

CENTRAL OREGON COMMUNITY COLLEGE
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

CENTRAL OREGON COMMUNITY COLLEGE

OFFICIALS

JUNE 30, 2017

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Vikki Ricks
Zone 7

BOARD MEMBERS

Joe Krenowicz
Zone 1

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Zone 4

Laura Cooper
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CHIEF FINANCIAL OFFICER

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CENTRAL OREGON COMMUNITY COLLEGE

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CENTRAL OREGON
community college

KERKOC H KATTER & NELSON, LLP

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

Board of Officials
Central Oregon Community College
Bend, Oregon

Report on the financial Statements

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, 2017, 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, 2017, 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 the management's discussion and analysis and other information starting on page 3 and 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 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.

Other Reporting Required by Government Auditing Standards and Other Information

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2017, 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 performed 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 October 31, 2017, 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.

Kerkoch Katter & Nelson, LLP
Certified Public Accountants



By: Stuart D. Katter – a partner
October 31, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

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, 2017. 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) 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 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 although the overall net position is positive.
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- ❖ *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, 2017 consists of total assets and deferred outflows of \$170.2 million, liabilities and deferred inflows of \$110.8 million, and net position of \$59.5 million, a decrease of \$7.8 million (11.6%) from the prior year. The decrease is the result of the effects of GASB Statement Nos. 68 which requires the College to accrue pension liabilities and related deferred inflows and deferred outflows of resources. As a result of these changes, unrestricted fund balance is now reported as a \$259 thousand deficit. Changes in the pension actuarial assumptions also increased the operating expense categories reported on the Statement of Revenues, Expenses, and Changes in Net Position. These reporting requirements are designed to create transparency regarding the College's portion of the outstanding liabilities with the Oregon Public Employees Retirement System (PERS).
- Student credit enrollment decreased by 5.7 percent from the prior year. While declining enrollment negatively impacted bookstore revenue, the 320-bed residence hall experienced a higher occupancy rate resulting in a 10.6 percent increase in Auxiliary Enterprise revenues.
- Property tax revenues for operations increased \$1 million (5.7%) 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 \$18.5 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 \$2.5 million due to the State's deferral of the biennium's 8th quarter community college support fund payment for 2016-17 received in 2017-18. 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 following fiscal year. The Oregon local budget law was amended to allow community colleges to accrue the delayed payment which is reported in 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.

Fiscal Year	Number of State Aid Payments		Amount (in thousands, 000's)	
	Full Accrual Statements	Budgetary Basis Statements	Full Accrual Statements	Budgetary Basis Statements
2011-12	5	4	\$ 6,865	\$ 5,333
2012-13	3	4	\$ 3,545	\$ 4,819
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

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. The comparative Statement of Net Position is provided below.

Statement of Net Position

<i>In thousands of dollars (000's)</i>	<u>2017</u>	<u>2016</u>	<u>\$ Change</u>	<u>% Change</u>
Assets				
Current assets	\$ 35,223	\$ 36,608	\$ (1,385)	-3.8%
Capital assets, net of depreciation	108,548	112,025	(3,477)	-3.1%
Net pension deferred outflows	17,175		17,175	100.0%
Other noncurrent assets	9,302	9,552	(250)	-2.6%
Total Assets	<u>\$ 170,248</u>	<u>\$ 158,185</u>	<u>\$ 12,063</u>	<u>7.6%</u>
Liabilities				
Current liabilities	\$ 9,304	\$ 8,584	\$ 720	8.4%
Net pension liability	36,737	14,168	22,569	159.3%
Noncurrent liabilities	64,759	66,894	(2,135)	-3.2%
Total Liabilities	<u>110,800</u>	<u>89,646</u>	<u>21,154</u>	<u>23.6%</u>
Deferred Inflows of Resources				
Net pension related deferred inflows		1,258	(1,258)	-100.0%
Total Liabilities and Deferred Inflows	<u>110,800</u>	<u>90,904</u>	<u>19,896</u>	<u>21.9%</u>
Net Position				
Investment in capital assets, net of related debt	51,025	52,443	(1,418)	-2.7%
Restricted	8,682	9,177	(495)	-5.4%
Unrestricted	(259)	5,661	(5,920)	-104.6%
Total Net Position	<u>59,448</u>	<u>67,281</u>	<u>(7,833)</u>	<u>-11.6%</u>
Total Liabilities and Net Position	<u>\$ 170,248</u>	<u>\$ 158,185</u>	<u>\$ 12,063</u>	<u>7.6%</u>

Current assets consist of pooled cash and investments, accounts receivable, and inventory. Current assets decreased \$1.4 million from the prior year due to a reduction in cash and investments. Property taxes receivable remained flat from the prior year, while accounts receivable increased \$163 thousand, and inventory decreased \$120 thousand. Capital assets consist of land, buildings, equipment, and land improvements net of accumulated depreciation. Capital assets decreased \$3.4 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. Current liabilities increased \$720 thousand (8.4%) from the prior year due to increases in accounts payable of \$1.1 million and offset by a decrease in unearned revenue of \$425 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, and other post-employment benefits (OPEB). The decrease in noncurrent liabilities of \$2.1 million (3.2%) is due to debt service payments of \$2.4 million, net of a \$322 thousand increase in other post-employment benefits (OPEB) liability.

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). Between 2016 and 2017 the actuarial assumptions used for the pension obligation calculation changed resulting in a significant change in the numbers reported. Net pension deferred outflows and outflows increased \$18.4 million and net pension liabilities increased \$22.5 million resulting in an increase in operating expenses of \$4.1 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 less any debt used to acquire those assets. The College has \$51.0 million (85.8%) of total net position invested in capital assets, \$8.7 million (14.6%) is restricted primarily for construction, and -\$259 thousand (-0.4%) is unrestricted. The negative unrestricted balance reflects the changes in the actuarial assumptions used for Governmental Accounting Standards Board Number 68 for pension 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.

Statement of Revenues, Expenses and Changes in Net Position

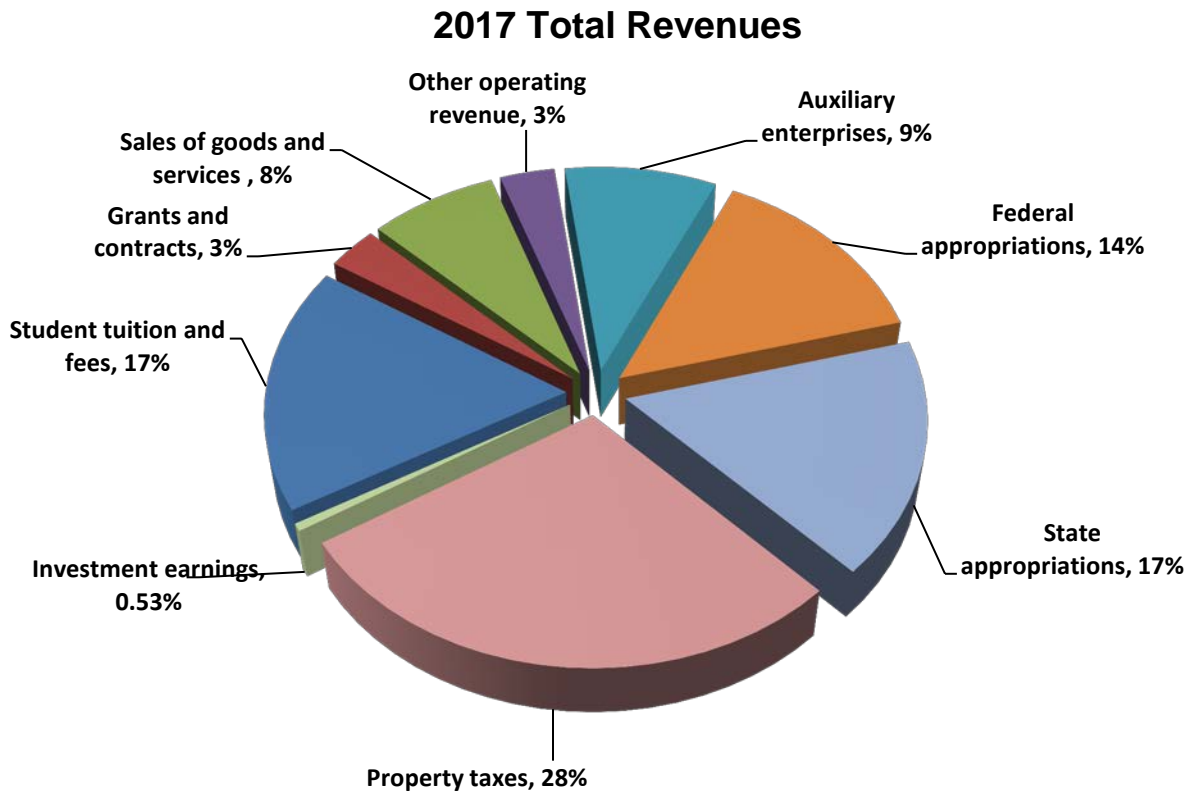
<i>In thousands of dollars (000's)</i>	<u>2017</u>	<u>2016</u>	<u>\$ Change</u>	<u>% Change</u>
Operating Revenue				
Student tuition and fees	\$ 11,333	\$ 11,295	\$ 38	0.3%
Grants and contracts	1,980	1,715	265	15.5%
Sales of goods and services	4,914	5,318	(404)	-7.6%
Other operating revenue	2,096	2,757	(661)	-24.0%
Auxiliary enterprises	5,815	5,258	557	10.6%
Total operating revenues	<u>26,138</u>	<u>26,343</u>	<u>(205)</u>	<u>-0.8%</u>
Non-Operating Revenues				
Federal appropriations	9,113	9,793	(680)	-6.9%
State appropriations	10,907	13,384	(2,477)	-18.5%
Property Taxes	18,522	17,519	1,003	5.7%
Investment earnings	346	45	301	668.9%
Total non-operating revenues	<u>38,888</u>	<u>40,741</u>	<u>(1,853)</u>	<u>-4.5%</u>
Total Revenues	<u>65,026</u>	<u>67,084</u>	<u>(2,058)</u>	<u>-3.1%</u>
Operating Expenses				
Instruction	27,350	30,903	(3,553)	-11.5%
Instructional support services	3,764	4,531	(767)	-16.9%
Student services	12,811	12,603	208	1.7%
College support services	7,212	8,079	(867)	-10.7%
Plant operations and maintenance	6,081	7,112	(1,031)	-14.5%
Information and technology services	4,032	4,752	(720)	-15.2%
Depreciation	4,148	4,008	140	3.5%
Auxiliary enterprises	4,424	4,424	-	0.0%
Total operating expenses	<u>69,822</u>	<u>76,412</u>	<u>(6,590)</u>	<u>-8.6%</u>
Nonoperating expenses				
Interest expense	3,036	3,038	(2)	-0.1%
Total non-operating expenses	<u>3,037</u>	<u>3,038</u>	<u>(2)</u>	<u>-0.1%</u>
Total Expenses	<u>72,859</u>	<u>79,450</u>	<u>(6,592)</u>	<u>-8.3%</u>
Decrease in net position	(7,833)	(12,366)	4,533	-36.7%
Net position - beginning of year	<u>67,281</u>	<u>79,647</u>	<u>(12,366)</u>	<u>-15.5%</u>
Net position - end of year	<u>\$ 59,448</u>	<u>\$ 67,281</u>	<u>\$ (7,833)</u>	<u>-11.6%</u>

Revenues

Operating revenues decreased by \$205 thousand (0.8%) from the prior fiscal year. Grant and contract revenue increased \$265 thousand (15.5%) due to the receipt of several new local grants. Sales of goods and services decreased \$404 thousand (7.6%) due to reclassification of culinary sales revenues to tuition and fees when the program moved to the general fund, offset by increases in revenue for the aviation program and community learning. Other operating revenues decreased \$661 thousand (24%) due to the end of the Cascades Hall lease agreement. Auxiliary enterprise revenues increased \$557 thousand (10.6%) reflecting the increase in the residence hall occupancy rate, and summer conference revenues from hosting of the OSU football team, and fall term lease of Juniper Hall to OSU Cascades.

Non-operating revenues decreased \$1.9 million (4.5%) from the prior year. Federal appropriations declined \$680 thousand (6.9%) primarily due to lower levels of federal financial aid, offset by an increase in federal grants. State appropriations decreased \$2.5 million (18.5%) due to the timing differences in State reimbursement payments. The college received five payments in 2016 and three payments in 2017, a difference of \$4.3 million. Offsetting this decline is an increase of \$1.8 million in state financial aid and grants. Property tax revenue increased \$1 million (5.7%) from increasing property values and new construction. Total investment earnings increased \$301 thousand due to improved investment performance.

