	157.21%	82.10%
2018	0.024%	\$ 31,355,843	\$ 24,169,944	129.73%	83.10%
2017	0.027%	\$ 36,737,387	\$ 22,203,147	165.50%	80.50%
2016	0.024%	\$ 14,167,747	\$ 20,733,321	68.30%	91.10%

Note: The schedule is presented to illustrate the requirements to show information for ten years. However, until a full ten year trend has been compiled, information is presented only for the years which the required supplementary information is available.

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ending June 30,	Statutorily required contribution	Contributions in relations to the statutorily required contributions	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percentage of covered payroll
2019	\$ 4,767,935	\$ 4,767,935	\$ -	\$ 22,428,063	21.26%
2018	\$ 4,932,234	\$ 4,932,234	\$ -	\$ 24,169,944	20.41%
2017	\$ 4,085,379	\$ 4,085,379	\$ -	\$ 22,203,147	18.40%
2016	\$ 4,001,531	\$ 4,001,531	\$ -	\$ 20,733,321	19.30%

Note: The schedule is presented to illustrate the requirements to show information for ten years. However, until a full ten year trend has been compiled, information is presented only for the years which the required supplementary information is available.

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND SCHEDULE OF CONTRIBUTIONS OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM OPEB PLAN YEAR ENDED JUNE 30, 2019

SCHEDULE OF PROPORTIONATE SHARE OF THE OPERS NET OPEB LIABILITY

Fiscal Year Ending June 30,	Employer's proportion of the net OPEB liability (NPL)	Employer's proportionate share of the net OPEB liability/(asset)	Employer's covered payroll	NOPEB liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2019	0.230%	\$ 1,563,604	\$ 22,428,063	6.97%	124.0%
2018	0.220%	\$ 1,530,125	\$ 24,169,944	6.33%	-108.90%
2017	0.240%	\$ 1,438,007	\$ 22,203,147	6.48%	94.20%

Note: The schedule is presented to illustrate the requirements to show information for ten years. However, until a full ten year trend has been compiled, information is presented only for the years which the required supplementary information is available.

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ending June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percentage of covered payroll
2019	\$ 149,002	\$ 149,002	\$ -	\$ 22,428,063	0.66%
2018	\$ 117,319	\$ 117,319	\$ -	\$ 24,169,944	0.49%
2017	\$ 110,126	\$ 110,126	\$ -	\$ 22,203,147	0.50%

Note: The schedule is presented to illustrate the requirements to show information for ten years. However, until a full ten year trend has been compiled, information is presented only for the years which the required supplementary information is available.

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF CHANGES IN THE COLLEGE'S TOTAL OPEB LIABILITY AND RELATED RATIOS EARLY RETIREMENT PLAN YEAR ENDED JUNE 30, 2019

	June 30, 2019	June 30, 2018
TOTAL OPEB LIABILITY		
Service Cost	\$ 126,943	\$ 123,847
Interest on total OPEB liability	57,422	51,049
Differences between expected and actual experience	(3,301)	
Changes of assumptions or other input	(114,705)	
Benefit payments	(32,880)	(82,778)
Net Change in total OPEB liability	33,479	92,118
Total OPEB liability - beginning	1,530,125	1,438,007
TOTAL OPEB LIABILITY - ENDING	\$ 1,563,604	\$ 1,530,125
Covered employee payroll	\$ 22,428,063	\$ 24,169,944
Total OPEB liability - ending as a percentage of covered employee payroll	6.97%	6.33%

Note: The schedule is presented to illustrate the requirements to show information for ten years. However, until a full ten year trend has been compiled, information is presented only for the years which the required supplementary information is available.

SUPPLEMENTARY INFORMATION

General Fund

The general fund accounts for financial resources, for the College, which are not accounted for in any other fund. The principal revenues are property taxes, tuition and state support. The purpose of the expenditures is education.

CENTRAL OREGON COMMUNITY COLLEGE

COMPARATIVE SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE

GENERAL FUND

BUDGETARY BASIS

YEAR ENDED JUNE 30, 2019

	<u>2019</u>	<u>2018</u>
ASSETS		
Pooled cash and investments	\$ 3,656,573	\$ 5,194,221
Cash with county treasurers	99,888	86,764
Property taxes receivable	507,909	478,562
Accounts receivable	6,370,735	4,808,168
Allowance for doubtful accounts	(321,507)	(327,465)
Prepays	103,765	600
	<u>\$ 10,417,363</u>	<u>\$ 10,240,850</u>
<i>Total assets</i>		
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 3,801,753	\$ 3,216,633
Accrued compensated leave	658,318	662,260
	<u>4,460,071</u>	<u>3,878,893</u>
<i>Total liabilities</i>		
Deferred inflows of resources unavailable property taxes	<u>365,901</u>	<u>349,001</u>
Fund balance:		
Unreserved	<u>5,591,391</u>	<u>6,012,956</u>
<i>Total fund balance</i>	<u>5,591,391</u>	<u>6,012,956</u>
<i>Total liabilities and fund balance</i>	<u>\$ 10,417,363</u>	<u>\$ 10,240,850</u>

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET

GENERAL FUND BUDGETARY BASIS

YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenue				
<i>Local:</i>				
Property taxes	\$ 17,098,000	\$ 17,098,000	\$ 17,254,899	\$ 156,899
Tuition and fees	17,028,000	17,028,000	16,905,626	(122,374)
Interest	15,000	15,000	68,035	53,035
Other	190,000	190,000	106,417	(83,583)
<i>Intergovernmental:</i>				
State	8,337,000	8,337,000	7,847,162	(489,838)
<i>Transfer from other funds</i>	2,191,000	2,191,000	1,891,000	(300,000)
 <i>Total revenue</i>	 44,859,000	 44,859,000	 44,073,139	 (785,861)
 Beginning fund balance	 5,950,000	 5,950,000	 6,012,956	 62,956
 <i>Total available for appropriation</i>	 \$ 50,809,000	 \$ 50,809,000	 \$ 50,086,095	 \$ (722,905)
 Expenditures				
<i>Instruction:</i>				
Humanities office	\$ 73,394	\$ 73,394	\$ 78,051	\$ 4,657
Writing/literature	1,809,662	1,811,662	1,617,605	(194,057)
Foreign languages	494,556	494,556	527,545	32,989
Speech	527,237	529,237	546,506	17,269
Social science office	69,305	69,305	70,179	874
Music	388,328	388,328	395,035	6,707
Art	657,248	660,248	611,982	(48,266)
Theater arts	56,587	56,587	59,623	3,036
Fine arts and communication office	75,276	75,276	70,519	(4,757)
Business administration	723,882	723,882	721,572	(2,310)
Culinary program	867,777	867,777	769,834	(97,943)
Business administration office	67,189	67,189	61,135	(6,054)
Journalism	6,219	6,219	3,147	(3,072)
Culinary program office	63,168	63,168	56,903	(6,265)
World languages and cultures office	46,574	46,574	37,349	(9,225)
Philosophy	18,894	18,894	24,205	5,311
Addiction studies	136,014	137,514	135,219	(2,295)
Anthropology	251,881	252,607	242,166	(10,441)
Criminal justice	255,338	255,338	202,885	(52,453)
Economics	114,850	114,850	118,413	3,563
Education	282,322	282,322	289,839	7,517
Geography	123,299	123,299	127,919	4,620
History	226,081	228,081	224,790	(3,291)
Human development	193,099	194,099	210,715	16,616
Political science	21,798	21,798	19,121	(2,677)
Psychology	446,399	447,399	443,958	(3,441)
Sociology	265,811	267,811	183,772	(84,039)
AVANZA	74,333	74,333	66,292	(8,041)
Regional services & R.C. operations	508,166	508,166	431,722	(76,444)
Regional services & M.C. operations	226,517	226,517	216,052	(10,465)
Regional services & P.C. operations	220,993	220,993	202,020	(18,973)

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET GENERAL FUND (CONTINUED) BUDGETARY BASIS YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Expenditures - continued				
<i>Instruction - continued</i>				
Engineering and engineering tech.	186,857	186,857	161,859	(24,998)
Science office	74,475	74,475	75,773	1,298
Mathematics	1,770,818	1,771,818	1,689,992	(81,826)
Biological science	1,214,125	1,214,125	1,227,040	12,915
Chemistry	521,631	521,631	475,256	(46,375)
Physics	219,508	219,508	227,430	7,922
Geology	99,397	99,397	75,923	(23,474)
Nursing	1,158,550	1,161,550	1,125,419	(36,131)
Health and human performance office	179,964	179,964	132,831	(47,133)
Health and human performance	1,000,347	1,000,347	876,064	(124,283)
Math office	73,507	73,507	79,124	5,617
Allied health	6,685	6,685	2,510	(4,175)
Computer information systems	1,144,200	1,144,200	1,071,423	(72,777)
Licensed massage therapy	235,206	235,206	240,947	5,741
Emergency medical service	330,023	330,023	255,465	(74,558)
Dental assisting	250,187	250,187	238,450	(11,737)
Medical assisting	213,085	213,085	147,716	(65,369)
Allied health office	69,157	69,157	70,008	851
Pharmacy technician	121,713	121,713	151,550	29,837
Veterinary technician program	241,862	242,862	196,818	(46,044)
CIS Office	61,050	61,050	62,057	1,007
Nursing office	72,869	72,869	71,915	(954)
HHP: Health classes	4,649	4,649		(4,649)
HHP: Recreation (O.R.L.T.)	213,958	213,958	205,030	(8,928)
Ponderosa office	103,479	103,479	98,589	(4,890)
Forestry technology	468,202	468,202	461,064	(7,138)
Automotive	406,015	406,015	381,166	(24,849)
Health information technology	257,282	257,282	216,561	(40,721)
Manufacturing processes	335,227	335,227	334,307	(920)
Apprenticeship	17,431	17,431	21,995	4,564
Wildland fire management	84,707	84,707	90,119	5,412
Structural fire science	97,420	97,420	166,451	69,031
Geographical information systems	163,380	163,380	134,523	(28,857)
Aviation program	343,400	343,400	322,998	(20,402)
Military science	1,250	1,250	861	(389)
Non-destructive testing	960	960		(960)
Regional credit instruction - Madras	11,436	5,347	518	(4,829)
Regional credit instruction - Prineville	10,773	4,406	1,865	(2,541)
Regional credit instruction - Redmond	21,961	14,191	5,023	(9,168)
Library skills	36,184	36,184	36,937	753
Instruction transfers	932,456	932,456	935,696	3,240
<i>Total instruction</i>	<u>22,047,583</u>	<u>22,047,583</u>	<u>20,835,346</u>	<u>(1,212,237)</u>