The following graph illustrates the total revenue sources for the College for the 2017 fiscal year. Federal appropriations now represent 14.0 percent of College revenues compared to 15.0 percent last year. State appropriations decreased from 20.0 percent to 17.0 percent. Property taxes represent 28.0 percent of revenues compared to 26.0 percent last year. Student tuition and fees, grant and contracts, sales of goods and service, auxiliary enterprises and other revenue remained relatively flat as a percentage of total revenues.

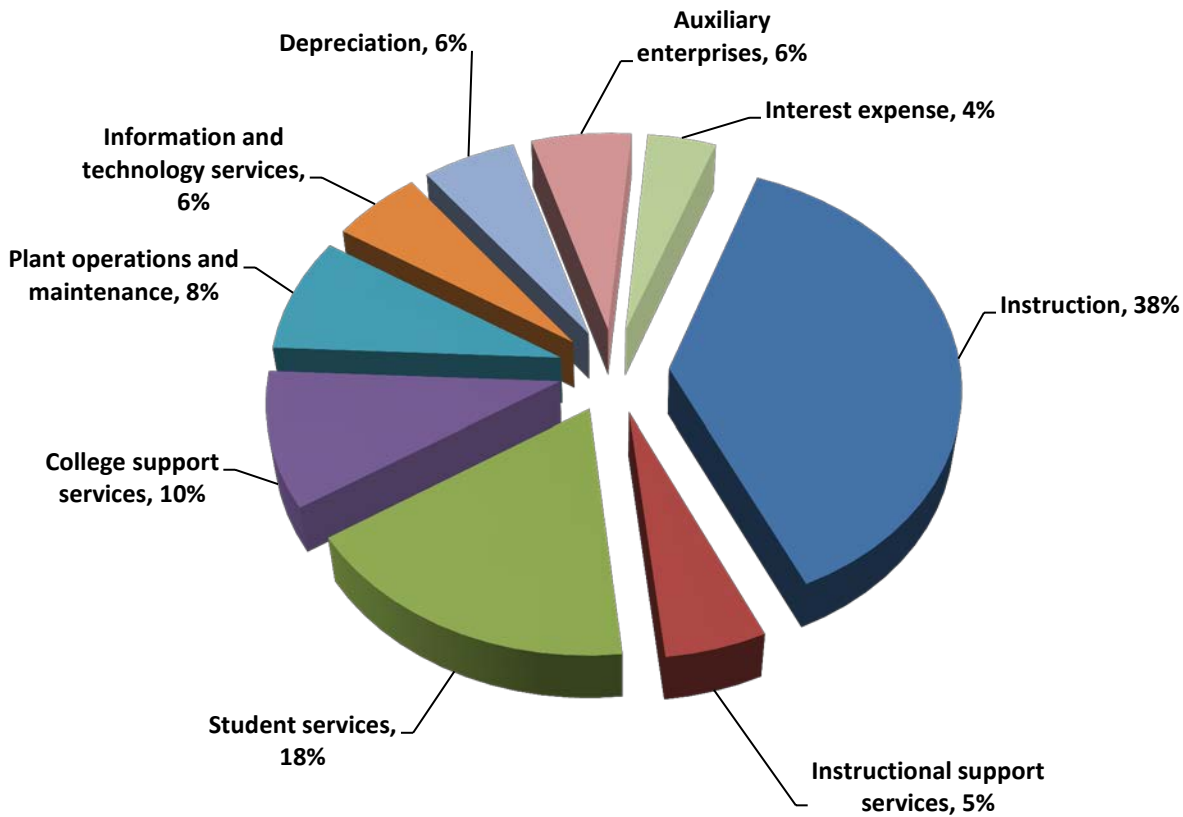


Expenses

Operating expenses consist of salaries and benefits, materials and services, utilities, grants and scholarships, and depreciation. Total operating expenses decreased \$6.6 million (8.6%) due to a decrease in the pension liability adjustment of \$4.1 million compared to \$12.9 million last year. The pension adjustment is spread across all related payroll expense categories.

Non-operating expenses remain flat from the prior year. The following graph illustrates the total expenditures for the College for the 2017 fiscal year. Instruction and instructional support now represents 43.0 percent of College expenditures compared to 45.0 percent last year. Student services increased to 18.0 percent from 16.0 percent, while plant operations and maintenance dropped from 9.0 percent to 8.0 percent. Depreciation expense increased to 6 percent from 5 percent last year, while information technology, college support services, auxiliary enterprises and interest expense remained flat as a percentage of total expenses.

2017 Total Expenses



As mentioned earlier, adherence to GASB Statement No. 68 resulted in a material adjustment to the net pension liability and associated expenses. This accounting adjustment does not reflect actual spending by the college. A comparison between 2017 and 2016 expenses excluding the pension adjustment is provided below.

	2017 Expenses prior to pension adjustment	2016 Expenses prior to pension adjustment	Total percentage change
Instruction	24,994,142	23,610,623	5.9%
Instructional Support	3,380,670	3,493,405	-3.2%
Student Services	12,525,802	11,453,225	9.4%
College Support Services	6,593,824	6,453,411	2.2%
Plant Operations & Maintenance	5,913,448	6,476,813	-8.7%
Information Technology Services	3,810,085	3,807,889	0.1%
Auxiliary Enterprises	4,319,651	4,137,437	4.4%

The 9.4 percent increase in student services is a result of increases in financial aid awards while plant operations and maintenance decreased 8.7 percent because of fewer remodeling projects.

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 Flows

<i>In thousands of dollars (000's)</i>	<u>2017</u>	<u>2016</u>	<u>\$ Change</u>	<u>% Change</u>
Cash Flows From Operating Activities	\$ (38,958)	\$ (48,298)	\$ 9,340	-19%
Cash Flows From Noncapital Financing Activities	42,186	53,156	(10,970)	-21%
Cash Flows From Capital Financing Activities	(5,032)	(6,276)	1,244	-20%
Cash Flows From Investing Activities	<u>346</u>	<u>45</u>	<u>301</u>	<u>669%</u>
Net Increase (Decrease) in Cash and Investments	(1,458)	(1,373)	(85)	6%
Cash and Pooled Investments - beginning of year	<u>30,624</u>	<u>31,997</u>	<u>(1,373)</u>	<u>-4%</u>
Cash and Pooled Investments - end of year	<u>\$ 29,166</u>	<u>\$ 30,624</u>	<u>\$ (1,458)</u>	<u>-5%</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 all the financial operations of the College except those required to be accounted for in another fund. The general fund’s actual ending fund balance totaled \$5.9 million, an increase of \$155 thousand over the beginning balance. The \$1.8 million (4.1%) negative variance in total revenue reflects reduced transfers-in (\$2 million), property taxes (\$233 thousand) and state appropriations (\$118 thousand) offset by an increase in tuition and fees (\$674 thousand). The positive variance in total expenditures of \$4.4 million (9.4%) reflects various savings (instruction \$1.5 million, student services \$526 thousand, college support services \$404 thousand, plant operations and maintenance \$485 thousand, information and technology services \$569 thousand) and \$800 thousand operating contingency.

General Fund Schedule of Revenue, Expenditures, and Changes In Fund Balance Summary

<i>In thousands of dollars (000's)</i>	<u>Budget</u>	<u>Actual</u>	<u>\$ Variance</u>	<u>% Variance</u>
Resources				
<i>Local:</i>				
Property Taxes	\$ 15,629	\$ 15,396	\$ (233)	-1.5%
Tuition and fees	16,603	17,277	674	4.1%
Investment earnings	5	12		0.0%
Other operating revenue	247	195	(52)	-21.1%
<i>Intergovernmental:</i>				
State appropriations	9,439	9,321	(118)	-1.3%
<i>Transfers-in from other funds:</i>	<u>2,299</u>	<u>232</u>	<u>(2,067)</u>	<u>-89.9%</u>
Total Resources	44,222	42,433	(1,796)	-4.1%
Expenditures				
Instruction	21,794	20,339	1,455	6.7%
Instructional support services	3,486	3,340	146	4.2%
Student services	4,755	4,229	526	11.1%
College support services	5,766	5,362	404	7.0%
Plant operations and maintenance	4,998	4,513	485	9.7%
Information and technology services	4,860	4,291	569	11.7%
Financial aid	290	288		0.0%
Operating Contingency	800		800	100.0%
Total Expenditures	<u>46,749</u>	<u>42,362</u>	<u>4,385</u>	<u>9.4%</u>
Beginning fund balance	<u>5,728</u>	<u>5,883</u>	<u>155</u>	<u>2.7%</u>
Ending fund balance	<u>\$ 3,201</u>	<u>\$ 5,954</u>	<u>\$ 2,753</u>	<u>86.0%</u>

Capital Assets

The College records all capital assets at historical cost with associated accumulated depreciation. The College added \$671 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>2017</u>	<u>2016</u>	<u>\$ Change</u>	<u>% Change</u>
Land and land improvements	\$ 10,668,447	\$ 10,668,447	\$ -	0%
Buildings	127,264,875	127,113,385	151,490	0%
Equipment/library books/art	<u>10,845,361</u>	<u>10,325,932</u>	<u>519,429</u>	<u>5%</u>
Change in Capital Assets	148,778,683	148,107,764	670,919	0%
Accumulated depreciation	<u>(40,230,706)</u>	<u>(36,082,306)</u>	<u>(4,148,400)</u>	<u>11%</u>
Net Capital Assets	<u>\$108,547,977</u>	<u>\$112,025,458</u>	<u>\$ (3,477,481)</u>	<u>-3%</u>

Debt Administration

As of June 30, 2017, the College had \$65.5 million in outstanding long-term debt, a decrease of \$2.0 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, 2017

Full Faith & Credit bonds	\$ 20,571,400
Pension Obligation bonds	8,009,079
General Obligation bonds	36,951,388
	<u>\$ 65,531,867</u>

Future Economic Outlook

The College's financial position is impacted by three key factors; 1) the economic condition of the State and the amount it appropriates for the community college support fund; 2) the economic condition and vitality of the college district, impacting property values and levels of new construction which effect property tax revenues; 3) student enrollment levels which impact tuition and fees and auxiliary services revenue.

The State of Oregon is experiencing very strong employment growth throughout most areas of the state. The impacts of a robust construction sector, low interest rates, and high levels of employment have dramatically improved the State's financial condition. Strong employment is particularly important to the State's financial health as individual and corporate income taxes represent the largest sources of revenue for the State's general fund budget. As part of the State's 2017-2019 biennial legislative process, the budget appropriation for the community college support fund (CCSF) increased from \$550.0 million to \$570.0 million, an increase of \$20.0 million (3.6%). Current financial forecasts have the State Aid to COCC for 2018 at \$9.5 million, an increase of \$220 thousand (2.3%) from 2017. State Aid represents 21.0 percent of the College's 2018 general fund budget.

Property taxes represent the second largest source of revenue for general operations. The financial health, economic vitality, and population growth of the college district impacts property values and ensuing property taxes. The college's large service district, which covers 10,000 square miles, like most areas throughout Oregon, is diverse with some communities experiencing very robust economic growth and population gains, while other communities are still experiencing slow growth and weak economic activity. Deschutes County, which provides 84% of the college's property tax revenue, is experiencing both a very strong economy and population growth. Property tax revenue for the current year's operation is projected to reach \$16.3 million, an increase of \$879 thousand from the prior year. Property values and new construction levels are anticipated to increase over the next decade.

The College experienced unprecedented student enrollment growth during the period of 2008 – 2012, with credit enrollment growing over 110.0 percent. Large numbers of individuals returned to college due to high levels of unemployment associated with the economic recession. The 5.7 percent decline in student enrollment for fiscal year 2017 was the fifth year of decline since the peak enrollment year of 2012. This student enrollment decline is expected to continue for fiscal year 2018. 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 opportunities grow, student enrollment levels commonly decline.