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET GENERAL FUND (CONTINUED) BUDGETARY BASIS YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Expenditures - continued				
<i>Instructional support:</i>				
Office of the Vice President of instruction	378,895	378,895	440,536	61,641
Library	1,237,792	1,237,792	1,146,286	(91,506)
Catalog and class schedule	28,277	28,277	41,554	13,277
Commencement and convocation	31,752	31,752	28,597	(3,155)
Tutoring and testing	553,651	553,651	562,998	9,347
eLearning and academic technology	357,988	357,988	340,073	(17,915)
Instructional deans	658,327	658,327	706,209	47,882
Curriculum and assessment	215,375	215,375	222,281	6,906
ITS-instructional software	218,242	218,242	197,538	(20,704)
Instructional support transfers	204,875	204,875	204,875	
<i>Total instructional support</i>	3,885,174	3,885,174	3,890,947	5,773
<i>Student services:</i>				
Admissions	996,392	996,392	874,842	(121,550)
Counseling center	76,458	76,458	69,798	(6,660)
Student life	330,053	330,053	281,444	(48,609)
Financial aid	712,947	712,947	707,393	(5,554)
Career services and job placement	131,722	131,722	111,984	(19,738)
Student outreach and contact	285,492	285,492	258,808	(26,684)
Multicultural activities	257,543	257,543	184,646	(72,897)
Club sports	260,340	260,340	272,260	11,920
Enrollment cashiering	83,068	83,068	85,501	2,433
Disability services	275,353	275,353	254,781	(20,572)
Office of the Dean of student and enrollment services	477,104	477,104	461,007	(16,097)
Advising	653,498	653,498	549,146	(104,352)
Placement testing	105,358	105,358	81,752	(23,606)
First year experience	145,442	145,442	102,807	(42,635)
ITS-student services software	249,985	41,325	29,869	(11,456)
Student service transfers	1,250	1,250	1,250	
<i>Total student services</i>	5,042,005	4,833,345	4,327,288	(506,057)
<i>College support services:</i>				
Governing board	95,991	95,991	94,997	(994)
President's office	403,235	403,235	412,568	9,333
Fiscal services	656,934	656,934	619,585	(37,349)
Campus public safety	848,359	848,359	828,618	(19,741)
Human resources	592,901	592,901	617,484	24,583
Mail services	196,917	196,917	148,884	(48,033)
College relations	747,047	747,047	762,313	15,266
Chief Financial Officer	509,277	509,277	503,612	(5,665)
Legal, audit, and professional services	83,183	83,183	71,191	(11,992)
Elections	29,355	29,355	33,091	3,736
General institutional support	697,071	697,071	670,827	(26,244)
Liability and other insurance	118,207	118,207	89,477	(28,730)
Institutional effectiveness	360,138	360,138	304,458	(55,680)

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET GENERAL FUND (CONTINUED) BUDGETARY BASIS YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Expenditures - continued				
<i>College support services continued:</i>				
Vice President for Administration	359,504	359,504	364,237	4,733
Community College Development	6,590	6,590	7,140	550
College support transfers	135,521	135,521	135,521	
<i>Total college support services</i>	5,840,230	5,840,230	5,664,003	(176,227)
<i>Plant operations and maintenance:</i>				
Custodial services	1,310,982	1,310,982	1,088,120	(222,862)
Utilities	1,114,935	1,114,935	963,736	(151,199)
Fire and boiler insurance	134,660	134,660	127,149	(7,511)
Maintenance of grounds	571,911	571,911	629,884	57,973
Maintenance of buildings	867,903	867,903	927,555	59,652
Plant administration	355,909	355,909	327,955	(27,954)
Campus shuttle	93,728	93,728	87,606	(6,122)
Plant operations transfers	398,817	398,817	398,817	
<i>Total plant operations and maintenance</i>	4,848,845	4,848,845	4,550,822	(298,023)
<i>Information technology services:</i>				
Information technology services	1,161,873	1,370,533	1,244,836	(125,697)
Management information systems	688,403	688,403	500,068	(188,335)
User services	853,732	853,732	807,373	(46,359)
Enterprise computing services	526,793	526,793	502,246	(24,547)
Network/Telecom and media services	583,858	583,858	562,291	(21,567)
Web development	114,720	114,720	112,099	(2,621)
Regional IT services - Prineville	77,058	77,058	1,032	(76,026)
Project management	134,338	134,338	114,088	(20,250)
Information security	127,763	127,763	124,422	(3,341)
Information technology transfers	485,251	485,251	485,251	
<i>Total information technology services</i>	4,753,789	4,962,449	4,453,706	(508,743)
Financial aid transactions:				
Financial aid transactions	112,897	112,897	90,410	(22,487)
Other financial aid	182,182	182,182	182,182	
<i>Total financial aid transactions</i>	295,079	295,079	272,592	(22,487)
Operating contingency				
Operating contingency	800,000	300,000		(300,000)
Operating contingency transfer		500,000	500,000	
<i>Total operating contingency transactions</i>	800,000	800,000	500,000	(300,000)
<i>Total expenditures</i>	\$ 47,512,705	\$ 47,512,705	\$ 44,494,704	\$ (3,018,001)

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET GENERAL FUND (CONTINUED) BUDGETARY BASIS YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Expenditures - continued				
General Fund Summary				
Total revenue	\$ 44,859,000	\$ 44,859,000	\$ 44,073,139	\$ (785,861)
Beginning fund balance	<u>5,950,000</u>	<u>5,950,000</u>	<u>6,012,956</u>	<u>62,956</u>
<i>Total available for appropriations</i>	<u>50,809,000</u>	<u>50,809,000</u>	<u>50,086,095</u>	<u>(722,905)</u>
Expenditures:				
Instruction	22,047,583	22,047,583	20,835,346	(1,212,237)
Instructional support	3,885,174	3,885,174	3,890,947	5,773
Student services	5,042,005	4,833,345	4,327,288	(506,057)
College support services	5,840,230	5,840,230	5,664,003	(176,227)
Plant operations and maintenance	4,848,845	4,848,845	4,550,822	(298,023)
Information technology service	4,753,789	4,962,449	4,453,706	(508,743)
Financial aid	295,079	295,079	272,592	(22,487)
Operating contingency	<u>800,000</u>	<u>800,000</u>	<u>500,000</u>	<u>(300,000)</u>
<i>Total expenditures</i>	<u>47,512,705</u>	<u>47,512,705</u>	<u>44,494,704</u>	<u>(3,018,001)</u>
Ending fund balance	<u>\$ 3,296,295</u>	<u>\$ 3,296,295</u>	<u>\$ 5,591,391</u>	<u>\$ 2,295,096</u>

Special Revenue Funds

These funds account for proceeds of specific revenue sources that are restricted to expenditures for that specific purpose.

CENTRAL OREGON COMMUNITY COLLEGE

COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE

SPECIAL REVENUE FUNDS

BUDGETARY BASIS

JUNE 30, 2019

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	<u>Contracts and Grants</u>	<u>Auxiliary</u>	<u>Reserve</u>
ASSETS			
Current Assets			
Pooled cash and investments	\$ 83,640	\$ 11,020,587	\$ 1,392,927
Accounts receivable	468,780	38,077	
Total assets	<u>\$ 552,420</u>	<u>\$ 11,058,664</u>	<u>\$ 1,392,927</u>
LIABILITIES AND FUND EQUITY			
Liabilities			
Deficit in pooled cash and investments	\$	\$	\$
Accounts payable	46,909	219,913	
Deferred revenue		1,848,420	
Total current liabilities	<u>46,909</u>	<u>2,068,333</u>	
Fund Equity			
Fund balance			
Reserved			
Retiree benefits			459,227
PERS reserve			933,700
Unreserved - undesignated	505,511	8,990,331	
Total fund balance	<u>505,511</u>	<u>8,990,331</u>	<u>1,392,927</u>
Total liabilities and fund equity	<u>\$ 552,420</u>	<u>\$ 11,058,664</u>	<u>\$ 1,392,927</u>

<u>Financial Aid</u>	<u>Totals</u>	
	<u>2019</u>	<u>2018</u>
\$ 638,234	\$ 13,135,388	\$ 13,749,249
31,053	537,910	671,461
<u>669,287</u>	<u>13,673,298</u>	<u>14,420,710</u>
\$ 36,118	\$ 302,940	\$ 291,444
10,816	1,859,236	226,008
<u>46,934</u>	<u>2,162,176</u>	<u>2,130,695</u>
	459,227	570,499
	933,700	1,258,150
<u>622,353</u>	<u>10,118,195</u>	<u>9,943,914</u>
<u>622,353</u>	<u>11,511,122</u>	<u>11,772,563</u>
\$ 669,287	\$ 13,673,298	\$ 14,420,710

CENTRAL OREGON COMMUNITY COLLEGE

COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

SPECIAL REVENUE FUNDS

BUDGETARY BASIS

JUNE 30, 2019

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	Contracts and Grants	Auxiliary	Reserve
Revenue			
Local			
Charges for services	\$ 6,649	\$ 4,612,765	\$
Interest		320,970	37,086
Grants	801,765	4,500	
Other		1,052,260	
Intergovernmental			
State	756,840		
Federal	1,146,011		
Total Revenue	2,711,265	5,990,495	37,086
Expenditures			
Current			
Instruction	1,872,476	4,224,465	
Instructional support	19,474	397,905	
Student services	98,906	214,155	
College support services	180,503	1,221,065	12,808
Financial aid	111,570	44,220	
Capital outlay	117,150	238,575	
Total Expenditures	2,400,079	6,340,385	12,808
Excess of revenue over (under) expenditures	311,186	(349,890)	24,278
Other financing sources (uses)			
Transfer in	40,000	1,702,715	
Transfer out	(84,073)	(1,482,300)	(460,000)
	(44,073)	220,415	(460,000)
Excess of revenue and other sources over (under) expenditures and other uses	267,113	(129,475)	(435,722)
FUND BALANCE - beginning of year	238,398	9,119,806	1,828,649
FUND BALANCE - end of year	\$ 505,511	\$ 8,990,331	\$ 1,392,927

CENTRAL OREGON COMMUNITY COLLEGE

COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE

SPECIAL REVENUE FUNDS

BUDGETARY BASIS

JUNE 30, 2019

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	<u>Contracts and Grants</u>	<u>Auxiliary</u>	<u>Reserve</u>
ASSETS			
Current Assets			
Pooled cash and investments	\$ 83,640	\$ 11,020,587	\$ 1,392,927
Accounts receivable	468,780	38,077	
Total assets	<u>\$ 552,420</u>	<u>\$ 11,058,664</u>	<u>\$ 1,392,927</u>
LIABILITIES AND FUND EQUITY			
Liabilities			
Deficit in pooled cash and investments	\$	\$	\$
Accounts payable	46,909	219,913	
Deferred revenue		1,848,420	
Total current liabilities	<u>46,909</u>	<u>2,068,333</u>	
Fund Equity			
Fund balance			
Reserved			
Retiree benefits			459,227
PERS reserve			933,700
Unreserved - undesignated	505,511	8,990,331	
Total fund balance	<u>505,511</u>	<u>8,990,331</u>	<u>1,392,927</u>
Total liabilities and fund equity	<u>\$ 552,420</u>	<u>\$ 11,058,664</u>	<u>\$ 1,392,927</u>

<u>Financial Aid</u>	<u>Totals</u>	
	<u>2019</u>	<u>2018</u>
\$ 638,234	\$ 13,135,388	\$ 13,749,249
31,053	537,910	671,461
<u>669,287</u>	<u>13,673,298</u>	<u>14,420,710</u>
\$ 36,118	\$ 302,940	\$ 291,444
10,816	1,859,236	226,008
<u>46,934</u>	<u>2,162,176</u>	<u>2,130,695</u>
	459,227	570,499
	933,700	1,258,150
<u>622,353</u>	<u>10,118,195</u>	<u>9,943,914</u>
<u>622,353</u>	<u>11,511,122</u>	<u>11,772,563</u>
\$ 669,287	\$ 13,673,298	\$ 14,420,710

CENTRAL OREGON COMMUNITY COLLEGE

COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

SPECIAL REVENUE FUNDS

BUDGETARY BASIS

JUNE 30, 2019

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	Contracts and Grants	Auxiliary	Reserve
Revenue			
Local			
Charges for services	\$ 6,649	\$ 4,612,765	\$
Interest		320,970	37,086
Grants	801,765	4,500	
Other		1,052,260	
Intergovernmental			
State	756,840		
Federal	1,146,011		
Total Revenue	2,711,265	5,990,495	37,086
Expenditures			
Current			
Instruction	1,872,476	4,224,465	
Instructional support	19,474	397,905	
Student services	98,906	214,155	
College support services	180,503	1,221,065	12,808
Financial aid	111,570	44,220	
Capital outlay	117,150	238,575	
Total Expenditures	2,400,079	6,340,385	12,808
Excess of revenue over (under) expenditures	311,186	(349,890)	24,278
Other financing sources (uses)			
Transfer in	40,000	1,702,715	
Transfer out	(84,073)	(1,482,300)	(460,000)
	(44,073)	220,415	(460,000)
Excess of revenue and other sources over (under) expenditures and other uses	267,113	(129,475)	(435,722)
FUND BALANCE - beginning of year	238,398	9,119,806	1,828,649
FUND BALANCE - end of year	\$ 505,511	\$ 8,990,331	\$ 1,392,927

<u>Financial Aid</u>	<u>Totals</u>	
	<u>2019</u>	<u>2018</u>
\$	\$	\$
37,749	4,619,414	4,632,198
1,252,274	395,805	290,812
37,015	2,058,539	2,095,686
	1,089,275	1,022,779
3,210,347	3,967,187	3,330,825
<u>6,848,332</u>	<u>7,994,343</u>	<u>8,763,328</u>
<u>11,385,717</u>	<u>20,124,563</u>	<u>20,135,628</u>
	6,096,941	5,842,313
	417,379	357,366
227,194	540,255	498,989
	1,414,376	1,415,304
11,304,062	11,459,852	12,457,949
	<u>355,725</u>	<u>316,264</u>
<u>11,531,256</u>	<u>20,284,528</u>	<u>20,888,185</u>
(145,539)	(159,965)	(752,557)
232,182	1,974,897	2,372,041
<u>(50,000)</u>	<u>(2,076,373)</u>	<u>(2,276,047)</u>
<u>182,182</u>	<u>(101,476)</u>	<u>95,994</u>
36,643	(261,441)	(656,563)
<u>585,710</u>	<u>11,772,563</u>	<u>12,429,126</u>
<u>\$ 622,353</u>	<u>\$ 11,511,122</u>	<u>\$ 11,772,563</u>

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF BEGINNING BALANCE, REVENUE, EXPENDITURES AND ENDING BALANCE BY FUNCTION GRANTS AND CONTRACTS FUND BUDGETARY BASIS JUNE 30, 2019

	Sub-Fund Number	Beginning Balance	Revenue	Expenditures	Ending Balance
ABE - Special Projects	31100	\$ 10,209	\$ 196,716	\$ 198,520	\$ 8,405
Carl Perkins	31101		65,763	65,763	
SBA Grant	31105		33,000	33,000	
SBA Grant Match	31108		40,000	40,000	
SBA Portable Assistance Project	31109		13,321	13,321	
Strengthening Institutions Program	31161		601,303	601,303	
NSF - NEVTX2 Grant	31162		162,327	162,327	
OEM-CERT Training Grant	31163		7,179	7,179	
LSTA Grant	31165		32,064	32,064	
NSF-PAX	31166		34,618	34,618	
OEM-Homeland Security Grant	31167		9,968	9,968	
OBDD	32226		72,000	72,000	
Scale Oregon Grant	32255	12,900	250	12,215	935
ABS Pathways grant	32257		87,035	46,822	40,213
Oregon Develop Education Work Grant	32261		1,492	145	1,347
Student Success Grant	32268		104,500	71,590	32,910
East Cascades Works	32276	22,366	300,633	252,353	70,646
Scholarship of Teaching & Learning	32277		5,586	5,586	
Pathways to Opportunity	32278		20,000	8,735	11,265
ECW-Construction Training Cohort	32279		17,000		17,000
ECW-GED	32280		3,000	3,000	
Cascade Health Services Support	33332		16,000		16,000
Veteran-Partnership to End Poverty	33342	9,316		798	8,518
Regional Promise Grant	33350		38,383	38,383	
Meyer Memorial-Latino & Native American	33355	144,367		78,109	66,258
Deer Ridge Entrepreneurship Program	33363	17,128			17,128
Jefferson County Cultural Coalition	33365	389		389	
Ford Family Latinx & Native Prep	33366		100,000		100,000
Portland CC STEP	33367		23,416		23,416
Deer Ridge Correctional Institution	34355	6,457	490,356	463,958	32,855
OCF - GANAS	34361	2,087		2,087	
WEBCO-Partners in Practice	34363		63,195	63,195	
Deer Ridge Correctional Institution-WBE	34365	13,179		166,724	58,615
		<u>\$ 238,398</u>	<u>\$ 2,751,265</u>	<u>\$ 2,484,152</u>	<u>\$ 505,511</u>

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF REVENUE BY FUNCTION AND OBJECT GRANTS AND CONTRACTS FUND

BUDGETARY BASIS

JUNE 30, 2019

	Charge for Services	Intergovernmental		Grants and Contracts	Transfers In	Total
		State	Federal			
ABE - Special Projects	\$ 6,399		\$ 190,317			\$ 196,716
Carl Perkins			65,763			65,763
SBA Grant			33,000			33,000
SBA Grant Match					40,000	40,000
SBA Portable Assistance Project			13,321			13,321
Strengthening Institutions Program			601,303			601,303
NSF - NEVTX2 Grant			162,327			162,327
OEM-CERT Training Grant			7,179			7,179
LSTA Grant			32,064			32,064
NSF-PAX			30,769	3,849		34,618
OEM-Homeland Security Grant			9,968			9,968
OBDD		72,000				72,000
Scale Oregon Grant	250					250
ABS Pathways grant		87,035				87,035
Oregon Develop Education Work Grant		1,492				1,492
Student Success Grant		104,500				104,500
East Cascades Works		300,633				300,633
Scholarship of Teaching & Learning		5,586				5,586
Pathways to Opportunity		20,000				20,000
ECW-Construction Training Cohort		17,000				17,000
ECW-GED				3,000		3,000
Cascade Health Services Support				16,000		16,000
Regional Promise Grant				38,383		38,383
Ford Family Latinx & Native Prep				100,000		100,000
Portland CC STEP				23,416		23,416
Deer Ridge Correctional Institution		104,016		386,340		490,356
WEBCO-Partners in Practice				63,195		63,195
Deer Ridge Correctional Institution-WBE		44,578		167,582		212,160
	<u>\$ 6,649</u>	<u>\$ 756,840</u>	<u>\$ 1,146,011</u>	<u>\$ 801,765</u>	<u>\$ 40,000</u>	<u>\$ 2,751,265</u>

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF EXPENDITURES BY FUNCTION AND OBJECT GRANTS AND CONTRACTS FUND BUDGETARY BASIS JUNE 30, 2019

	<u>Salaries</u>	<u>Payroll Assessments</u>	<u>Materials and Services</u>	<u>Capital Outlay</u>	<u>Transfers Out</u>	<u>Total</u>
ABE - Special Projects	\$ 100,227	\$ 53,577	\$ 44,716	\$	\$	\$ 198,520
Carl Perkins	43,548	8,008	14,207			65,763
SBA Grant	20,772	12,228				33,000
SBA Grant Match	23,264	16,736				40,000
SBA Portable Assistance Project	9,673	2,948	700			13,321
Strengthening Institutions Program	215,209	122,613	167,188	96,293		601,303
NSF - NEVTX2 Grant	33,775	15,888	112,664			162,327
OEM-CERT Training Grant			7,179			7,179
LSTA Grant	6,171	2,252	10,906	12,735		32,064
NSF-PAX			34,618			34,618
OEM-Homeland Security Grant			9,968			9,968
OBDD	44,058	27,942				72,000
Scale Oregon Grant	10,895	869	451			12,215
ABS Pathways grant	25,048	15,813	5,961			46,822
Oregon Develop Education Work Grant	120	25				145
Student Success Grant	14,000	1,306	56,284			71,590
East Cascades Works	10,066	895	153,135	4,184	84,073	252,353
Scholarship of Teaching & Learning	4,200	1,386				5,586
Pathways to Opportunity			8,735			8,735
ECW-GED			3,000			3,000
Veteran-Partnership to End Poverty			798			798
Regional Promise Grant	25,275	9,478	3,630			38,383
Meyer Memorial-Latino & Native American	39,837	21,030	17,242			78,109
Jefferson County Cultural Coalition			389			389
Deer Ridge Correctional Institution	257,760	150,365	55,833			463,958
OCF - GANAS			2,087			2,087
WEBCO-Partners in Practice	3,405	113	59,677			63,195
Deer Ridge Correctional Institution-WBE	72,728	43,880	46,178	3,938		166,724
Total Expenditures	\$ 960,031	\$ 507,352	\$ 815,546	\$ 117,150	\$ 84,073	\$ 2,484,152

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF BEGINNING BALANCE , REVENUE, EXPENDITURES AND ENDING BALANCE BY FUNCTION GRANTS AND CONTRACTS FUND BUDGETARY BASIS YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Revenue				
Local:				
Charges for services	\$ 18,000	\$ 18,000	\$ 6,649	\$ (11,351)
Grants and contracts	1,888,411	1,488,411	801,765	(686,646)
Intergovernmental:				
State	102,000	502,000	756,840	254,840
Federal	1,357,750	1,357,750	1,146,011	(211,739)
Transfers from other funds	36,760	36,760	40,000	3,240
Total Revenue	3,402,921	3,402,921	2,751,265	(651,656)
Beginning fund balance	52,500	52,500	238,398	185,898
<i>Total available for appropriation</i>	3,455,421	3,455,421	2,989,663	(465,758)
Expenditures				
Federal grants	1,398,474	1,398,474	1,198,063	(200,411)
State grants	102,000	502,000	472,446	(29,554)
Local grants	190,343	190,343	117,679	(72,664)
Contracts	1,725,996	1,325,996	695,964	(630,032)
	3,416,813	3,416,813	2,484,152	(932,661)
Ending fund balance	\$ 38,608	\$ 38,608	\$ 505,511	\$ 466,903