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, 2017

	<i>College</i>	<i>Foundation (Component Unit)</i>
ASSETS		
Current Assets		
Pooled cash and investments	\$ 29,166,286	\$ 20,902,320
Cash with county treasurers	107,481	
Property taxes receivable	580,457	
Accounts receivable	5,265,701	298,965
Allowance for uncollectible accounts	(330,690)	
Prepays and advances	600	
Inventory	432,456	
Total current assets	35,222,291	21,201,285
Noncurrent Assets		
Beneficial interest in perpetual trust	1,292,890	1,094,993
Pension prepayment	8,009,079	
Capital assets - net of accumulated depreciation	108,547,977	1,517
Total noncurrent assets	117,849,946	1,096,510
Deferred Outflows of Resources		
<i>Deferred pension outflows of resources</i>	17,175,444	
Total assets	\$ 170,247,681	\$ 22,297,795
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 3,766,812	\$ 167,898
Interest payable	206,346	
Accrued expenses	597,166	
Unearned revenue	2,522,474	
Current portion of bonds and notes payable	2,210,884	
Total current liabilities	9,303,682	167,898
Noncurrent Liabilities		
Other post employment benefits payable	1,438,007	
Net pension liability	36,737,387	
Bonds and notes payable - net of current portion	63,320,983	
Total noncurrent liabilities	101,496,377	
Total liabilities	110,800,059	167,898
NET POSITION		
Net Investment in capital assets - unrestricted	51,025,189	1,517
Restricted for:		
Capital projects	6,940,689	
Permanent non-expendable endowment	1,549,733	8,808,136
Donor intent		11,344,177
Debt service	191,217	
Unrestricted	(259,206)	1,976,067
Total net position	59,447,622	22,129,897
Total liabilities and net position	\$ 170,247,681	\$ 22,297,795

The accompanying notes are an integral part
of these financial statements



CENTRAL OREGON
community college

CENTRAL OREGON COMMUNITY COLLEGE
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2017

	<i>College</i>	<i>Foundation (Component Unit)</i>
OPERATING REVENUE		
Tuition and fees	\$ 11,333,010	\$
Operating gifts, grants and contracts	1,980,214	2,232,957
Sales and other services	4,914,049	
Other operating revenue	2,095,552	183,255
Auxiliary Enterprises		
College Bookstore	2,235,757	
Food Service Operations	1,362,842	
Residence Hall	2,056,345	
Juniper Hall	160,000	
Total operating revenue	26,137,769	2,416,212
OPERATING EXPENSES		
Instruction	27,350,274	
Instructional support	3,763,905	
Student services - net of scholarship allowances in the amount of \$5,944,240	12,811,011	
College support services	7,212,196	2,051,099
Plant operations and maintenance	6,081,010	
Information technology services	4,031,649	
Depreciation	4,148,400	
Auxiliary Enterprises		
College Bookstore	2,257,620	
Food Service Operations	1,124,170	
Residence Hall	1,017,433	
Juniper Hall	24,268	
Total operating expenses	69,821,936	2,051,099
Operating loss	(43,684,167)	365,113
NON OPERATING REVENUE (EXPENSES)		
Federal appropriations	9,112,793	
State appropriations	10,906,818	
Property taxes	18,522,274	
Investment earnings	345,754	2,278,071
Interest expense	(3,036,625)	
Net nonoperating revenue	35,851,014	2,278,071
Increase (decrease) in net position	(7,833,153)	2,643,184
Net position - beginning of year	67,280,775	19,486,713
Net position - end of year	\$ 59,447,622	\$ 22,129,897

The accompanying notes are an integral part
of these financial statements



CENTRAL OREGON
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CENTRAL OREGON COMMUNITY COLLEGE

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2017

	<i>College</i>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 25,537,730
Cash payments for goods and services	(28,109,152)
Cash payments to employees	(36,386,109)
Net cash used by operating activities	(38,957,531)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Cash received from federal appropriation	9,112,793
Cash received from state appropriation	10,906,818
Cash received from property taxes	18,505,184
Change in beneficial interest in perpetual trust	(66,499)
Change in pension obligation	4,451,850
Change in other post employment benefits payable	332,350
Principal paid on long-term debt	(315,936)
Interest paid on long-term debt	(740,606)
Net cash provided by noncapital financing activities	42,185,954
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition of buildings, improvements and equipment	(670,919)
Principal paid on capital-related long-term debt	(1,803,242)
Interest paid on capital-related long-term debt	(2,557,768)
Net cash used by capital financing activities	(5,031,929)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investment income	345,754
Net cash provided by investing activities	345,754
Net decrease in cash and pooled investments	(1,457,752)
Cash and pooled investments - beginning of year	30,624,038
Cash and pooled investments - end of year	\$ 29,166,286
Reconciliation of operating loss to net cash provided (used) by operating activities:	
Operating loss	\$ (43,684,167)
Adjustments to reconcile operating loss to net cash provided by (used) by operating activities:	
Depreciation	4,148,400
(Increase) decrease in:	
Receivables	(174,997)
Prepaid expenses	809
Inventory	118,919
Increase (decrease) in:	
Accounts payable	1,111,738
Accrued expenses	(53,191)
Unearned revenue	(425,042)
Net cash used by operating activities	\$ (38,957,531)

The accompanying notes are an integral part
of these financial statements



CENTRAL OREGON
community college

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The College

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 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.

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.

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.

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.

Investments

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, 2017, 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 fair value of the position of the pool approximates the fair value of pool shares.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and Payables

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.

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. There were no significant deferred outflows.

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 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.

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:

<i>Assets</i>	<i>Years</i>
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.

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.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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.

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.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 2 - BUDGET COMPLIANCE (CONTINUED)

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, 2017. 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.

Cash and investments at June 30, 2017 consist of the following:

	<u>Security</u>	
Cash and cash equivalents		
Petty cash	N/A	\$ 10,350
Demand deposits	FDIC & Collateral	<u>1,475,918</u>
		<u>1,486,268</u>
Investments		
Oregon State Treasurer's Investment Pool - Level 2	N/A	<u>27,680,018</u>
		<u>\$ 29,166,286</u>

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 3 – POOLED CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions

The College's deposits with financial institutions are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). The College's policy, in compliance with State Statutes, requires that deposits be covered by the Federal Deposit Insurance Corporation (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 deposits funds in banks that have been approved by the Office of the State Treasurer. At June 30, 2017, the carrying amount of the College's deposits in financial institutions was \$1,475,918 and the balance per the bank statements was \$2,193,380. Of this amount, \$250,000 was covered by FDIC, and \$1,225,918 was collateralized by securities held by financial institutions acting as agents of the College.

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.

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, 2017, 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, 2017.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 4 - PROPERTY TAXES

On November 6, 1990, Oregon voters approved Measure 5, a state constitutional limit on property taxes for schools and non-school governmental entities. Under the provisions of the limitation, tax revenues are separated into those for the public school system, 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 market value assessed on property by all public school systems, including community colleges and education service districts, effective with the 1991-92 fiscal years.

The Measure 5 limitation applies to all local taxes and charges on property except for the following:

- incurred charges for goods or services received at the owner's option;
- assessments for capital construction that provides a special benefit to the property and can be paid off over at least ten years;
- taxes to repay bonded debt authorized by the state constitution;
- taxes to repay existing bonded debt for capital construction, and;
- taxes to repay new bonded debt for capital construction, if approved by voters.

In November 1996, Oregon voters approved a constitutional amendment, Measure 47, to further limit property taxes. On May 20, 1997, Oregon voters approved Ballot Measure 50, a constitutional amendment that in effect rewrote Oregon's property tax system. Key components of Measure 50 are as follows:

- repealed Measure 47.
- replaced tax limit with tax rate and taxable assessed value limit. For the 1997-98 tax year, property values were rolled back to their 1995-96 assessed value less ten percent. Future growth of taxable assessed values of each property is then limited to 3% per year.
- reduced levies are converted into permanent tax rate limits for 1998-99 and beyond. This, combined with the value limit, limits property tax revenue growth to a maximum of 3% per year plus property tax revenue from new construction.
- allows voters to approve limited levies outside cap. Permanent levies are not allowed outside of cap, with certain exceptions, and all levies must be approved at either a general election or an election at which there is at least a 50% turnout.
- preserves Measure 5 overall rate limits (\$5 per \$1,000 on schools, \$10 per \$1,000 on non-school) but restricts the type of debt exempt from Measure 5 limits. The Measure 5 overall limit is determined by calculating tax rates utilizing the real market value of properties rather than the taxable assessed value on a property by property basis.

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.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 4 - PROPERTY TAXES (CONTINUED)

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, 2017, by county, is as follows:

Deschutes County	\$ 16,005,737
Jefferson County	1,172,976
Crook County	1,429,095
Klamath County	270,074
Lake County	127,173
Wasco County	<u>6,986</u>
Total	<u>\$ 19,012,041</u>

NOTE 5 - RECEIVABLES

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.

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.

NOTE 6 - CAPITAL ASSETS

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

	<i>Balance</i> <i>July 1, 2016</i>	<i>Increases</i>	<i>Decreases</i>	<i>Balance</i> <i>June 30, 2017</i>
Capital Assets - not being depreciated				
Land	\$ 3,327,690	\$	\$	\$ 3,327,690
Equipment and other	<u>577,152</u>	<u></u>	<u></u>	<u>577,152</u>
	<u>3,904,842</u>	<u></u>	<u></u>	<u>3,904,842</u>
Capital Assets - being depreciated				
Improvements	\$ 7,340,757	\$	\$	\$ 7,340,757
Buildings	127,113,385	151,490		127,264,875
Equipment and other	<u>9,748,780</u>	<u>519,429</u>	<u></u>	<u>10,268,209</u>
	<u>144,202,922</u>	<u>670,919</u>	<u>-</u>	<u>144,873,841</u>
Accumulated depreciation	<u>(36,082,306)</u>	<u>(4,148,400)</u>	<u></u>	<u>(40,230,706)</u>
	<u>\$ 112,025,458</u>	<u>\$ (3,477,481)</u>	<u>\$ -</u>	<u>\$ 108,547,977</u>

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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 for the year ended June 30, 2017:

General and Special Obligation Bond Issues

Full Faith and Credit Obligations

April 16, 2014, original issue was \$20,965,000
interest rate of 4.0 to 5.0 percent payable
semiannually, principal paid annually; including
unamortized premium of \$401,400 \$ 20,571,400

General Obligation Bonds

June 17, 2010 Issue, original issue was \$41,580,000
interest rate of 2.0 to 4.75 percent payable
semiannually, principal paid annually; including
unamortized premium of \$1,996,388 36,951,388

Pension Obligation Bonds

April 23, 2003 Issue, original Issue was \$11,535,638,
interest rate of 2.04 to 6.25 percent payable
semiannually, principal paid annually. 8,009,079

\$ 65,531,867

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The following changes in general long-term debt occurred for the year ended June 30, 2017.

	<i>Balance July 1, 2016</i>	<i>Additions</i>	<i>Reductions</i>	<i>Balance June 30, 2017</i>
General and special obligation bonds	\$ 67,844,358	\$	\$ 2,312,491	\$ 65,531,867
Note payable	<u>63,242</u>	<u></u>	<u>63,242</u>	<u>-</u>
<i>Totals</i>	<u>\$ 67,907,600</u>	<u>\$ -</u>	<u>\$ 2,375,733</u>	<u>\$ 65,531,867</u>

<i>Issue</i>	<i>Principal</i>				<i>Ending Balance June 30, 2017</i>
	<i>Beginning Balance July 1, 2016</i>	<i>Issued</i>	<i>Matured</i>	<i>Paid</i>	
	\$ 8,325,015	\$	\$ 315,936	\$ 315,936	
36,290,000		1,335,000	1,335,000	34,955,000	
<u>20,575,000</u>	<u></u>	<u>405,000</u>	<u>405,000</u>	<u>20,170,000</u>	
<u>\$ 65,190,015</u>	<u>\$ -</u>	<u>\$ 2,055,936</u>	<u>\$ 2,055,936</u>	<u>\$ 63,134,079</u>	

<i>Issue</i>	<i>Interest</i>			
	<i>Outstanding Issued</i>	<i>Matured</i>	<i>Paid</i>	<i>Outstanding June 30, 2017</i>
	\$	\$ 740,606	\$ 740,606	\$
	1,699,800	1,699,800		
<u></u>	<u>856,388</u>	<u>856,388</u>	<u></u>	
<u>\$ -</u>	<u>\$ 3,296,794</u>	<u>\$ 3,296,794</u>	<u>\$ -</u>	

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 7 - LONG-TERM DEBT (CONTINUED)

<i>Year Ended</i>	<i>Future Principal and Interest Requirements April 23, 2003</i>		<i>Future Principal and Interest Requirements June 17, 2010 Issue</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2018	\$ 315,884	\$ 795,658	\$ 1,475,000	\$ 1,650,250
2019	313,470	853,072	1,625,000	1,593,250
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
2023-27	5,702,476	2,073,121	14,165,000	5,067,275
2028-30	745,000	41,720	11,800,000	1,182,787
<i>Totals</i>	<u>\$ 8,009,079</u>	<u>\$ 6,690,948</u>	<u>\$ 34,955,000</u>	<u>\$ 13,846,100</u>

<i>Year Ended</i>	<i>Future Principal and Interest Requirements April 16, 2014 Issue</i>		<i>Future Principal and Interest Requirements Totals</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2018	\$ 420,000	\$ 840,188	\$ 2,210,884	\$ 3,286,096
2019	435,000	823,387	2,373,470	3,269,709
2020	455,000	805,988	2,553,324	3,249,556
2021	475,000	787,788	2,740,745	3,221,110
2022	490,000	768,787	2,948,180	3,171,812
2023-27	2,760,000	3,533,738	22,627,476	10,674,134
2028-32	3,415,000	2,883,825	15,960,000	4,108,332
2033-37	4,215,000	2,083,000	4,215,000	2,083,000
2038-42	5,135,000	1,160,350	5,135,000	1,160,350
2043-44	2,370,000	152,150	2,370,000	152,150
<i>Totals</i>	<u>\$ 20,170,000</u>	<u>\$ 13,839,201</u>	<u>\$ 63,134,079</u>	<u>\$ 34,376,249</u>

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 8 - PARTICIPATION IN PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description

The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found by contacting PERS at the following address: PO Box 23700, Tigard, OR 97281-3700.