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF BEGINNING BALANCE, REVENUE, EXPENDITURES AND ENDING BALANCE BY FUNCTION

AUXILIARY FUND

BUDGETARY BASIS

JUNE 30, 2019

	Sub-Fund Number	Beginning Balance (deficit)	Revenue	Expenditures	Ending Balance (deficit)
Medical leave assistance program	61001	\$ 94,188	\$ 18,580	\$ 3,862	\$ 108,906
Public safety	61003	59,740	24,613	32,899	51,454
Law enforcement testing	61004		2,310	2,310	
MATC industry training account	61005	2,009		2,009	
Sustainability fund	61006	29,685	682		30,367
Dental clinic	61007	3,370	4,451	1,550	6,271
Pharmacy tech	61008	4,699	2,776	5,297	2,178
Dental program	61009	4,169	15,195	1,092	18,272
Medical assisting program	61010	61	2,527	10,239	(7,651)
Teaching and learning center	61011	1,437	9,318	3,526	7,229
Forestry foundation support	61012		20,779	9,576	11,203
General testing	61511	29,521	19,437	13,463	35,495
Art cards	61512	15,170	4,523	5,854	13,839
Auto and industrial fees	61513	39,640	24,648	25,161	39,127
Facilities fees	61514	93,118	76,589	55,262	114,445
Club sports	61516	62,891	26,511	26,999	62,403
College activities	61518	237,593	46,310	129,131	154,772
Classified training	61522	27,181	15,724	8,266	34,639
Performing arts	61525	1,686	50,826	50,454	2,058
Hybrid vehicle fleet	61527	14,160	8,172	6,551	15,781
Special programs - administration	61528	32,700	135,169	60,015	107,854
Vehicles	61531	91,634	37,688	21,664	107,658
Physiology lab	61532	38,308	8,355	17,734	28,929
Library books account	61534	45,152	24,685	22,319	47,518
PCA wellness	61535	1,233	343	720	856
Outdoor recreation program	61537	8,543	5,990	10,188	4,345
Enrollment services support	61546	23,374	534	1,461	22,447
Accreditation	61547	4,872	5,108	5,580	4,400
College now	61550	310,101	211,162	176,191	345,072
Salvage sales	61552	15,546	628		16,174
CTE Accreditation	61553	26,486	3,210	27,681	2,015
Strategic planning fund	61554		101,179		101,179
Media activities	61561	47,354	38,230	37,418	48,166
Tutoring/Testing	61574	283,922	105,564	226,365	163,121
Institutional advancement	61576	1,186	75,239	57,093	19,332
Student honors recognition	61581	1,926	3,801	3,250	2,477
Innovation account	61589	312,992	106,354	209,449	209,897
Mazama lab fees	61592	125,250	61,271	49,405	137,116
Tool room deposits	61596	3,840	1,060	624	4,276
Computer lab printers	61597	16,931	9,823	11,008	15,746
Instructional projects	61598	141,045	61,164	47,916	154,293
Oregon International education consortium	61599	7,903	187	231	7,859
Student government	61601	69,418	155,525	152,583	72,360
The Broadside	61602	36,780	39,710	939	75,551
Blue Sky	61603	122,568	38,336	25,614	135,290
Elevation gratuity fund	61605	41,675	7,586	34,000	15,261
CIS software	61610	12,316	958	6,796	6,478
Bend area transit program	61611	58,418	24,186	34,665	47,939
Student government programs	61613	21,974	62,500	25,596	58,878
Student government reserve	61614	35,926	847		36,773
Math contest	61615		2,508	1,839	669

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF BEGINNING BALANCE, REVENUE, EXPENDITURES AND ENDING BALANCE BY FUNCTION AUXILIARY FUND (CONTINUED) BUDGETARY BASIS JUNE 30, 2019

	Sub-Fund Number	Beginning Balance	Revenue	Expenditures	Ending Balance
Redmond campus operations	61700	727,772	248,989	213,507	763,254
Chandler lab operations	61701	129,748	4,895	24,952	109,691
Prineville campus operations	61702	10,270	5,779		16,049
ITS services support	61703	32,742	407	31,000	2,149
Campus services support	61704	66,878	27,499	35,000	59,377
Herbarium activity	60705		10,770	2,749	8,021
Self-sustaining activities		3,627,101	2,001,210	1,969,053	3,659,258
Summer session	62501	1,948,720	1,259,276	1,305,512	1,902,484
International programs	62558	43,759	1,030	180	44,609
SBDC program	62564	42,011	137,776	142,978	36,809
Business development and training	62575	8	55,188	31,410	23,786
ABE General Purpose	62576	173,220	557,016	522,551	207,685
Outreach centers	62577	203,485	4,145	55,500	152,130
Veterinarian tech program	62603	150	11,274	1,456	9,968
Culinary foundation fund	62604	62	33,897	33,896	63
EMT practical exam	62610		8,924	7,676	1,248
Contracted credit classes	63501	117,126	20,217	35,657	101,686
Continuing education	63502	113,401	1,915,459	1,923,737	105,123
Licensed massage therapy	63572	33,877	24,488	11,392	46,973
Aviation program-simulator fees	63579	735,673	876,264	729,530	882,407
Unmanned aerial systems operations	63580	48,126	22,013	3,101	67,038
Non-general fund instruction		3,459,618	4,926,967	4,804,576	3,582,009
Foundation billing	64515	66,511	382,246	441,607	7,150
Partnership collaborations	64573	996,366	25,107	250,000	771,473
Revolving activities		1,062,877	407,353	691,607	778,623
Faculty professional improvement	65521	144,904	69,270	80,379	133,795
Adjunct faculty professional improvement	65523	48,296	7,108	8,638	46,766
ABE professional development fund	65524	33,844	798		34,642
Admin professional development and sabbatical	65526	17,551	5,408	5,882	17,077
Sabbatical - faculty	65527	22,302	125,491	127,951	19,842
Unemployment reserve	65542	332,167	60,091	55,053	337,205
Insurance reserve deductible	65543	141,944	24,042	12,539	153,447
Keyes educational enhancement fund	65562	229,202	65,472	67,007	227,667
		970,210	357,680	357,449	970,441
		\$ 9,119,806	\$ 7,693,210	\$ 7,822,685	\$ 8,990,331

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF REVENUE BY FUNCTION AND OBJECT AUXILIARY FUND BUDGETARY BASIS JUNE 30, 2019

	Charges for Services	Other	Interest	State and Local Grants	Transfers In	Totals
Medical leave assistance program	\$	\$ 16,212	\$ 2,368	\$	\$	\$ 18,580
Public safety	365	22,906	1,342			24,613
Law enforcement testing	2,310					2,310
Sustainability fund			682			682
Dental clinic	4,360		91			4,451
Pharmacy tech	2,625		151			2,776
Dental program	14,895		300			15,195
Medical assisting program	2,525		2			2,527
Teaching and learning center			18		9,300	9,318
Forestry foundation support		20,537	242			20,779
General testing	18,679		758			19,437
Art cards	4,180		343			4,523
Auto and industrial fees	16,840	6,852	956			24,648
Facilities fees	10,371	63,722	2,496			76,589
Club sports	2,270	22,693	1,548			26,511
College activities		41,737	4,573			46,310
Classified training			724		15,000	15,724
Performing arts		50,516	310			50,826
Hybrid vehicle fleet	7,820		352			8,172
Special programs - administration		133,764	1,405			135,169
Vehicles	33,326	1,999	2,363			37,688
Physiology lab	7,560		795			8,355
Library books account	5,814	17,770	1,101			24,685
PCA wellness		319	24			343
Outdoor recreation program	5,835		155			5,990
Enrollment services support			534			534
Accreditation			108		5,000	5,108
College now	203,525		7,637			211,162
Salvage sales		258	370			628
CTE Accreditation			335		2,875	3,210
Strategic planning			1,179		100,000	101,179
Media activities	8,800	28,317	1,113			38,230
Tutoring/Testing	100,351		5,213			105,564
Institutional advancement			239		75,000	75,239
Student honors recognition		2,500	51		1,250	3,801
Innovation account			6,354		100,000	106,354
Mazama lab fees	58,143		3,128			61,271
Tool room deposits		965	95			1,060
Computer lab printers		9,371	452			9,823
Instructional projects		17,709	3,455		40,000	61,164
Oregon International education consortium			187			187
Student government		153,658	1,867			155,525
The Broadside		38,400	1,310			39,710
Blue Sky		35,276	3,060			38,336
Elevation gratuity fund		6,922	664			7,586
CIS software		660	298			958
Bend area transit program	10,800		1,386		12,000	24,186
Student government programs		16,521	979		45,000	62,500
Student government reserve			847			847
Math contest		2,500	8			2,508
Redmond campus operations		231,419	17,570			248,989
Chandler lab operations		2,104	2,791			4,895
Prineville campus operations		5,589	190			5,779
ITS services support			407			407
Campus services support		26,027	1,472			27,499
Herbarium Activity		10,677	93			10,770
Self-sustaining activities	521,394	987,900	86,491		405,425	2,001,210

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF REVENUE BY FUNCTION AND OBJECT AUXILIARY FUND (CONTINUED) BUDGETARY BASIS JUNE 30, 2019

	Charges for Services	Other	Interest	State and Local Grants	Transfers In	Totals
Summer session	1,184,997		74,279			1,259,276
International programs			1,030			1,030
SBDC program	136,769		1,007			137,776
Business development and training			282		54,906	55,188
ABE General Purpose		960	4,448		551,608	557,016
Outreach centers			4,145			4,145
Veterinarian tech program	11,100		174			11,274
Culinary foundation fund		33,897				33,897
EMT practical exam		8,905	19			8,924
Contracted credit classes	17,667		2,550			20,217
Continuing education	1,538,903		3,301		373,255	1,915,459
Licensed massage therapy	23,462		1,026			24,488
Aviation program-simulator fees	838,860		37,404			876,264
Unmanned aerial systems operations	20,600		1,413			22,013
Non-general fund instruction	3,772,358	43,762	131,078		979,769	4,926,967
Foundation billing	306,725				75,521	382,246
Partnership collaborations			20,607	4,500		25,107
Revolving activities	306,725		20,607	4,500	75,521	407,353
Faculty professional improvement			3,270		66,000	69,270
Adjunct faculty professional improvement			1,108		6,000	7,108
ABE professional development fund			798			798
Admin professional development and abbatical			408		5,000	5,408
Sabbatical - faculty			491		125,000	125,491
Unemployment reserve	12,288		7,803		40,000	60,091
Insurance reserve deductible		20,598	3,444			24,042
Keyes educational enhancement fund			65,472			65,472
Contractual and administrative provisions	12,288	20,598	82,794		242,000	357,680
	<u>\$ 4,612,765</u>	<u>\$ 1,052,260</u>	<u>\$ 320,970</u>	<u>\$ 4,500</u>	<u>\$ 1,702,715</u>	<u>\$ 7,693,210</u>