- a) PERS Pension (Chapter 238). The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
- i) 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 refunds. The basic benefit is based on years of service and final average salary. A percentage of 2.0 percent for police and fire employees, and 1.67 percent 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 benefits results.
- ii) 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 on or more of the following contributions are met:
- member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time or death.
- iii) 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.
- iv) Benefit Changes after Retirement. Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 8 - PARTICIPATION IN PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONTINUED)

- b) OPSRP Pension Program (OPSRP DB). The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i) Pension Benefits. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age: Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
General Service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.
A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each or five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
- ii) Death Benefits. Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.
- iii) Disability Benefits. A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.
- iv) Benefit Changes after Retirement. Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

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, 2013 actuarial valuation, which became effective July 1, 2015. 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, 2017 were \$4,085,379, excluding amounts to fund employer specific liabilities.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 8 - PARTICIPATION IN PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONTINUED)

Pension Asset or Liability

At June 30, 2017, the College reported a net pension liability of \$36,737,387 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. 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, 2016, the College's proportion was .245 percent.

	<i>Deferred Outflow of Resources</i>
Difference between expected and actual experience	\$ 1,215,433
Changes in assumptions	7,835,202
Net difference between actual and expected earnings on investments	7,257,766
Changes in proportionate share	89,037
Differences between employer contributions and employer's proportionate share of system contributions	(490,986)
Deferred OutFlows as of June 30, 2016	15,906,452
Recognized as pension expense year ended June 30, 2017	(2,816,387)
College contributions subsequent to measurement date	4,085,379
Net Deferred Outflow of resources	\$ 17,175,444

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

<u>Year Ended June 30,</u>	<i>Amount</i>
2018	\$ 6,901,766
2019	5,504,020
2020	4,186,471
2021	583,187
Total	\$ 17,175,444

Actuarial Valuations

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 8, 2017. Oregon PERS produces an independently audited CAFR which can be found the Oregon PERS website.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 8 - PARTICIPATION IN PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONTINUED)

The employer contribution rates effective July 1, 2015 through June 30, 2017, 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 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.

Actuarial Methods and Assumptions:

Valuation date	December 31, 2013 rolled forward to June 30, 2016
Experience Study Report	2014, Published September 2015
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	2.75 percent
Investment rate of return	7.75 percent
Projected salary increase	3.50 percent overall payroll growth; salaries for individuals are assumed to grow at 3.50 percent plus assumed rates of merit/longevity increases based on service. For COLA, a blend of 2% COLA and graded COLA (1.25%) in accordance with the Moro decision, blended based on service.
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (70% for males and 95% for females) of the RP-2000 sex-distinct, generation scale BB.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 8 - PARTICIPATION IN PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONTINUED)

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts 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 method and assumptions shown are based on the 2014 Experience Study which is reviewed for the four-year period ending December 31, 2014.

Discount Rate- The discount rate used to measure the total pension liability was 7.50 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.

Assumed Asset Allocation:

<i>Asset Class/Strategy</i>	<i>Low Range</i>	<i>High Range</i>	<i>OIC Target</i>
Cash	0.0%	3.0%	0.0%
Debt Securites	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Private Equity	16.0%	24.0%	20.0%
Real Estate	9.5%	15.5%	12.5%
Alternative Energy	0.0%	10.0%	10.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
<i>Total</i>			100.0%

Long-term Expected Rate of Return:

To develop an analytical basis for the selection of long-term expected rate of return assumptions, in July 2013 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 show's Milliman's assumptions for each asset class in which the plan was invested at that time based on the target allocation of the asset classes below. Each asset assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. 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, 2017

NOTE 8 - PARTICIPATION IN PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONTINUED)

Asset Class/Strategy	<u>Target</u>	<u>Compound Annual Return (Geometric)</u>
Core Fixed Income	7.20%	4.50%
Short-term bonds	8.00%	3.70%
Intermediate-term Bonds	3.00%	4.10%
High Yield Bonds	1.80%	6.66%
Large Cap US securites	11.65%	7.20%
Mid Cap US securites	3.88%	7.30%
Small Cap US securites	2.27%	7.45%
Developed Foreign Equities	14.21%	6.90%
Emerging Foreign Equities	5.49%	7.40%
Private Equity	20.00%	8.26%
Opportunity Funds	5.00%	6.01%
Real Estate - property	13.75%	6.51%
Real Estate - REITS	2.50%	6.76%
Commodities	7.71%	6.07%
Assumed inflation		2.75%

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

The following is a calculation of the College’s proportionate share of the net pension liability calculated using the discount rate of 7.50 percent compared to a 1% higher and lower discount rate:

1% Lower discount rate - 6.50%	\$ 59,318,631
7.50% The College’s rate	\$ 36,737,387
1% Higher discount rate – 8.50%	\$ 17,863,418

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the measurement date. Any changes to benefit terms that occur after that date are reflected in the amounts reported for the subsequent measurement date. However, GASB 68 requires employers to briefly describe any changes between the measurement date and the employer’s reporting date that are expected to have a significant effect on the employer’s share of the collective net pension liability, along with an estimate of the resulting change, if available.

At its July 28, 2017 meeting, the PERS board lowered the assumed rate to 7.2 percent from 7.5 percent. The new rate will take effect January 1, 2018. The effect of this change has not been determined.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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.

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 \$20,000,000; excess liability of \$20,000,000 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, 2017 of the beneficial interests was \$1,292,890.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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.

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 Foundations primary transaction with the College was \$1,261,726 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

Stipend Benefits

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 at June 30, 2002 (certain named early retirees are grandfathered into a \$550 per month level).

Summary of significant accounting policies – The plan is accounted for in a budgetary Reserve Fund, which is reported on the modified accrual basis of accounting. The College's contributions are recognized when due and payable in accordance with the terms of the plan. Plan investments are a part of the College's investment pool, reported at fair value.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 14 - POST-EMPLOYMENT BENEFITS (CONTINUED)

Funding policy – The benefits from this program are fully paid by the College and, consequently, no contributions by employees are required. Although there is no obligation on the part of the College to fund these benefits in advance, the College has established a Reserve Fund to accumulate assets to pay these benefits in the future based on an actuarially determined rate.

Annual pension cost and net pension obligation – The College’s annual pension costs and net pension obligation (NPO) are as follows:

Annual required contribution	\$ 83,114
Interest	987
Benefits paid	<u>(84,101)</u>
Increase in net pension obligation	-
NPO (Asset) at beginning of year	<u>515,304</u>
NPO (Asset) at end of year	<u>\$ 515,304</u>

Actuarial methods and assumptions – The annual required contribution (ARC) for the current year was determined as part of the July 1, 2016 actuarial valuation using the Normal Cost (the value of benefits expected to be earned in the year) plus an amortization of the unfunded liability. The amortization period is 6 years. The actuarial assumptions included (a) a rate of return on investment of present and future assets of 4% compounded annually; (b) no future increase in benefit payable from this program; and (c) no post-retirement benefit increases and an inflation rate of 2.5%. Assets of the Reserve Fund for these programs are valued at cost which approximates fair value.

Funding status and funding progress – As of June 30, 2017, the plan was 521% funded. The actuarial accrued liability for benefits was \$112,891, and the actuarial value of assets was \$591,716, resulting in an unfunded actuarial accrued liability (UAAL) of \$0.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 14 - POST-EMPLOYMENT BENEFITS (CONTINUED)

Post-Employment Health Insurance Benefits

Plan description - The College maintains a single employer retiree benefit plan that provides postemployment health insurance benefits to eligible employees and their spouses.

The College's post-retirement healthcare plan established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulated that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims cost, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the College's implicit employer contribution.

Funding policy – Benefits from this program are paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation on the part of the College to fund these benefits in advance.

Annual pension cost and net pension obligation – The College's annual other post-employment benefit cost (OPEB) is calculated based on the annual required contribution of the employer (ARC), and amount actuarially determined in accordance within the parameter of GASB Statement 75. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the OPEB obligation at the end of the year:

Annual required contribution	\$ 401,036
Contributions made	<u>(68,686)</u>
Increase in net pension obligation	332,350
OPEB at beginning of year	<u>1,105,657</u>
OPEB at end of year	<u>\$ 1,438,007</u>
Percentage of APC contributed	<u>17%</u>

Actuarial methods and assumptions – The annual required contribution (ARC) for the current year was determined as part of the June 30, 2017 actuarial valuation using the Normal Cost (the value of benefits expected to be earned in the year) plus an amortization of the unfunded liability. The amortization period is 30 years. The actuarial assumptions included (a) a rate of return on investment of present and future assets of 5% compounded annually; (b) no future increase in benefit payable from this program; and (c) no post-retirement benefit increases and an inflation rate of 3.5%.

Funding status and funding progress – As of June 30, 2017, the plan was 0% funded. The actuarial accrued liability for benefits was \$1,438,007, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,438,007. The covered payroll (annual payroll of active employees covered by the plan) was \$21,759,637, and the ratio of the UAAL to the covered payroll was 6.6%.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 15 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 31, 2017, which is the date the financial statements were issued.

NOTE 16 – 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.

REQUIRED SUPPLEMENTAL INFORMATION

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS

YEAR ENDED JUNE 30, 2017

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
2017	0.027%	36,737,387	\$ 22,203,147	165.5%	80.5%
2016	0.024%	14,167,747	20,733,321	68.3%	91.1%
2015	0.023%	-5,252,979	20,377,149	(25.8)%	103.6%

Note: This 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 for 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 Contributions	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percentage of covered payroll
2017	4,085,379	4,085,379	\$ -	22,203,147	18.4%
2016	4,001,531	4,001,531	-	20,733,321	19.3%
2015	3,688,264	3,688,264	-	20,377,149	18.1%

Note: This 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 for which the required supplementary information is available.

SUPPLEMENTAL 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**

JUNE 30, 2017 AND 2016

	<i>2017</i>	<i>2016</i>
ASSETS		
Pooled cash and investments	\$ 2,739,859	\$ 4,140,048
Cash with county treasurers	89,549	92,295
Property taxes receivable	488,405	472,228
Accounts receivable	6,968,058	4,559,113
Allowance for doubtful accounts	(330,690)	(343,559)
Prepays	600	1,409
<i>Total assets</i>	\$ 9,955,781	\$ 8,921,534
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 3,042,827	\$ 2,048,116
Accrued compensated leave	597,166	650,357
Deferred revenue	361,648	340,499
<i>Total liabilities</i>	4,001,641	3,038,972
 Fund balance:		
Unreserved	5,954,140	5,882,562
<i>Total fund balance</i>	5,954,140	5,882,562
<i>Total liabilities</i>		
<i>and fund balance</i>	\$ 9,955,781	\$ 8,921,534

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
GENERAL FUND
BUDGETARY BASIS**

YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenue				
<i>Local:</i>				
Property taxes	\$ 15,629,000	\$ 15,629,000	\$ 15,395,963	\$ (233,037)
Tuition and fees	16,603,000	16,603,000	17,277,250	674,250
Interest	5,000	5,000	12,467	7,467
Other	247,000	247,000	195,346	(51,654)
<i>Intergovernmental:</i>				
State	9,439,000	9,439,000	9,321,101	(117,899)
Transfer from other funds	<u>2,299,300</u>	<u>2,299,300</u>	<u>232,000</u>	<u>(2,067,300)</u>
<i>Total revenue</i>	44,222,300	44,222,300	42,434,127	(1,788,173)
Beginning fund balance	<u>5,728,000</u>	<u>5,728,000</u>	<u>5,882,562</u>	<u>154,562</u>
<i>Total available for appropriation</i>	<u>\$ 49,950,300</u>	<u>\$ 49,950,300</u>	<u>\$ 48,316,689</u>	<u>\$ (1,633,611)</u>
Expenditures				
<i>Instruction:</i>				
Humanities office	\$ 69,748	\$ 69,748	\$ 71,498	\$ (1,750)
Writing/literature	1,770,416	1,767,416	1,661,164	106,252
Foreign languages	464,029	463,279	463,649	(370)
Speech	521,162	521,162	453,145	68,017
Social science office	65,981	66,981	68,272	(1,291)
Music	375,013	373,013	374,732	(1,719)
Art	558,542	566,442	628,031	(61,589)
Theater arts	54,158	54,158	54,114	44
Fine arts and communication office	74,355	72,355	56,883	15,472
Business administration	708,333	717,362	710,251	7,111
Culinary program	1,110,877	1,110,877	985,722	125,155
Business administration office	65,542	64,636	65,807	(1,171)
Journalism	9,280	7,280	7,377	(97)
World languages and cultures office	45,927	44,927	32,625	12,302
Philosophy	18,499	18,499	20,348	(1,849)
Addiction studies	127,236	127,236	123,973	3,263
Anthropology	267,130	247,130	161,875	85,255
Criminal justice	269,139	256,139	209,611	46,528
Economics	89,721	92,721	107,902	(15,181)
Education	253,155	258,155	261,849	(3,694)
Geography	128,108	124,608	119,144	5,464
History	213,947	213,947	200,491	13,456
Human development	181,997	181,497	130,123	51,374
Political science	31,839	24,039	25,158	(1,119)
Psychology	397,589	397,589	414,441	(16,852)
Sociology	229,088	229,088	248,145	(19,057)
Oregon leadership institute	73,633	73,633	65,237	8,396

Continued on page 40

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, 2017

Continued from page 39

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Expenditures - continued				
<i>Instruction - continued</i>				
Regional services & R.C. operations	\$ 535,271	\$ 537,491	\$ 484,184	\$ 53,307
Regional services & M.C. operations	208,431	208,431	162,471	45,960
Regional services & P.C. operations	216,286	216,286	198,861	17,425
Engineering & engineering tech.	180,280	170,280	164,810	5,470
Science office	87,802	86,302	85,771	531
Mathematics	1,734,507	1,765,507	1,706,468	59,039
Biological science	1,271,178	1,269,178	1,179,343	89,835
Chemistry	457,864	457,864	469,456	(11,592)
Physics	207,270	207,153	212,907	(5,754)
Geology	137,924	137,424	138,349	(925)
Nursing	1,140,380	1,137,595	1,050,670	86,925
Health and human performance office	170,883	175,883	203,686	(27,803)
Health and human performance	1,016,822	1,016,822	884,014	132,808
Math office	69,582	69,582	78,157	(8,575)
Allied health	20,172	19,695	7,885	11,810
Computer information systems	1,107,417	1,105,617	1,052,310	53,307
Licensed massage therapy	234,379	232,908	215,288	17,620
Emergency medical service	334,086	330,086	309,124	20,962
Dental assisting	272,249	272,249	284,850	(12,601)
Medical assisting	134,389	130,258	110,724	19,534
Allied health office	66,901	66,651	64,949	1,702
Pharmacy technician	118,881	117,331	103,089	14,242
Veterinary technician program	223,165	230,165	214,320	15,845
CIS Office	58,900	58,900	62,418	(3,518)
Nursing office	70,371	67,371	62,511	4,860
HHP: Health classes	27,718	27,718		27,718
HHP: Recreation (O.R.L.T.)	206,776	205,776	181,623	24,153
Ponderosa office	62,914	64,414	69,034	(4,620)
Forestry technology	452,849	450,849	440,562	10,287
Automotive	397,349	398,349	383,017	15,332
Health information technology	283,257	285,928	247,010	38,918
Manufacturing processes	354,172	371,172	271,548	99,624
Apprenticeship	17,829	17,829	17,727	102

Continued on page 41

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, 2017

Continued from page 40

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Expenditures - continued				
<i>Instruction - continued</i>				
Wildland fire management	\$ 74,372	\$ 74,372	\$ 74,459	\$ (87)
Structural fire science	99,619	93,619	90,338	3,281
Geographical information systems	166,954	162,591	163,382	(791)
Aviation program	266,560	266,560	269,865	(3,305)
Military science	2,000	2,000	210	1,790
Non-destructive testing	8,330	8,330	5,970	2,360
Regional credit instruction - Madras	66,346	46,346	1,126	45,220
Regional credit instruction - Prineville	59,022	59,022	3,264	55,758
Regional credit instruction - Redmond	129,965	127,745	7,635	120,110
Library skills	51,326	51,326	34,904	16,422
Instruction transfers	<u>849,065</u>	<u>849,065</u>	<u>849,065</u>	<u> </u>
<i>Total instruction</i>	<u>21,826,257</u>	<u>21,793,957</u>	<u>20,338,921</u>	<u>1,455,036</u>
 <i>Instructional support:</i>				
Office of the Vice President of instruction	352,713	353,013	313,014	39,999
Library	1,195,604	1,202,604	1,163,034	39,570
Catalog and class schedule	28,618	30,618	31,298	(680)
Commencement & convocation	32,851	36,851	26,931	9,920
Tutoring and testing	532,431	532,431	525,900	6,531
eLearning and academic technology	329,291	328,291	273,875	54,416
Instructional deans	800,274	800,274	803,687	(3,413)
Instructional support transfers	<u>202,000</u>	<u>202,000</u>	<u>202,000</u>	<u> </u>
<i>Total instructional support</i>	<u>3,473,782</u>	<u>3,486,082</u>	<u>3,339,739</u>	<u>146,343</u>
 <i>Student services:</i>				
Admissions	996,574	996,574	829,162	167,412
Counseling center	74,258	74,258	67,333	6,925
Student life	339,549	339,549	286,144	53,405
Financial aid	699,549	699,549	639,090	60,459
Career services and job placement	130,182	130,182	119,565	10,617
Student outreach and contact	299,067	299,067	260,057	39,010

Continued on page 42

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, 2017

Continued from page 41

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Expenditures - continued				
<i>Student services - continued</i>				
Multicultural activities	\$ 253,312	\$ 253,312	\$ 198,614	\$ 54,698
Club sports	263,118	263,118	261,243	1,875
Enrollment cashiering	81,919	81,919	78,722	3,197
Disability services	273,739	273,739	282,866	(9,127)
Office of the Dean of student & enrollment services	467,782	467,782	449,642	18,140
Advising	638,944	638,944	536,132	102,812
Placement testing	102,043	102,043	80,761	21,282
Student retention	133,762	133,762	138,599	(4,837)
Student service transfers	<u>1,250</u>	<u>1,250</u>	<u>1,250</u>	
<i>Total student services</i>	<u>4,755,048</u>	<u>4,755,048</u>	<u>4,229,180</u>	<u>525,868</u>
<i>College support services:</i>				
Governing board	93,470	93,470	91,456	2,014
President's office	380,980	380,980	361,580	19,400
Fiscal services	631,757	631,757	595,187	36,570
Campus public safety	765,334	765,334	748,934	16,400
Human resources	560,978	560,978	582,912	(21,934)
Mail services	271,012	271,012	138,945	132,067
College relations	717,958	717,958	697,166	20,792
Chief Financial Officer	542,830	542,830	469,827	73,003
Legal, audit, and professional services	73,080	73,080	68,160	4,920
Elections	28,500	28,500	27,840	660
General institutional support	537,119	537,119	452,838	84,281
Liability and other insurance	97,050	97,050	86,092	10,958
Institutional effectiveness	342,508	342,508	319,810	22,698
Vice President for Administration	350,958	350,958	348,422	2,536
Community College Development	6,500	6,500	6,442	58
College support transfers	<u>366,185</u>	<u>366,185</u>	<u>366,185</u>	
<i>Total college support services</i>	<u>5,766,219</u>	<u>5,766,219</u>	<u>5,361,796</u>	<u>404,423</u>

Continued on page 43

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, 2017

Continued from page 42

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Expenditures - continued				
<i>Plant operations and maintenance:</i>				
Custodial services	\$ 1,205,702	\$ 1,205,702	\$ 1,117,546	\$ 88,156
Utilities	1,141,387	1,141,387	974,620	166,767
Fire and boiler insurance	115,650	115,650	129,578	(13,928)
Maintenance of grounds	437,248	437,248	458,756	(21,508)
Maintenance of buildings	807,326	807,326	693,468	113,858
Plant administration	339,492	339,492	310,415	29,077
Redmond campus infrastructure	118,838	118,838	45,962	72,876
Campus shuttle	142,044	142,044	132,764	9,280
Madras campus infrastructure	47,000	47,000	44,375	2,625
Prineville campus infrastructure	65,280	65,280	28,660	36,620
Plant operations transfers	577,920	577,920	577,309	611
 <i>Total plant operations and maintenance</i>	 4,997,887	 4,997,887	 4,513,453	 484,434
 <i>Information technology services:</i>				
Information technology services	1,409,622	1,440,017	1,377,475	62,542
Management information systems	778,700	743,700	673,194	70,506
User services	900,915	905,520	663,673	241,847
Enterprise computing services	497,058	497,058	487,761	9,297
Network/Telecom & media services	609,322	609,322	493,161	116,161
Web development	108,477	108,477	101,717	6,760
Regional IT services - Prineville	75,280	75,280	13,104	62,176
Information technology transfers	481,131	481,131	481,131	
 <i>Total information technology services</i>	 4,860,505	 4,860,505	 4,291,216	 569,289
 <i>Financial aid transactions:</i>				
Other financial aid	270,079	290,079	288,244	1,835
Operating contingency	800,000	800,000		800,000
 <i>Total expenditures</i>	 \$ 46,749,777	 \$ 46,749,777	 \$ 42,362,549	 \$ 4,387,228

Continued on page 44

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, 2017

Continued from page 43

General Fund Summary	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Total revenue	\$ 44,222,300	\$ 44,222,300	\$ 42,434,127	\$ (1,788,173)
Beginning fund balance	<u>5,728,000</u>	<u>5,728,000</u>	<u>5,882,562</u>	<u>154,562</u>
<i>Total available for appropriations</i>	<u>49,950,300</u>	<u>49,950,300</u>	<u>48,316,689</u>	<u>(1,633,611)</u>
Expenditures:				
Instruction	21,826,257	21,793,957	20,338,921	1,455,036
Instructional support	3,473,782	3,486,082	3,339,739	146,343
Student services	4,755,048	4,755,048	4,229,180	525,868
College support services	5,766,219	5,766,219	5,361,796	404,423
Plant operations and maintenance	4,997,887	4,997,887	4,513,453	484,434
Information technology service	4,860,505	4,860,505	4,291,216	569,289
Financial aid	270,079	290,079	288,244	1,835
Operating contingency	<u>800,000</u>	<u>800,000</u>	<u> </u>	<u>800,000</u>
<i>Total expenditures</i>	<u>46,749,777</u>	<u>46,749,777</u>	<u>42,362,549</u>	<u>4,387,228</u>
Ending fund balance	<u>\$ 3,200,523</u>	<u>\$ 3,200,523</u>	<u>\$ 5,954,140</u>	<u>\$ 2,753,617</u>



CENTRAL OREGON
community college

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, 2017
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2016)**