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF EXPENDITURES BY FUNCTION AND OBJECT AUXILIARY FUND BUDGETARY BASIS JUNE 30, 2019

	Salaries	Payroll Assessments	Materials and Services	Capital Outlay	Transfers Out	Totals
Medical leave assistance program	\$ 2,588	\$ 1,274				\$ 3,862
Public safety			32,899			32,899
Law enforcement testing	2,146	164				2,310
MATC industry training account				2,009		2,009
Dental clinic			1,550			1,550
Pharmacy tech			5,297			5,297
Dental program			1,092			1,092
Medical assisting program			10,239			10,239
Teaching and learning center		1,066	2,460			3,526
Forestry foundation support	6,900		2,676			9,576
General testing	904	251	12,308			13,463
Art cards			5,854			5,854
Auto and industrial fees			20,325	4,836		25,161
Facilities fees	26,754	16,742	164	6,602	5,000	55,262
Club sports	6,000	480	16,571	3,948		26,999
College activities	3,000	1,131			125,000	129,131
Classified training			8,266			8,266
Performing arts			5,490	44,964		50,454
Hybrid vehicle fleet			5,252	1,299		6,551
Special programs - administration	33,204	22,807	4,004			60,015
Vehicles			21,664			21,664
Physiology lab	11,090	2,975	3,669			17,734
Library books account			10,881	11,438		22,319
PCA wellness			720			720
Outdoor recreation program			10,188			10,188
Enrollment services support			1,461			1,461
Accreditation	45	14	5,521			5,580
College now	100,018	51,554	24,619			176,191
CTE Accreditation			27,681			27,681
Media activities			12,198	25,220		37,418
Tutoring/Testing	57,744	23,634	32,410	12,577	100,000	226,365
Institutional advancement	360	126	56,607			57,093
Student honors recognition			3,250			3,250
Innovation account	62,017	8,489	138,943			209,449
Mazama lab fees	2,939	2,614	29,031	14,821		49,405
Tool room deposits			624			624
Computer lab printers			11,008			11,008
Instructional projects	18,310	5,172	15,134		9,300	47,916
Oregon International education consortium		231				231
Student government	29,018		66,565		57,000	152,583
The Broadside			939			939
Blue Sky			25,614			25,614
Elevation gratuity fund			34,000			34,000
CIS software			6,796			6,796
Bend area transit program			34,665			34,665
Student government programs			25,596			25,596
Math contest			1,839			1,839
Redmond campus operations			40,892	22,615	150,000	213,507
Chandler lab operations			4,952		20,000	24,952
ITS services support					31,000	31,000
Campus services support					35,000	35,000
Herbarium activity	2,000	389	360			2,749
Self-sustaining activities	365,037	139,113	782,274	150,329	532,300	1,969,053
Summer session	621,885	182,281	1,346		500,000	1,305,512
International programs			180			180
SBDC program	60,848	25,421	56,709			142,978

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF EXPENDITURES BY FUNCTION AND OBJECT AUXILIARY FUND (CONTINUED) BUDGETARY BASIS JUNE 30, 2019

	Salaries	Payroll Assessments	Materials and Services	Capital Outlay	Transfers Out	Totals
Business development and training	16,010	9,682	5,718			31,410
ABE General Purpose	315,764	194,045	12,742			522,551
Outreach centers			25,500		30,000	55,500
Veterinarian tech program			1,456			1,456
Culinary foundation fund			17,060	16,836		33,896
EMT practical exam	7,102	496	78			7,676
Contracted credit classes	4,388	1,269			30,000	35,657
Continuing education	813,821	443,584	659,412	6,920		1,923,737
Licensed massage therapy			11,392			11,392
Aviation program-simulator fees	487,919	90,667	50,944		100,000	729,530
Unmanned aerial systems operations			3,101			3,101
Non-general fund instruction	2,327,737	947,445	845,638	23,756	660,000	4,804,576
Foundation billing	270,662	170,945				441,607
Partnership collaborations					250,000	250,000
Revolving activities	270,662	170,945			250,000	691,607
Faculty professional improvement	8,567	3,013	33,799		35,000	80,379
Adjunct faculty professional improvement			3,638		5,000	8,638
Admin professional development and abbatical			5,882			5,882
Sabbatical - faculty	82,150	45,801				127,951
Unemployment reserve		55,053				55,053
Insurance reserve deductible			12,539			12,539
Keyes educational enhancement fund		1,189	1,328	64,490		67,007
Contractual and administrative provisions	90,717	105,056	57,186	64,490	40,000	357,449
	\$ 3,054,153	\$ 1,362,559	\$ 1,685,098	\$ 238,575	\$ 1,482,300	\$ 7,822,685

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF BEGINNING BALANCE , REVENUE, EXPENDITURES AND ENDING BALANCE BY FUNCTION AUXILIARY FUND BUDGETARY BASIS YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Revenue				
Local:				
Charges for services	\$ 4,886,453	\$ 4,886,453	\$ 4,832,004	\$ (54,449)
Interest	134,756	134,756	320,970	186,214
State and local	374,734	374,734	4,500	(370,234)
Other	649,377	649,377	833,021	183,644
Transfers from other funds	<u>1,334,342</u>	<u>1,334,342</u>	<u>1,702,715</u>	<u>368,373</u>
Total Revenue	<u>7,379,662</u>	<u>7,379,662</u>	<u>7,693,210</u>	<u>313,548</u>
Beginning fund balance	<u>8,103,349</u>	<u>8,103,349</u>	<u>9,119,806</u>	<u>1,016,457</u>
Total available for appropriation	<u>15,483,011</u>	<u>15,483,011</u>	<u>16,813,016</u>	<u>1,330,005</u>
Expenditures				
Self-sustaining activities	2,612,349	2,612,349	1,969,053	(643,296)
Non-general fund instruction	5,573,135	5,573,135	4,804,576	(768,559)
Revolving activities	945,269	945,269	691,607	(253,662)
Contractual and administrative provisions	<u>665,888</u>	<u>665,888</u>	<u>357,449</u>	<u>(308,439)</u>
	<u>9,796,641</u>	<u>9,796,641</u>	<u>7,822,685</u>	<u>(1,973,956)</u>
Ending fund balance	<u>\$ 5,686,370</u>	<u>\$ 5,686,370</u>	<u>\$ 8,990,331</u>	<u>\$ 3,303,961</u>

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF BEGINNING BALANCE, REVENUE, EXPENDITURES AND ENDING BALANCE BY FUNCTION RESERVE FUND BUDGETARY BASIS YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Revenue				
Local:				
Interest	\$ 15,502	\$ 15,502	\$ 37,086	\$ 21,584
Total Revenue	<u>15,502</u>	<u>15,502</u>	<u>37,086</u>	<u>21,584</u>
Beginning fund balance	<u>1,820,269</u>	<u>1,820,269</u>	<u>1,828,649</u>	<u>8,380</u>
<i>Total available for appropriation</i>	<u>1,835,771</u>	<u>1,835,771</u>	<u>1,865,735</u>	<u>29,964</u>
Expenditures				
Materials and Services	40,000	40,000	12,808	(27,192)
Transfer out	<u>500,000</u>	<u>500,000</u>	<u>460,000</u>	<u>(40,000)</u>
	<u>540,000</u>	<u>540,000</u>	<u>472,808</u>	<u>(67,192)</u>
Ending fund balance	<u>\$ 1,295,771</u>	<u>\$ 1,295,771</u>	<u>\$ 1,392,927</u>	<u>\$ 97,156</u>

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF BEGINNING BALANCE, REVENUE, EXPENDITURES AND ENDING BALANCE BY FUNCTION

FINANCIAL AID FUND

BUDGETARY BASIS

JUNE 30, 2019

	<u>Sub-Fund Number</u>	<u>Beginning Balance</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Ending Balance</u>
College work study	71802	\$	\$ 196,785	\$ 196,785	\$
SEOG	71803		169,400	169,400	
Pell	71804		6,557,139	6,557,139	
Veteran's fund	71807	22,244	8,231	3,933	26,542
State need	72807		1,674,797	1,674,797	
Private scholarship award	72808		197,637	197,637	
Oregon promise grant	72809		1,337,913	1,337,913	
Foundation	73805		1,359,274	1,359,274	
COCC financial aid program	73809	447,582	89,327	66,632	470,277
Native American trust	75809	115,884	27,396	17,746	125,534
		<u>\$ 585,710</u>	<u>\$ 11,617,899</u>	<u>\$ 11,581,256</u>	<u>\$ 622,353</u>

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF REVENUE BY FUNCTION AND OBJECT FINANCIAL AID FUND BUDGETARY BASIS JUNE 30, 2019

	Interest	Grants	Other	Intergovernmental		Transfers In	Total
				State	Federal		
College work study	\$	\$	\$ 20,035	\$	\$ 131,123	\$ 45,627	\$ 196,785
SEOG					169,400		169,400
Pell			9,330		6,547,809		6,557,139
Veteran's fund	581		7,650				8,231
State need				1,674,797			1,674,797
Private scholarship award - state				197,637			197,637
Oregon promise grant				1,337,913			1,337,913
Foundation		1,252,274				107,000	1,359,274
COCC financial aid program	9,772					79,555	89,327
Native American trust	27,396						27,396
	<u>\$ 37,749</u>	<u>\$ 1,252,274</u>	<u>\$ 37,015</u>	<u>\$ 3,210,347</u>	<u>\$ 6,848,332</u>	<u>\$ 232,182</u>	<u>\$ 11,617,899</u>

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF EXPENDITURES BY FUNCTION AND OBJECT FINANCIAL AID FUND BUDGETARY BASIS JUNE 30, 2019

	Personal Service	Administrative Services	Grants and Loans	Transfers Out	Total
College work study	\$ 176,750	\$ 20,035	\$	\$	\$ 196,785
SEOG			169,400		169,400
Pell		9,330	6,547,809		6,557,139
Veteran's fund		3,933			3,933
State need			1,674,797		1,674,797
Private scholarship award - state			197,637		197,637
Oregon promise grant			1,337,913		1,337,913
Foundation			1,359,274		1,359,274
COCC financial aid program			16,632	50,000	66,632
Native American trust		17,146	600		17,746
	\$ 176,750	\$ 50,444	\$ 11,304,062	\$ 50,000	\$ 11,581,256

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE FINANCIAL AID FUND BUDGETARY BASIS YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Revenue				
Local:				
Interest	\$ 28,611	\$ 28,611	\$ 37,749	\$ 9,138
Grants	1,317,818	1,317,818	1,252,274	(65,544)
Other	29,000	29,000	37,015	8,015
Intergovernmental				
State	4,700,000	4,700,000	3,210,347	(1,489,653)
Federal	11,352,000	11,352,000	6,848,332	(4,503,668)
Transfers from other funds	232,182	232,182	232,182	
Total Revenue	<u>17,659,611</u>	<u>17,659,611</u>	<u>11,617,899</u>	<u>(6,041,712)</u>
Beginning fund balance	<u>501,278</u>	<u>501,278</u>	<u>585,710</u>	<u>84,432</u>
Total available for appropriation	<u>18,160,889</u>	<u>18,160,889</u>	<u>12,203,609</u>	<u>(5,957,280)</u>
Expenditures				
Federal programs	11,426,000	11,426,000	6,923,324	(4,502,676)
State programs	4,700,000	4,700,000	3,210,347	(1,489,653)
Local programs	1,609,190	1,609,190	1,447,585	(161,605)
Total Expenditures	<u>17,735,190</u>	<u>17,735,190</u>	<u>11,581,256</u>	<u>(6,153,934)</u>
Ending fund balance	<u>\$ 425,699</u>	<u>\$ 425,699</u>	<u>\$ 622,353</u>	<u>\$ 196,654</u>

Debt Service Fund

This fund is used to account for the payments of bond principal and interest on the general obligation bond issue.

CENTRAL OREGON COMMUNITY COLLEGE

COMPARATIVE SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE DEBT SERVICE FUND BUDGETARY BASIS

YEAR ENDED JUNE 30, 2019

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018)

	<u>2019</u>	<u>2018</u>
ASSETS		
Pooled cash and investments	\$ 304,933	\$ 272,776
Cash with county treasurers	18,483	16,816
Property taxes receivable	<u>93,406</u>	<u>89,741</u>
Total assets	<u>\$ 416,822</u>	<u>\$ 379,333</u>
LIABILITIES AND FUND BALANCE		
Deferred inflows of resources		
Unavailable property taxes	<u>\$ 66,650</u>	<u>\$ 63,915</u>
Fund balance		
Designated for debt service	<u>350,172</u>	<u>315,418</u>
Total liabilities and fund equity	<u>\$ 416,822</u>	<u>\$ 379,333</u>

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE DEBT SERVICE FUND BUDGETARY BASIS YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Revenue				
Local:				
Property taxes	\$ 3,074,828	\$ 3,074,828	\$ 3,246,267	\$ 171,439
Assessment	1,166,543	1,166,543	1,158,764	(7,779)
Interest	1,719	1,719	14,512	12,793
Transfers from other funds	<u>1,258,988</u>	<u>1,258,988</u>	<u>1,258,988</u>	
Total Revenue	<u>5,502,078</u>	<u>5,502,078</u>	<u>5,678,531</u>	<u>176,453</u>
Beginning fund balance	<u>244,266</u>	<u>244,266</u>	<u>315,418</u>	<u>71,152</u>
Total available for appropriation	<u>5,746,344</u>	<u>5,746,344</u>	<u>5,993,949</u>	<u>247,605</u>
Expenditures				
Debt service				
Principal	2,373,470	2,373,470	2,373,470	
Interest	3,269,711	3,269,711	3,269,707	(4)
Outside services	<u>600</u>	<u>600</u>	<u>600</u>	
Total Expenditures	<u>5,643,781</u>	<u>5,643,781</u>	<u>5,643,777</u>	<u>(4)</u>
Ending fund balance	<u>\$ 102,563</u>	<u>\$ 102,563</u>	<u>\$ 350,172</u>	<u>\$ 247,609</u>

Capital Projects Fund

The capital projects fund account is for the resources and reserves used for major construction and improvement projects of the College.

CENTRAL OREGON COMMUNITY COLLEGE

COMPARATIVE SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE CAPITAL PROJECTS FUND BUDGETARY BASIS YEAR ENDED JUNE 30, 2019 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018)

	<u>2019</u>	<u>2018</u>
ASSETS		
Pooled cash and investments	\$ 5,468,710	\$ 5,516,956
Total assets	<u>\$ 5,468,710</u>	<u>\$ 5,516,956</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 144,214	\$ 221,806
Total liabilities	<u>144,214</u>	<u>221,806</u>
Fund equity:		
Undesignated	<u>5,324,496</u>	<u>5,295,150</u>
Total liabilities and fund equity	<u>\$ 5,468,710</u>	<u>\$ 5,516,956</u>

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE CAPITAL PROJECTS FUND BUDGETARY BASIS YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Revenue				
Local:				
Interest	\$ 25,009	\$ 25,009	\$ 126,091	\$ 101,082
Transfers from other funds	1,184,068	1,184,068	1,684,068	500,000
Total Revenue	<u>1,209,077</u>	<u>1,209,077</u>	<u>1,810,159</u>	<u>601,082</u>
Beginning fund balance	<u>4,868,663</u>	<u>4,868,663</u>	<u>5,295,150</u>	<u>426,487</u>
<i>Total available for appropriation</i>	<u>6,077,740</u>	<u>6,077,740</u>	<u>7,105,309</u>	<u>1,027,569</u>
Expenditures				
Capital outlay				
Personnel Services	112,460	112,460	11,919	(100,541)
Material and services	1,848,000	1,848,000	739,359	(1,108,641)
Capital outlay	2,776,000	2,776,000	599,966	(2,176,034)
Transfers out	429,569	429,569	429,569	
Total Expenditures	<u>5,166,029</u>	<u>5,166,029</u>	<u>1,780,813</u>	<u>(3,385,216)</u>
Ending fund balance	<u>\$ 911,711</u>	<u>\$ 911,711</u>	<u>\$ 5,324,496</u>	<u>\$ 4,412,785</u>

Proprietary Funds (Enterprise and Internal Service Funds)

Enterprise Funds

These funds are used to account for the financial activities of the Bookstore, Food Service Operations, and the Residence Hall.

CENTRAL OREGON COMMUNITY COLLEGE

COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND EQUITY ALL ENTERPRISE FUNDS BUDGETARY BASIS JUNE 30, 2019 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

		Food Service Operations			Totals	
	Bookstore		Wickiup Hall	Juniper Hall	2019	2018
Assets						
Current assets						
Pooled cash and investments	\$ 1,617,920	\$ 1,223,677	\$ 1,389,818	\$ 204,237	\$ 4,435,652	\$ 4,623,494
Accounts receivable	83,963	5,873			89,836	113,603
Inventory	296,074				296,074	297,630
Total current assets	<u>1,997,957</u>	<u>1,229,550</u>	<u>1,389,818</u>	<u>204,237</u>	<u>4,821,562</u>	<u>5,034,727</u>
Capital assets						
Buildings and equipment	1,435,774	16,552	20,048,233	631,871	22,132,430	22,273,419
Accumulated depreciation	(976,295)	(9,890)	(1,817,947)	(576,211)	(3,380,343)	(3,003,110)
Net property and equipment	<u>459,479</u>	<u>6,662</u>	<u>18,230,286</u>	<u>55,660</u>	<u>18,752,087</u>	<u>19,270,309</u>
Total Assets	<u>\$ 2,457,436</u>	<u>\$ 1,236,212</u>	<u>\$ 19,620,104</u>	<u>\$ 259,897</u>	<u>\$ 23,573,649</u>	<u>\$ 24,305,036</u>
LIABILITIES AND FUND EQUITY						
Liabilities						
Accounts payable	\$ 10,587	\$	\$ 7,525	\$	\$ 18,112	\$ 71,064
Deferred revenue		81,500	130,541		212,041	241,707
Total liabilities	<u>10,587</u>	<u>81,500</u>	<u>138,066</u>		<u>230,153</u>	<u>312,771</u>
Fund equity						
Contributed capital	20,000				20,000	20,000
Retained earnings - unreserved	2,426,849	1,154,712	19,482,038	259,897	23,323,496	23,972,265
Total fund equity	<u>2,446,849</u>	<u>1,154,712</u>	<u>19,482,038</u>	<u>259,897</u>	<u>23,343,496</u>	<u>23,992,265</u>
Total liabilities and fund equity	<u>\$ 2,457,436</u>	<u>\$ 1,236,212</u>	<u>\$ 19,620,104</u>	<u>\$ 259,897</u>	<u>\$ 23,573,649</u>	<u>\$ 24,305,036</u>

CENTRAL OREGON COMMUNITY COLLEGE

COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND EQUITY ALL ENTERPRISE FUNDS BUDGETARY BASIS JUNE 30, 2019 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	Bookstore	Food Service Operations	Wickiup Hall	Juniper Hall	Totals	
					2019	2018
Operating revenue						
Charges for services	\$ 1,557,233	\$ 1,364,886	\$ 2,038,452	\$	\$ 4,960,571	\$ 5,439,456
Total operating revenue	<u>1,557,233</u>	<u>1,364,886</u>	<u>2,038,452</u>	<u></u>	<u>4,960,571</u>	<u>5,439,456</u>
Operating expenses						
Salaries	320,964	47,403	219,319		587,686	599,661
Payroll assessments	219,875	28,523	161,029		409,427	413,900
Materials and services	1,179,123	1,000,539	585,379		2,765,041	2,842,595
Capital outlay	79	4,941			5,020	29,240
Depreciation	31,957	5,517	474,138	6,611	518,223	538,488
Total operating expenses	<u>1,751,998</u>	<u>1,086,923</u>	<u>1,439,865</u>	<u>6,611</u>	<u>4,285,397</u>	<u>4,423,884</u>
Operating income (loss)	<u>(194,765)</u>	<u>277,963</u>	<u>598,587</u>	<u>(6,611)</u>	<u>675,174</u>	<u>1,015,572</u>
Non-operating revenue (expenses)						
Interest income	42,089	26,210	31,774	5,403	105,476	60,704
Operating transfer in			502,500		502,500	482,000
Operating transfer out	(300,000)	(70,000)	(1,501,488)	(60,431)	(1,931,919)	(1,442,789)
Total non-operating revenue (expenses)	<u>(257,911)</u>	<u>(43,790)</u>	<u>(967,214)</u>	<u>(55,028)</u>	<u>(1,323,943)</u>	<u>(900,085)</u>
Net income (loss)	<u>(452,676)</u>	<u>234,173</u>	<u>(368,627)</u>	<u>(61,639)</u>	<u>(648,769)</u>	<u>115,487</u>
FUND EQUITY - beginning of year	<u>2,899,525</u>	<u>920,539</u>	<u>19,850,665</u>	<u>321,536</u>	<u>23,992,265</u>	<u>23,876,778</u>
FUND EQUITY - end of year	<u>\$ 2,446,849</u>	<u>\$ 1,154,712</u>	<u>\$ 19,482,038</u>	<u>\$ 259,897</u>	<u>\$ 23,343,496</u>	<u>\$ 23,992,265</u>