	<i>Contracts and</i>		
	<i>Grants</i>	<i>Auxiliary</i>	<i>Reserve</i>
ASSETS			
Pooled cash and investments	\$	\$ 11,866,585	\$ 2,130,101
Accounts receivable	488,865	12,123	
Student loans receivable			
<i>Total assets</i>	<u>\$ 488,865</u>	<u>\$ 11,878,708</u>	<u>\$ 2,130,101</u>
 LIABILITIES AND FUND EQUITY			
<i>Liabilities:</i>			
Deficit in pooled cash and investments	\$ 305,983	\$	\$
Accounts payable	78,052	121,396	
Deferred revenue		2,108,058	
<i>Total liabilities</i>	<u>384,035</u>	<u>2,229,454</u>	
 <i>Fund equity:</i>			
Fund balance			
Reserved			
Retiree benefits			591,716
PERS Reserve			1,538,385
Unreserved - undesignated	104,830	9,649,254	
<i>Total fund balance</i>	<u>104,830</u>	<u>9,649,254</u>	<u>2,130,101</u>
<i>Total liabilities and fund equity</i>	<u>\$ 488,865</u>	<u>\$ 11,878,708</u>	<u>\$ 2,130,101</u>

<i>Financial</i>	<i>Totals</i>	
<u>Aid</u>	<u>2017</u>	<u>2016</u>
\$ 550,714	\$ 14,547,400	\$ 14,908,719
42,091	543,079	390,802
<u> </u>	<u> </u>	<u>949</u>
<u>\$ 592,805</u>	<u>\$ 15,090,479</u>	<u>\$ 15,300,470</u>

\$ 47,864	\$ 305,983	\$ 234,553
<u> </u>	<u>247,312</u>	<u>282,785</u>
<u> </u>	<u>2,108,058</u>	<u>2,634,854</u>
<u>47,864</u>	<u>2,661,353</u>	<u>3,152,192</u>

	591,716	630,339
	1,538,385	1,528,195
<u>544,941</u>	<u>10,299,025</u>	<u>9,989,744</u>
<u>544,941</u>	<u>12,429,126</u>	<u>12,148,278</u>
<u>\$ 592,805</u>	<u>\$ 15,090,479</u>	<u>\$ 15,300,470</u>

CENTRAL OREGON COMMUNITY COLLEGE

**COMBINING SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS
BUDGETARY BASIS**

**JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2016)**

	<i>Grants and Contracts</i>	<i>Auxiliary</i>	<i>Reserve</i>
Revenue			
Local:			
Charges for services	\$ 18,150	\$ 3,604,759	\$
Interest		142,581	14,251
Grants	736,774		
Other		1,861,243	
Intergovernmental:			
State	494,974	11,886	
Federal	597,688		
	<u>1,847,586</u>	<u>5,620,469</u>	<u>14,251</u>
<i>Total revenue</i>			
Expenditures			
Current:			
Instruction	1,206,960	4,057,076	
Instructional support	24,502	287,892	
Student services	280,173	323,235	
College support services	159,635	1,331,426	42,684
Financial aid	125,570	24,300	
Capital outlay	82,062	248,309	
	<u>1,878,902</u>	<u>6,272,238</u>	<u>42,684</u>
<i>Total expenditures</i>			
Excess of revenue over (under) expenditures	<u>(31,316)</u>	<u>(651,769)</u>	<u>(28,433)</u>
Other financing sources (uses)			
Transfers in	51,164	1,789,068	
Transfers out	(5,453)	(863,279)	
	<u>45,711</u>	<u>925,789</u>	<u></u>
<i>Total other financing sources (uses)</i>			
Excess of revenue and other sources over (under) expenditures and other uses	<u>14,395</u>	<u>274,020</u>	<u>(28,433)</u>
FUND BALANCE - beginning of year	<u>90,435</u>	<u>9,375,234</u>	<u>2,158,534</u>
FUND BALANCE - end of year	<u>\$ 104,830</u>	<u>\$ 9,649,254</u>	<u>\$ 2,130,101</u>

<i>Financial Aid</i>	<i>Totals</i>	
	<i>2017</i>	<i>2016</i>
\$	\$	\$
	3,622,909	4,036,648
28,679	185,511	114,820
1,243,440	1,980,214	1,715,696
40,265	1,901,508	2,860,713
3,442,224	3,949,084	2,117,671
<u>8,515,105</u>	<u>9,112,793</u>	<u>9,793,413</u>
<u>13,269,713</u>	<u>20,752,019</u>	<u>20,638,961</u>
	5,264,036	5,794,843
	312,394	405,225
219,351	822,759	554,240
	1,533,745	1,585,079
13,211,678	13,361,548	12,348,563
	<u>330,371</u>	<u>583,848</u>
<u>13,431,029</u>	<u>21,624,853</u>	<u>21,271,798</u>
<u>(161,316)</u>	<u>(872,834)</u>	<u>(632,837)</u>
225,339	2,065,571	2,830,896
<u>(43,157)</u>	<u>(911,889)</u>	<u>(1,018,733)</u>
<u>182,182</u>	<u>1,153,682</u>	<u>1,812,163</u>
20,866	280,848	1,179,326
<u>524,075</u>	<u>12,148,278</u>	<u>10,968,952</u>
<u>\$ 544,941</u>	<u>\$ 12,429,126</u>	<u>\$ 12,148,278</u>

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, 2017

	<i>Sub-Fund</i>	<i>Beginning</i>			<i>Ending</i>
	<u>Number</u>	<u>Balance</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Balance</u>
ABE Special Projects	31100	\$	\$ 218,474	\$ 201,324	\$ 17,150
Carl Perkins	31101		76,830	76,830	
SBA Grant	31105		33,375	33,375	
SBA Grant Match	31108		35,332	35,332	
SBA Portable Assistance Project	31109		12,783	12,783	
NSF-NEVTEX Grant	31160		76,643	76,643	
Strengthening Institutions Program	31161		196,733	196,733	
OBDD	32226		43,554	43,554	
Scale Oregon Grant	32255	3,209	28,000	16,261	14,948
ABS Pathways Grant	32257		62,691	62,691	
Oregon Develop Education Work Grp	32261	6,594	(1,492)	5,102	
Minority Teacher Pipeline Grant	32263	197		197	
Partners in Practice	32264	970	848	1,818	
Student Success Grant	32268	39,424	107,067	146,491	
Academic Counselor Funding	32269		99,483	99,483	
Oregon Promise Support	32272		98,822	98,822	
Writing Co-Requisite Grant	32273		19,400	19,400	
Data Quality Improvement	32274		23,564	23,564	
Career Pathways Development	32275		29,869	29,869	
Cascade Health Services Support	33332		16,000		16,000
ABS - Partnership to End Poverty	33337	5,453		5,453	
DRCI - Partnership to End Poverty	33340	1,887		1,887	
Veteran - Partnership to End Poverty	33342	12,478		1,664	10,814
Regional Promise Grant	33350		38,281	38,281	
St. Charles - Ganas Program	33352	1,115		1,115	
Better Together	33353		12,000	6,594	5,406
HDESD Summer Internship Program	33354		18,500		18,500
Ford Family Foundation PIP Funds	33361	11,597		8,351	3,246
Deer Ridge -Ford Family Foundation	33362	7,075		7,075	
Deer Ridge Entrepreneurship Program	33363		20,822	3,295	17,527
Deer Ridge Correctional Institution	34355		538,884	538,884	
OCF - GANAS	34361	436	2,500	2,936	
OCF-Advanced Electric Drive Systems	34362		20,000	18,761	1,239
WEBCO-Partners in Practice	34363		69,787	69,787	
		<u>\$ 90,435</u>	<u>\$ 1,898,750</u>	<u>\$ 1,884,355</u>	<u>\$ 104,830</u>



CENTRAL OREGON
community college

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF REVENUE BY FUNCTION AND OBJECT
GRANTS AND CONTRACTS FUND
BUDGETARY BASIS**

YEAR ENDED JUNE 30, 2017

	<i>Charge for</i>	<i>Intergovernmental</i>		<i>Grants and</i>
	<u><i>Services</i></u>	<u><i>State</i></u>	<u><i>Federal</i></u>	<u><i>Contracts</i></u>
ABE Special Projects	\$ 17,150	\$	\$ 201,324	\$
Carl Perkins			76,830	
SBA Grant			33,375	
SBA Grant Match				
SBA Portable Assistance Project			12,783	
NSF-NEVTEX Grant			76,643	
Strengthening Institutions Program			196,733	
OBDD		43,554		
Scale Oregon Grant	1,000	27,000		
ABS Pathways Grant		62,691		
Oregon Develop Education Work Group		(1,492)		
Partners in Practice		848		
Student Success Grant		107,067		
Academic Counselor Funding		99,483		
Oregon Promise Support		82,990		
Writing Co-Requisite Grant		19,400		
Data Quality Improvement		23,564		
Career Pathways Development		29,869		
Cascade Health Services Support				16,000
Regional Promise Grant				38,281
Better Together				12,000
HDESD Summer Internship Program				18,500
Deer Ridge Entrepreneurship Program				20,822
Deer Ridge Correctional Institution		64,278		474,606
OCF-GANAS				2,500
OCF-Advanced Electric Drive Systems				20,000
WEBCO-Partners in Practice				69,787
	<u>\$ 18,150</u>	<u>\$ 559,252</u>	<u>\$ 597,688</u>	<u>\$ 672,496</u>

<i>Transfers</i>	
<u><i>In</i></u>	<u><i>Total</i></u>
\$	\$ 218,474
	76,830
	33,375
35,332	35,332
	12,783
	76,643
	196,733
	43,554
	28,000
	62,691
	(1,492)
	848
	107,067
	99,483
15,832	98,822
	19,400
	23,564
	29,869
	16,000
	38,281
	12,000
	18,500
	20,822
	538,884
	2,500
	20,000
	69,787
<u>\$ 51,164</u>	<u>\$ 1,898,750</u>

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF EXPENDITURES BY FUNCTION AND OBJECT
GRANTS AND CONTRACTS FUND
BUDGETARY BASIS**

YEAR ENDED JUNE 30, 2017

	<u>Salaries</u>	<u>Payroll Assessments</u>	<u>Materials and Services</u>
ABE Special Projects	\$ 124,631	\$ 66,491	\$ 10,202
Carl Perkins	62,607	13,405	818
SBA Grant	22,609	10,016	750
SBA Grant Match	20,330	14,661	341
SBA Portable Assistance Project	9,667	3,116	
NSF-NEVTEX Grant	18,013	9,394	43,209
Strengthening Institutions Program	78,034	18,309	63,512
OBDD	24,001	19,553	
Scale Oregon Grant	14,811	1,188	262
ABS Pathways Grant	41,824	11,963	8,904
Oregon Develop Education Work Group	1,185	334	3,583
Minority Teacher Pipeline Grant			197
Partners in Practice			1,818
Student Success Grant	31,656	12,045	102,790
Academic Counselor Funding	59,860	34,792	2,059
Oregon Promise Support	66,326	24,058	8,438
Writing Co-Requisite Grant	7,200	2,289	9,911
Data Quality Improvement	3,975	1,089	
Career Pathways Development			24,203
ABS - Partnership to End Poverty			
DRCI - Partnership to End Poverty	762	246	879
Veteran - Partnership to End Poverty	676	333	655
Regional Promise Grant	27,707	7,625	2,949
St. Charles - Ganas Program			1,115
Better Together			6,594
Ford Family Foundation PIP Funds	7,946	405	
Deer Ridge-Ford Family Foundation	6,551	524	
Deer Ridge-Entrepreneurship Program	894	1,633	768
Deer Ridge Correctional Institution	306,221	172,058	60,605
OCF-GANAS			2,936
OCF-Advanced Electric Drive Systems			6,542
WEBCO-Partners in Practice			69,787
	<u>\$ 937,486</u>	<u>\$ 425,527</u>	<u>\$ 433,827</u>

<u>Capital Outlay</u>	<u>Transfers Out</u>	<u>Total</u>
\$	\$	\$ 201,324
		76,830
		33,375
		35,332
		12,783
6,027		76,643
36,878		196,733
		43,554
		16,261
		62,691
		5,102
		197
		1,818
		146,491
2,772		99,483
		98,822
		19,400
18,500		23,564
5,666		29,869
	5,453	5,453
		1,887
		1,664
		38,281
		1,115
		6,594
		8,351
		7,075
		3,295
		538,884
		2,936
12,219		18,761
		69,787
\$ 82,062	\$ 5,453	\$ 1,884,355



CENTRAL OREGON
community college

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF BEGINNING BALANCE, REVENUE, EXPENDITURES
AND ENDING BALANCE BY FUNCION
GRANTS AND CONTRACTS FUND
BUDGETARY BASIS**