CENTRAL OREGON COMMUNITY COLLEGE

COMBINING SCHEDULE OF CASH FLOWS ALL ENTERPRISE FUNDS BUDGETARY BASIS

JUNE 30, 2019

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	<u>Bookstore</u>	<u>Food Service Operations</u>	<u>Wickiup Hall</u>
Cash flows from operating activities			
Cash received for services	\$ 1,586,873	\$ 1,329,013	\$ 2,038,786
Cash payments for goods and services	(1,173,079)	(1,010,507)	(637,872)
Cash payments to employees	(540,839)	(75,926)	(380,348)
Net cash flows from operating activities	(127,045)	242,580	1,020,566
Cash flows from non-capital financing activities	(300,000)	(70,000)	(998,988)
Cash flows from capital and related financing activities			
Aquisitions of building, improvements and equipment			
Net cash flows from capital and related financing activities			
Cash flows from investing activities			
Interest earned	42,089	26,210	31,774
Net cash flows from investing activities	42,089	26,210	31,774
Net increase in cash and cash equivalents	(384,956)	198,790	53,352
Cash and cash equivalents - beginning of year	2,002,876	1,024,887	1,336,466
Cash and cash equivalents - end of year	\$ 1,617,920	\$ 1,223,677	\$ 1,389,818
Reconciliation of operating income to net cash flows from operating activities			
Operating income (loss)	\$ (194,765)	\$ 277,963	\$ 598,587
Adjustments to reconcile operating income to net cash flows from operating activities			
Depreciation	31,957	5,517	474,138
Decrease in accounts receivable	29,640	(5,873)	
Decrease in inventory	1,556		
Increase (decrease) in accounts payable	4,567	(5,027)	(52,493)
Increase (decrease) in deferred revenue		(30,000)	334
Net cash flows from operating activities	\$ (127,045)	\$ 242,580	\$ 1,020,566

<u>Juniper Hall</u>	<u>Totals</u>	
	<u>2019</u>	<u>2018</u>
\$	\$ 4,954,672	\$ 5,274,167
	(2,821,458)	(2,694,928)
	(997,113)	(1,013,561)
	<u>1,136,101</u>	<u>1,565,678</u>
(60,431)	(1,429,419)	(960,789)
		(16,552)
		(16,552)
<u>5,403</u>	<u>105,476</u>	<u>60,704</u>
<u>5,403</u>	<u>105,476</u>	<u>60,704</u>
(55,028)	(187,842)	649,041
<u>259,265</u>	<u>4,623,494</u>	<u>3,974,453</u>
<u>\$ 204,237</u>	<u>\$ 4,435,652</u>	<u>\$ 4,623,494</u>
\$ (6,611)	\$ 675,174	\$ 1,015,572
6,611	518,223	538,488
	23,767	4,328
	1,556	134,826
	(52,953)	42,081
	(29,666)	(169,617)
<u>\$ -</u>	<u>\$ 1,136,101</u>	<u>\$ 1,565,678</u>

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN AVAILABLE RESOURCES BOOKSTORE FUND BUDGETARY BASIS YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Revenue				
Local:				
Sales	\$ 2,650,000	\$ 2,650,000	\$ 1,557,233	\$ (1,092,767)
Interest	22,415	22,415	42,089	19,674
Total Revenue	<u>2,672,415</u>	<u>2,672,415</u>	<u>1,599,322</u>	<u>(1,073,093)</u>
Beginning available resources	<u>2,394,800</u>	<u>2,394,800</u>	<u>2,408,089</u>	<u>13,289</u>
<i>Total available for appropriation</i>	<u>5,067,215</u>	<u>5,067,215</u>	<u>4,007,411</u>	<u>(1,059,804)</u>
Expenditures				
Personnel services	604,655	604,655	540,839	(63,816)
Material and services	2,026,950	2,026,950	1,179,123	(847,827)
Capital outlay	25,000	25,000	79	(24,921)
Transfers to other funds	300,000	300,000	300,000	
Total Expenditures	<u>2,956,605</u>	<u>2,956,605</u>	<u>2,020,041</u>	<u>(936,564)</u>
Ending available resources	<u>\$ 2,110,610</u>	<u>\$ 2,110,610</u>	<u>\$ 1,987,370</u>	<u>\$ (123,240)</u>
Analysis of ending available resources				
Current assets			\$ 1,997,957	
less liabilities			<u>(10,587)</u>	
			<u>\$ 1,987,370</u>	

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN AVAILABLE RESOURCES FOOD SERVICES OPERATIONS FUND BUDGETARY BASIS YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Revenue				
Local:				
Sales	\$ 1,700,000	\$ 1,700,000	\$ 1,364,886	\$ (335,114)
Interest	7,747	7,747	26,210	18,463
Total Revenue	<u>1,707,747</u>	<u>1,707,747</u>	<u>1,391,096</u>	<u>(316,651)</u>
Beginning available resources	<u>732,746</u>	<u>187,900</u>	<u>908,360</u>	<u>720,460</u>
<i>Total available for appropriation</i>	<u>2,440,493</u>	<u>1,895,647</u>	<u>2,299,456</u>	<u>403,809</u>
Expenditures				
Personnel services	77,403	77,403	75,926	(1,477)
Material and services	1,426,555	1,426,555	1,000,539	(426,016)
Capital outlay	50,000	50,000	4,941	(45,059)
Transfers out	70,000	70,000	70,000	
Total Expenditures	<u>1,623,958</u>	<u>1,623,958</u>	<u>1,151,406</u>	<u>(472,552)</u>
Ending available resources	<u>\$ 816,535</u>	<u>\$ 271,689</u>	<u>\$ 1,148,050</u>	<u>\$ 876,361</u>
Analysis of ending available resources				
Current assets			\$ 1,229,550	
less liabilities			<u>(81,500)</u>	
			<u>\$ 1,148,050</u>	

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN AVAILABLE RESOURCES
WICKIUP HALL FUND
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Revenue				
Local:				
Room and board	\$ 2,353,360	\$ 2,353,360	\$ 2,038,452	\$ (314,908)
Interest	9,205	9,205	31,774	22,569
Transfer from other funds	<u>502,500</u>	<u>502,500</u>	<u>502,500</u>	
Total Revenue	<u>2,865,065</u>	<u>2,865,065</u>	<u>2,572,726</u>	<u>(292,339)</u>
Beginning available resources	<u>790,000</u>	<u>790,000</u>	<u>1,146,242</u>	<u>356,242</u>
<i>Total available for appropriation</i>	<u>3,655,065</u>	<u>3,655,065</u>	<u>3,718,968</u>	<u>63,903</u>
Expenditures				
Personnel services	446,995	446,995	380,349	(66,646)
Material and services	647,666	647,666	585,379	(62,287)
Transfers to other funds	<u>1,501,488</u>	<u>1,501,488</u>	<u>1,501,488</u>	
Total Expenditures	<u>2,596,149</u>	<u>2,596,149</u>	<u>2,467,216</u>	<u>(128,933)</u>
Ending available resources	<u>\$ 1,058,916</u>	<u>\$ 1,058,916</u>	<u>\$ 1,251,752</u>	<u>\$ 192,836</u>
Analysis of ending available resources				
Current assets			\$ 1,389,818	
Less liabilities			<u>(138,066)</u>	
			<u>\$ 1,251,752</u>	

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN AVAILABLE RESOURCES JUNIPER HALL FUND BUDGETARY BASIS YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Revenue				
Interest	\$ 2,258	\$ 2,258	\$ 5,403	\$ 3,145
Total Revenue	<u>2,258</u>	<u>2,258</u>	<u>5,403</u>	<u>3,145</u>
Beginning available resources	<u>256,000</u>	<u>256,000</u>	<u>259,265</u>	<u>3,265</u>
<i>Total available for appropriation</i>	<u>258,258</u>	<u>258,258</u>	<u>264,668</u>	<u>6,410</u>
Expenditures				
Transfers out	<u>60,431</u>	<u>60,431</u>	<u>60,431</u>	
Total Expenditures	<u>60,431</u>	<u>60,431</u>	<u>60,431</u>	
Ending available resources	<u>\$ 197,827</u>	<u>\$ 197,827</u>	<u>\$ 204,237</u>	<u>\$ 6,410</u>
Analysis of ending available resources				
Current assets			\$ 204,237	
Less liabilities			<u> </u>	
			<u>\$ 204,237</u>	

Internal Service Fund

This fund is used to account for the financing of services charged on cost reimbursement basis to other departments.

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF ASSETS, LIABILITIES AND FUND EQUITY
INTERNAL SERVICE FUND**

JUNE 30, 2019

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	<u>2019</u>	<u>2018</u>
ASSETS		
Current Assets		
Pooled cash and investments	\$ 210,466	\$ 248,741
Total current assets	<u>210,466</u>	<u>248,741</u>
Capital Assets		
Building and equipment	83,172	83,172
Accumulated depreciation	<u>(61,872)</u>	<u>(55,662)</u>
Net building and equipment	<u>21,300</u>	<u>27,510</u>
TOTAL ASSETS	<u>\$ 231,766</u>	<u>\$ 276,251</u>
LIABILITIES AND FUND EQUITY		
Liabilities		
Accounts payable	\$ 1,624	\$ 3,538
Total liabilities	<u>1,624</u>	<u>3,538</u>
Fund Equity		
Retained earnings - unreserved	<u>230,142</u>	<u>272,713</u>
Total Fund Equity	<u>230,142</u>	<u>272,713</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 231,766</u>	<u>\$ 276,251</u>

CENTRAL OREGON COMMUNITY COLLEGE

COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND EQUITY INTERNAL SERVICE FUND

JUNE 30, 2019

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	Centralized Services	Copier Activities	Totals	
			2019	2018
Operating revenue				
Charges for services	\$ 91,846	\$ 114,081	\$ 205,927	\$ 218,695
Total operating revenue	<u>91,846</u>	<u>114,081</u>	<u>205,927</u>	<u>218,695</u>
Operating expenses				
Salaries	34,348		34,348	58,592
Payroll assessments	25,360		25,360	51,048
Materials and services	56,618	101,316	157,934	156,088
Capital outlay				236
Depreciation	6,210		6,210	8,508
Total operating expenses	<u>122,536</u>	<u>101,316</u>	<u>223,852</u>	<u>274,472</u>
Operating income (loss)	<u>(30,690)</u>	<u>12,765</u>	<u>(17,925)</u>	<u>(55,777)</u>
Non-operating revenue (expenses)				
Interest income	4,834	520	5,354	3,911
Operating transfer out	(30,000)		(30,000)	(10,000)
Total non-operating revenue (expenses)	<u>(25,166)</u>	<u>520</u>	<u>(24,646)</u>	<u>(6,089)</u>
Net income (loss)	(55,856)	13,285	(42,571)	(61,866)
FUND EQUITY - beginning of year	<u>257,764</u>	<u>14,949</u>	<u>272,713</u>	<u>334,579</u>
FUND EQUITY - end of year	<u>\$ 201,908</u>	<u>\$ 28,234</u>	<u>\$ 230,142</u>	<u>\$ 272,713</u>