YEAR ENDED JUNE 30, 2017

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
Revenue				
Local:				
Charges for services	\$ 15,000	\$ 15,000	\$ 18,150	\$ 3,150
Grants and contracts	1,159,303	739,303	736,774	(2,529)
Intergovernmental:				
State	112,304	592,304	494,974	(97,330)
Federal	477,505	702,505	597,688	(104,817)
Transfers from other funds	35,332	35,332	51,164	15,832
<i>Total revenue</i>	1,799,444	2,084,444	1,898,750	(185,694)
Beginning fund balance	109,000	109,000	90,435	(18,565)
<i>Total available for appropriation</i>	1,908,444	2,193,444	1,989,185	(204,259)
Expenditures				
Federal grants	558,229	783,229	633,020	150,209
State grants	119,304	599,304	547,252	52,052
Local grants	95,980	115,980	73,715	42,265
Contracts	1,102,303	662,303	630,368	31,935
<i>Total expenditures</i>	1,875,816	2,160,816	1,884,355	276,461
Ending fund balance	\$ 32,628	\$ 32,628	\$ 104,830	\$ 72,202

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF BEGINNING BALANCE, REVENUE, EXPENDITURES
AND ENDING BALANCE BY FUNCION
AUXILIARY FUND
BUDGETARY BASIS**

YEAR ENDED JUNE 30, 2017

	<i>Sub-Fund Number</i>	<i>Beginning Balance (Deficit)</i>	<i>Revenues</i>	<i>Expenditures</i>	<i>Ending Balance (Deficit)</i>
Medical leave assistance program	61001	\$ 70,849	\$ 19,842	\$ 6,765	\$ 83,926
Public safety	61003	40,189	36,718	14,953	61,954
Law enforcement testing	61004		1,555	1,533	22
MATC industry training account	61005	1,968	13		1,981
Sustainability fund	61006	33,368	212	3,407	30,173
Dental clinic	61007	3,009	3,352	5,042	1,319
Pharmacy tech	61008	4,384	1,515	2,188	3,711
Dental program	61009	3,475	18,593	16,489	5,579
Medical assisting program	61010		2,705	2,585	120
Teaching and learning center	61011		25,045	11,378	13,667
General testing	61511	13,145	13,371	6,344	20,172
Art cards	61512	8,460	3,798	1,834	10,424
Auto and industrial fees	61513	30,238	31,252	13,541	47,949
Facilities fees	61514	92,476	25,433	32,987	84,922
Club sports	61516	61,905	25,027	20,578	66,354
College activities	61518	168,311	45,575	3,821	210,065
Classified training	61522	17,282	15,138	8,340	24,080
Performing arts	61525	1,733	12,531	12,574	1,690
Box office activity	61526	3,300		3,300	
Hybrid vehicle fleet	61527	6,030	11,971	2,858	15,143
Special programs - administration	61528	84,638	198,035	195,378	87,295
Vehicles	61531	92,070	40,619	58,652	74,037
Physiology lab	61532	44,939	9,763	8,359	46,343
Library books account	61534	37,879	20,394	7,443	50,830
PCA wellness	61535	11,906	2,614	14,341	179
Outdoor recreation program	61537	17,710	4,596	7,658	14,648
Enrollment services support	61546	23,471	575	1,000	23,046
Accreditation	61547	2,079	5,026	1,262	5,843
College now	61550	272,861	126,330	116,901	282,290
Salvage sales	61552	10,020	4,668	500	14,188
CTE Accreditation	61553		60,158	12,500	47,658
Media activities	61561	21,925	31,408	15,040	38,293
Tutoring/Testing	61574	189,748	88,407	35,621	242,534
Institutional advancement	61576	29,674	102	28,607	1,169
Student honors recognition	61581	771	3,756	3,527	1,000
Innovation account	61589	405,936	302,463	385,807	322,592
Mazama lab fees	61592	122,156	62,543	69,156	115,543
Tool room deposits	61596	3,693	906	324	4,275
Computer lab printers	61597	12,313	14,517	12,963	13,867

Continued on page 52

CENTRAL OREGON COMMUNITY COLLEGE

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

YEAR ENDED JUNE 30, 2017

Continued from page 51

	<i>Sub-Fund Number</i>	<i>Beginning Balance (Deficit)</i>	<i>Revenues</i>	<i>Expenditures</i>	<i>Ending Balance (Deficit)</i>
Instructional projects	61598	\$ 126,482	\$ 43,948	\$ 28,792	\$ 141,638
Oregon International					
education consortium	61599	7,740	52		7,792
Student government	61601	79,777	179,470	183,099	76,148
The Broadside	61602	12,287	50,331	34,020	28,598
Blue Sky	61603	94,669	40,828	25,608	109,889
Elevation gratuity fund	61605	35,664	9,400	20,000	25,064
CIS software	61610	11,370	1,174		12,544
Bend area transit program	61611	53,730	26,615	54,680	25,665
Student government clubs	61612	10,472		10,472	
Student government programs	61613	4,734	21,807	26,519	22
Student government reserve	61614	35,187	235		35,422
Redmond campus operations	61700	440,484	270,022	129,778	580,728
Chandler lab operations	61701	361,987	20,501	19,527	362,961
Prineville campus operations	61702	32,587	9,540		42,127
ITS services support	61703	24,785	6,750		31,535
Campus services support	61704	14,679	20,488		35,167
Self-sustaining					
activities		<u>3,290,545</u>	<u>1,971,687</u>	<u>1,678,051</u>	<u>3,584,181</u>
Summer session	62501	2,608,398	1,439,080	1,530,052	2,517,426
International programs	62558	46,977	313	74	47,216
SBDC program	62564	60,968	130,665	174,132	17,501
Business development					
and training	62575	(21)	52,269	52,239	9
ABE General Purpose	62576	261,970	561,767	561,897	261,840
Outreach centers	62577	199,300	1,329		200,629
Veterinarian tech program	62603	5,054	15,703	5,334	15,423
Culinary foundation fund	62604	1,192	40,021	30,894	10,319
EMT practical exam	62610	(2,371)	15,865	13,422	72
Contracted credit classes	63501	123,154	21,437	13,422	131,169
Community & professional					
education	63502	200,001	1,491,656	1,661,142	30,515
Licensed massage therapy	63572	29,119	19,985	5,747	43,357
Aviation program-simulator fees	63579	386,875	784,917	535,310	636,482
Unmanned aerial systems operations	63580	67,570	24,562	28,673	63,459
Non-general fund					
instruction		<u>3,988,186</u>	<u>4,599,569</u>	<u>4,612,338</u>	<u>3,975,417</u>

Continued on page 53

CENTRAL OREGON COMMUNITY COLLEGE

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

YEAR ENDED JUNE 30, 2017

Continued from page 52

	<i>Sub-Fund Number</i>	<i>Beginning Balance (Deficit)</i>	<i>Revenues</i>	<i>Expenditures</i>	<i>Ending Balance (Deficit)</i>
Foundation billing	64515	\$	\$ 310,651	\$ 310,651	\$
Partnership collaborations	64573	1,256,537	135,546	223,981	1,168,102
Cascade Hall minor maintenance	64574		47	47	
Revolving activities		<u>1,256,537</u>	<u>446,244</u>	<u>534,679</u>	<u>1,168,102</u>
 Faculty professional improvement	65521	\$ 180,059	\$ 67,155	\$ 79,833	\$ 167,381
Adjunct faculty professional improvement	65523	56,633	6,364	11,014	51,983
ABE professional development fund	65524	23,232	5,172		28,404
Admin professional development & sabbatical	65526	7,533	5,066	259	12,340
Sabbatical - faculty	65527	10,707	125,066	126,632	9,141
Unemployment reserve	65542	254,929	87,886	39,307	303,508
Insurance reserve deductible	65543	124,171	31,149	2,060	153,260
Keyes educational enhancement fund	65562	<u>182,702</u>	<u>64,179</u>	<u>51,344</u>	<u>195,537</u>
 Contractual and administrative provisions		<u>839,966</u>	<u>392,037</u>	<u>310,449</u>	<u>921,554</u>
		<u>\$ 9,375,234</u>	<u>\$ 7,409,537</u>	<u>\$ 7,135,517</u>	<u>\$ 9,649,254</u>

CENTRAL OREGON COMMUNITY COLLEGE
SCHEDULE OF REVENUE BY FUNCTION AND OBJECT
AUXILIARY FUND
BUDGETARY BASIS

YEAR ENDED JUNE 30, 2017

	<i>Charges</i>			<i>State and</i>	<i>Transfers</i>	<i>Totals</i>
	<i>For</i>	<i>Other</i>	<i>Interest</i>	<i>Local</i>	<i>In</i>	
	<u><i>Services</i></u>	<u><i>Other</i></u>	<u><i>Interest</i></u>	<u><i>Grants</i></u>	<u><i>In</i></u>	
Medical leave assistance program	\$	\$ 19,328	\$ 514	\$	\$	\$ 19,842
Public safety		36,378	340			36,718
Law enforcement testing		1,455			100	1,555
MATC industry training account			13			13
Sustainability fund			212			212
Dental clinic		3,338	14			3,352
Pharmacy tech	1,485		30			1,515
Dental program	18,523		70			18,593
Medical assisting program	2,705					2,705
Teaching and learning center			45		25,000	25,045
General testing		13,260	111			13,371
Art cards	465	3,268	65			3,798
Auto and industrial fees	12,290	18,695	267			31,252
Facilities fees		24,844	589			25,433
Club sports		24,601	426			25,027
College activities		44,318	1,257			45,575
Classified training			138		15,000	15,138
Performing arts		12,520	11			12,531
Hybrid vehicle fleet		11,901	70			11,971
Special programs - administration		127,542	493		70,000	198,035
Vehicles		40,080	539			40,619
Physiology lab		9,459	304			9,763
Library books		20,099	295			20,394
PCA wellness		1,569	45		1,000	2,614
Outdoor recreation	2,992	1,490	114			4,596
Enrollment services		420	155			575
Accreditation			26		5,000	5,026
College now	100,245	24,240	1,845			126,330
Salvage sales		4,587	81			4,668
CTE Accreditation			158		60,000	60,158
Media activities		31,208	200			31,408
Tutoring/Testing		86,971	1,436			88,407
Institutional advancement			102			102
Student honors recognition		2,500	6		1,250	3,756
Innovation account			2,463		300,000	302,463
Mazama lab fees	39,182	22,533	828			62,543
Tool room deposits		880	26			906

Continued on page 55

CENTRAL OREGON COMMUNITY COLLEGE
SCHEDULE OF REVENUE BY FUNCTION AND OBJECT
AUXILIARY FUND (CONTINUED)
BUDGETARY BASIS

YEAR ENDED JUNE 30, 2017

Continued from page 54

	<i>Charges</i>			<i>State and</i>	<i>Transfers</i>	<i>Totals</i>
	<i>For</i>	<i>Other</i>	<i>Interest</i>	<i>Local</i>	<i>In</i>	
	<i>Services</i>			<i>Grants</i>		
Computer lab printers	\$	\$ 14,430	\$ 87	\$	\$	\$ 14,517
Instructional projects		3,057	891		40,000	43,948
Oregon International						
Education consortium			52			52
Student government		178,965	505			179,470
The Broadside		50,191	140			50,331
Blue Sky		40,133	695			40,828
Elevation gratuity fund		9,198	202			9,400
CIS Software		1,095	79			1,174
Bend area transit program		14,350	265		12,000	26,615
Student government programs		2,667	21		19,119	21,807
Student government reserve			235			235
Redmond campus operations		266,542	3,480			270,022
Chandler lab operations		18,048	2,453			20,501
Prineville campus operations		9,292	248			9,540
IT services support		6,563	187			6,750
Campus services support		20,322	166			20,488
Self-sustaining activities	<u>177,887</u>	<u>1,222,337</u>	<u>22,994</u>		<u>548,469</u>	<u>1,971,687</u>
Summer session	1,408,209	4,955	25,916			1,439,080
International programs			313			313
SBDC program activities	15,930	114,468	267			130,665
Business development and training			7		52,262	52,269
ABE general purpose		2,053	1,743		557,971	561,767
Outreach centers			1,329			1,329
Veterinarian tech program	15,600		103			15,703
Culinary foundation fund		39,985	36			40,021
EMT practical exam		8,865			7,000	15,865
Contracted credit classes		20,592	845			21,437
Community and professional education	1,022,874	263,926	903		203,953	1,491,656
Licensed massage therapy	13,600	6,120	265			19,985
Aviation program - simulator fees	753,421	21,034	10,462			784,917
Unmanned aerial systems operations	<u>24,000</u>		<u>562</u>			<u>24,562</u>
Non-general fund instruction	<u>3,253,634</u>	<u>481,998</u>	<u>42,751</u>		<u>821,186</u>	<u>4,599,569</u>