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF CASH FLOWS
INTERNAL SERVICE FUND**

JUNE 30, 2019

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	Totals	
	2019	2018
Cash flows from operating activities		
Cash received from users	\$ 205,927	\$ 218,695
Cash payments for goods and services	(159,848)	(158,880)
Cash payments to employees	(59,708)	(109,640)
Net cash flows from operating activities	(13,629)	(49,825)
Cash flows from non-capital financing activities	(30,000)	(10,000)
Cash flows from investing activities		
Interest earned	5,354	3,911
Net cash flows from investing activities	5,354	3,911
Net decrease in cash and cash equivalents	(38,275)	(55,914)
Cash and cash equivalents - beginning of year	248,741	304,655
Cash and cash equivalents - end of year	\$ 210,466	\$ 248,741
Reconciliation of operating income to net cash flows from operating activities		
Operating income (loss)	\$ (17,925)	\$ (55,777)
Adjustments to reconcile operating income to net cash flows from operating activities		
Depreciation	6,210	8,508
Decrease in accounts payable	(1,914)	(2,556)
Net cash flows from operating activities	\$ (13,629)	\$ (49,825)

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN AVAILABLE RESOURCES CENTRALIZED SERVICES FUND BUDGETARY BASIS YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Revenue				
Local:				
User charges	\$ 125,000	\$ 125,000	\$ 91,846	(33,154)
Interest	2,305	2,305	4,834	2,529
Total Revenue	127,305	127,305	96,680	(30,625)
Beginning available resources	289,434	289,434	230,253	(59,181)
<i>Total available for appropriation</i>	416,739	416,739	326,933	(89,806)
Expenditures				
Personnel services	124,771	124,771	59,708	(65,063)
Material and services	83,000	83,000	56,618	(26,382)
Capital outlay	5,000	5,000		(5,000)
Transfers to other funds	30,000	30,000	30,000	
Total Expenditures	242,771	242,771	146,326	(96,445)
Ending available resources	\$ 173,968	\$ 173,968	\$ 180,607	\$ 6,639
Analysis of ending available resources				
Current assets			\$ 182,231	
Less liabilities			(1,624)	
			\$ 180,607	

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN AVAILABLE RESOURCES
COPIER ACTIVITIES FUND
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Revenue				
Local:				
User charges	\$ 112,000	\$ 112,000	\$ 114,081	\$ 2,081
Interest	72	72	520	448
Total Revenue	<u>112,072</u>	<u>112,072</u>	<u>114,601</u>	<u>2,529</u>
Beginning available resources	<u>6,200</u>	<u>6,200</u>	<u>14,949</u>	<u>8,749</u>
<i>Total available for appropriation</i>	<u>118,272</u>	<u>118,272</u>	<u>129,550</u>	<u>11,278</u>
Expenditures				
Material and services	109,000	109,000	101,316	(7,684)
Capital purchases	1,000	1,000		(1,000)
Total Expenditures	<u>110,000</u>	<u>110,000</u>	<u>101,316</u>	<u>(8,684)</u>
Ending available resources	<u>\$ 8,272</u>	<u>\$ 8,272</u>	<u>\$ 28,234</u>	<u>\$ 19,962</u>
Analysis of ending available resources				
Current assets			\$ 28,234	
Less liabilities			<u> </u>	
			<u>\$ 28,234</u>	

Permanent Fund

Permanent funds report resources that are legally restricted in that only earnings, and not principal, may be used to support the government's programs for the benefit of the government or its citizens.

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE

NON-EXPENDABLE TRUST FUND

BUDGETARY BASIS

YEAR ENDED JUNE 30, 2019

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018)

	<u>2019</u>	<u>2018</u>
ASSETS		
Pooled cash and investments	\$ 455,715	\$ 455,748
Beneficial interest in perpetual trust	<u>1,319,745</u>	<u>1,304,935</u>
Total assets	<u>\$ 1,775,460</u>	<u>\$ 1,760,683</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	<u>\$ 71,304</u>	<u>\$ 77,826</u>
Total liabilities	<u>71,304</u>	<u>77,826</u>
Fund Balance:		
Reserved for endowments	1,549,733	1,549,733
Unreserved	<u>154,423</u>	<u>133,124</u>
Total fund equity	<u>1,704,156</u>	<u>1,682,857</u>
Total liabilities and fund equity	<u>\$ 1,775,460</u>	<u>\$ 1,760,683</u>

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

NON-EXPENDABLE TRUST FUND

BUDGETARY BASIS

JUNE 30, 2019

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	Totals	
	2019	2018
Operating expenses		
Materials and services	\$ 92,259	\$ 98,967
Operating loss	(92,259)	(98,967)
Non-operating revenue		
Interest income	9,788	6,549
Net-gain on perpetual trust	103,770	106,012
Total non-operating revenue	113,558	112,561
Net gain	21,299	13,594
FUND BALANCE - beginning of year	1,682,857	1,669,263
FUND BALANCE - end of year	\$ 1,704,156	\$ 1,682,857

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

NON-EXPENDABLE TRUST FUND

BUDGETARY BASIS

YEAR ENDED JUNE 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Over (Under)</u>
BEGINNING FUND BALANCE	\$ 1,682,857	\$ 372,505	\$ 1,310,352
Revenue			
Interest	9,788	3,736	6,052
Net gain on perpetual trust	14,811		14,811
	<u>24,599</u>	<u>3,736</u>	<u>20,863</u>
Total Revenue			
<i>Total available for appropriation</i>	<u>1,707,456</u>	<u>376,241</u>	<u>1,331,215</u>
Expenses			
Scholarships	3,300	3,600	(300)
	<u>3,300</u>	<u>3,600</u>	<u>(300)</u>
Total Expenditures			
ENDING FUND BALANCE	<u>\$ 1,704,156</u>	<u>\$ 372,641</u>	<u>\$ 1,331,515</u>

OTHER SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITORS' REPORT REQUIRED BY STATE REGULATIONS

**INDEPENDENT AUDITORS' REPORT
REQUIRED BY OREGON STATE REGULATIONS**

Board of Officials
Central Oregon Community College
Bend, Oregon

We have audited the basic financial statements of Central Oregon Community College (the College), as of and for the year ended June 30, 2019, and have issued our report thereon dated December 18, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

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

**INDEPENDENT AUDITORS' REPORT
REQUIRED BY OREGON STATE REGULATIONS – CONTINUED**

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

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting.

This report is intended solely for the information and use of the management, the audit committee, the Board of Officials, federal awarding agencies and passthrough entities of the College, and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

PRICE FRONK & CO.
Certified Public Accountants & Consultants

By:  _____
Wesley B. Price III – a partner

December 18, 2019

SINGLE AUDIT ACT REQUIREMENTS

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

To the Board of Directors
Central Oregon Community College
Bend, Oregon

We have audited, in accordance with the 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, the financial statements of Central Oregon Community College (the College), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 18, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College'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 College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College'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 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 have not been identified. Given these limitations, during our audit we did not identify any

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

deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this 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 College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PRICE FRONK & CO.
Certified Public Accountants & Consultants

By: 

Wesley B. Price III – a partner

December 18, 2019

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors
Central Oregon Community College
Bend, Oregon

Report on Compliance for Each Major Federal Program

We have audited Central Oregon Community College's (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2019. The College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above, that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the College's compliance.

Unmodified Opinion on Each Major Federal Program

In our opinion, the College complied, in all material respects, with the types of compliance requirements

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE – CONTINUED**

referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

PRICE FRONK & CO.

Certified Public Accountants & Consultants

By:  _____

Wesley B. Price III – a partner

December 18, 2019

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2019

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on the basic financial statements of Central Oregon Community College (the College).
2. No material weaknesses in internal control over financial reporting were identified during the audit of the financial statements.
3. No instances of noncompliance required to be reported under *Government Auditing Standards* were identified during the audit of the financial statements.
4. No deficiencies in internal control over compliance considered to be material weaknesses were identified during the audit of the major federal award programs.
5. The auditors' report on compliance for the major federal award programs for the College expresses an unmodified opinion on all major federal programs.
6. No audit findings relative to the major federal award programs for the College are reported in this Schedule.
7. The programs tested as major programs were:
 - U.S. Department of Education, Student Financial Assistance Cluster:
 - CFDA # 84.007 – Supplemental Educational Opportunity Grants (SEOG)
 - CFDA # 84.033 – College Work Study Program (CWS)
 - CFDA # 84.063 – Pell Grant Program (PELL)
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. The College was determined to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

None

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

CENTRAL OREGON COMMUNITY COLLEGE

STATUS OF PRIOR YEAR (2018) FINDINGS
YEAR ENDED JUNE 30, 2019

No prior year findings

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2019

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
Department of Education				
Student financial assistance direct programs:				
Supplemental Educational Opportunity Grants	84.007	N/A	\$ 169,400	\$
College Work Study Program	84.033	N/A	126,750	
Pell Grant Programs	84.063	N/A	<u>6,558,316</u>	<u> </u>
Subtotal student financial assistance cluster			<u>6,854,466</u>	<u> </u>
Higher Education Institutional Aid	84.031	N/A	601,303	
Passed through the Oregon Department of Education:				
Adult Education - State Grant Program	84.002	18-130	<u>198,520</u>	<u> </u>
Total Department of Education			<u>7,654,289</u>	<u> </u>
National Science Foundation				
Direct program:				
Education and Human Resources	47.076	N/A	162,327	36,220
Passed through Pax Scientific, Inc:				
Engineering	47.041	1660247	<u>34,617</u>	<u> </u>
Total National Science Foundation			<u>196,944</u>	<u>36,220</u>
Small Business Administration				
Passed through Lane Community College:				
Small Business Development Centers	59.037	OSBDC-2017-02	46,321	
Department of Homeland Security				
Passed through Oregon Military Department:				
Homeland Security Grant Program	97.067	18-205	17,147	
Institute of Museum and Library Services				
Passed through the State Library of Oregon:				
Grants to States	45.310	18-01-1a	<u>32,064</u>	<u> </u>
Total federal assistance			<u>\$ 7,946,765</u>	<u>\$ 36,220</u>

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2019

Note A - Basis of Presentation

The accompanying schedule of federal awards (the Schedule) includes the federal award activity of Central Oregon Community College (the College) under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 United States Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the College it is not intended to and does not present the financial position, change in net assets or cash flows of the College.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance.

Note C - Indirect Cost Rate

The College has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note D - Federal Loan Programs

In addition to direct financial assistance, federal guaranteed loans in the amount of \$8,564,461 were administered during the year ended June 30, 2019.