Continued on page 56

CENTRAL OREGON COMMUNITY COLLEGE
SCHEDULE OF REVENUE BY FUNCTION AND OBJECT
AUXILIARY FUND (CONTINUED)
BUDGETARY BASIS

YEAR ENDED JUNE 30, 2017

Continued from page 55

	<i>Charges For Services</i>	<i>Other</i>	<i>Interest</i>	<i>State and Local Grants</i>	<i>Transfers In</i>	<i>Totals</i>
Foundation billing	\$ 173,238				\$ 137,413	\$ 310,651
Partnership collaborations		115,604	8,056	11,886		135,546
Cascade hall minor maintenance		47				47
Revolving activities	<u>173,238</u>	<u>115,651</u>	<u>8,056</u>	<u>11,886</u>	<u>137,413</u>	<u>446,244</u>
Faculty professional improvement			1,155		66,000	67,155
Adjunct Faculty professional improvement			364		6,000	6,364
ABE professional development funds			172		5,000	5,172
Admin prof development & sabbatical			66		5,000	5,066
Sabbatical-faculty			66		125,000	125,066
Unemployment reserve		11,030	1,856		75,000	87,886
Insurance reserve deductible		30,227	922			31,149
Keyes educational enhancement fund			<u>64,179</u>			<u>64,179</u>
Contractual and administrative provisions		<u>41,257</u>	<u>68,780</u>		<u>282,000</u>	<u>392,037</u>
	<u>\$ 3,604,759</u>	<u>\$ 1,861,243</u>	<u>\$ 142,581</u>	<u>\$ 11,886</u>	<u>\$ 1,789,068</u>	<u>\$ 7,409,537</u>

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF EXPENDITURES BY FUNCTION AND OBJECT
AUXILIARY FUND (CONTINUED)
BUDGETARY BASIS**

YEAR ENDED JUNE 30, 2017

	<u>Salaries</u>	<u>Payroll Assessments</u>	<u>Materials and Services</u>	<u>Capital Outlay</u>	<u>Transfers Out</u>	<u>Totals</u>
Medical Leave Assistance program	\$ 3,860	\$ 2,905	\$	\$	\$	\$ 6,765
Public Safety			10,132	4,821		14,953
Law enforcement testing	1,120	413				1,533
Sustainability fund			1,050	2,357		3,407
Dental clinic			5,042			5,042
Pharmacy tech			2,188			2,188
Dental program			16,489			16,489
Medical assisting program			2,585			2,585
Teaching and learning center	7,650	1,563	2,165			11,378
General testing	686	146	5,512			6,344
Art cards			1,834			1,834
Auto and industrial fees			13,541			13,541
Facilities fees	17,717	13,966	1,304			32,987
Club sports	10,270	953	4,810	4,545		20,578
College activities	3,000	821				3,821
Classified training			8,340			8,340
Performing arts			664	11,910		12,574
Box office activity				3,300		3,300
Hybrid vehicle fleet			2,858			2,858
Special programs - administration	73,824	52,166	2,654	506	66,228	195,378
Vehicles			24,669	33,983		58,652
Physiology lab	415	82	6,368	1,494		8,359
Library books			7,016	427		7,443
PCA Wellness	9,255	3,612	1,474			14,341
Outdoor recreation program			7,658			7,658
Enrollment services support			1,000			1,000
Accreditation			1,262			1,262
College now	78,237	27,299	11,365			116,901
Salvage sales			500			500
CTE accreditation			12,500			12,500
Media activities	321	86	12,383	2,250		15,040
Tutoring/Testing	8,598	5,293	21,730			35,621
Institutional advancement			28,607			28,607
Student honors recognition			3,527			3,527
Innovation account	70,152	28,687	239,325	31,811	15,832	385,807
Mazama lab fees	5,007	3,633	39,672	20,844		69,156
Tool room deposits			324			324
Computer lab printers	217	1	12,745			12,963
Instructional programs	6,674	1,724	20,394			28,792

Continued on page 58

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF EXPENDITURES BY FUNCTION AND OBJECT
AUXILIARY FUND (CONTINUED)
BUDGETARY BASIS**

YEAR ENDED JUNE 30, 2017

Continued from page 57

	<u>Salaries</u>	<u>Payroll Assessments</u>	<u>Materials and Services</u>	<u>Capital Outlay</u>	<u>Transfers Out</u>	<u>Totals</u>
Student government	\$ 41,184	\$ 384	\$ 120,884	\$	\$ 20,647	\$ 183,099
The Broadside	20,787	539	9,946	2,748		34,020
Blue Sky			25,608			25,608
Elevation gratuity fund			20,000			20,000
Bend area transit program			54,680			54,680
Student government clubs					10,472	10,472
Student government programs	50		26,469			26,519
Redmond campus operations			41,411	6,367	82,000	129,778
Chandler lab operations			18,112	1,415		19,527
Self-sustaining activities	<u>359,024</u>	<u>144,273</u>	<u>850,797</u>	<u>128,778</u>	<u>195,179</u>	<u>1,678,051</u>
Summer session	825,261	222,433	4,258		478,100	1,530,052
International programs			74			74
SBDC program activities	79,254	35,712	58,614	552		174,132
Business development and training	33,251	18,988				52,239
ABE general purpose	330,812	204,465	26,620			561,897
Veterinarian tech program			6,659	(1,325)		5,334
Culinary foundation fund			30,894			30,894
EMT practical exam	12,633	789				13,422
Contracted credit classes	10,297	3,125				13,422
Community and professional education	734,142	371,768	551,692	3,540		1,661,142
Licensed massage therapy			5,747			5,747
Aviation program - simulator fees	401,655	42,263	18,861	72,531		535,310
Unmanned aerial systems operations			26,597	2,076		28,673
Non-general fund instruction	<u>2,427,305</u>	<u>899,543</u>	<u>730,016</u>	<u>77,374</u>	<u>478,100</u>	<u>4,612,338</u>
Foundation billing	193,963	116,688				310,651
Partnership collaborations	48,390	24,346	1,245		150,000	223,981
Cascades Hall minor maintenance			47			47
Revolving activities	<u>242,353</u>	<u>141,034</u>	<u>1,292</u>		<u>150,000</u>	<u>534,679</u>

Continued on page 59

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF EXPENDITURES BY FUNCTION AND OBJECT
AUXILIARY FUND (CONTINUED)
BUDGETARY BASIS**

YEAR ENDED JUNE 30, 2017

Continued from page 58

	<u>Salaries</u>	<u>Payroll Assessments</u>	<u>Materials and Services</u>	<u>Capital Outlay</u>	<u>Transfers Out</u>	<u>Totals</u>
Faculty professional improvement	\$ 10,215	\$ 3,247	\$ 31,371	\$	\$ 35,000	\$ 79,833
Adjunct faculty professional improvement	570	155	5,289		5,000	11,014
Admin professional development & sabbatical			259			259
Sabbatical - faculty	75,228	51,404				126,632
Unemployment reserve		39,307				39,307
Insurance reserve deductible			2,060			2,060
Keyes educational enhancement fund	<u>782</u>	<u>214</u>	<u>8,190</u>	<u>42,158</u>		<u>51,344</u>
Contractual and administrative provisions	<u>86,795</u>	<u>94,327</u>	<u>47,169</u>	<u>42,158</u>	<u>40,000</u>	<u>310,449</u>
	<u>\$ 3,115,477</u>	<u>\$ 1,279,177</u>	<u>\$ 1,629,274</u>	<u>\$ 248,310</u>	<u>\$ 863,279</u>	<u>\$ 7,135,517</u>

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
AUXILIARY FUND
BUDGETARY BASIS**

YEAR ENDED JUNE 30, 2017

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
Revenue				
Local:				
Charges for services	\$ 3,993,621	\$ 3,708,621	\$ 3,604,759	\$ (103,862)
Interest	90,254	90,254	142,581	52,327
State and local	523,633	523,633	11,886	(511,747)
Other	2,157,072	2,157,072	1,861,243	(295,829)
Transfers from other funds	1,393,788	1,393,788	1,789,068	395,280
<i>Total revenue</i>	8,158,368	7,873,368	7,409,537	(463,831)
Beginning fund balance	7,494,357	7,494,357	9,375,234	1,880,877
<i>Total available for appropriation</i>	15,652,725	15,367,725	16,784,771	1,417,046
Expenditures				
Self-sustaining activities	2,834,779	2,834,779	1,678,051	1,156,728
Non-general fund instruction	6,168,260	5,883,260	4,612,338	1,270,922
Revolving activities	1,009,384	1,009,384	534,679	474,705
Contractual & administrative provisions	565,847	565,847	310,449	255,398
<i>Total expenditures</i>	10,578,270	10,293,270	7,135,517	3,157,753
Ending fund balance	\$ 5,074,455	\$ 5,074,455	\$ 9,649,254	\$ 4,574,799

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
RESERVE FUND
BUDGETARY BASIS**

YEAR ENDED JUNE 30, 2017

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
Revenue				
Local:				
Interest	\$ 4,168	\$ 4,168	\$ 14,251	\$ 10,083
Total revenue	4,168	4,168	14,251	10,083
Beginning fund balance	1,854,919	1,854,919	2,158,534	303,615
<i>Total available for appropriation</i>	1,859,087	1,859,087	2,172,785	313,698
Expenditures				
Retiree benefits	71,500	71,500	42,684	28,816
PERS reserve	300,000	300,000		300,000
Total expenditures	371,500	371,500	42,684	328,816
Ending fund balance	\$ 1,487,587	\$ 1,487,587	\$ 2,130,101	\$ 642,514

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF BEGINNING BALANCE, REVENUE, EXPENDITURES,
AND ENDING BALANCE BY FUNCTION
FINANCIAL AID FUND
BUDGETARY BASIS**

YEAR ENDED JUNE 30, 2017

	<i>Sub-Fund Number</i>	<i>Beginning Balance</i>	<i>Revenue</i>	<i>Expenditures</i>	<i>Ending Balance</i>
Perkins	71801	\$ 14,385	\$ 150	\$ 14,535	\$
College work study	71802		189,255	189,255	
SEOG	71803		213,934	213,934	
Pell	71804		8,190,530	8,190,530	
Veteran's fund	71807	18,542	3,581	3,157	18,966
Federal education loan program	72805		11,862,195	11,862,195	
State need	72807		2,336,376	2,336,376	
Private scholarship award	72808		134,113	134,113	
Oregon promise grant	72809		971,735	971,735	
Foundation	73805		1,347,440	1,347,440	
COCC financial aid program	73809	390,465	82,064	56,575	415,954
Native American trust	75809	100,683	25,874	16,536	110,021
		<u>\$ 524,075</u>	<u>\$ 25,357,247</u>	<u>\$ 25,336,381</u>	<u>\$ 544,941</u>

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF REVENUE BY FUNCTION AND OBJECT
FINANCIAL AID FUND
BUDGETARY BASIS**

YEAR ENDED JUNE 30, 2017

	<u>Interest</u>	<u>Grants</u>	<u>Other</u>
Perkins	\$	\$	\$ 150
College work study			22,502
SEOG			
Pell			12,955
Veteran's fund	125		3,456
Federal education loan program			
State need			
Private scholarship award - state			
Oregon promise grant			
Foundation		1,243,440	
COCC financial aid program	2,680		1,202
Native American trust	25,874		
	<u>28,679</u>	<u>1,243,440</u>	<u>40,265</u>
	<u>\$ 28,679</u>	<u>\$ 1,243,440</u>	<u>\$ 40,265</u>

<u>Intergovernmental</u>		<u>Transfers</u>	
<u>State</u>	<u>Federal</u>	<u>In</u>	<u>Total</u>
\$	\$	\$	\$
	123,596	43,157	150
	213,934		189,255
	8,177,575		213,934
			8,190,530
			3,581
	11,862,195		11,862,195
2,336,376			2,336,376
134,113			134,113
971,735			971,735
		104,000	1,347,440
		78,182	82,064
			25,874
<u>\$ 3,442,224</u>	<u>\$ 20,377,300</u>	<u>\$ 225,339</u>	<u>\$ 25,357,247</u>

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF EXPENDITURES BY FUNCTION AND OBJECT
FINANCIAL AID FUND
BUDGETARY BASIS**

YEAR ENDED JUNE 30, 2017

	<i>Materials and Services</i>				
	<i>Personal Service</i>	<i>Administrative Services</i>	<i>Grants and Loans</i>	<i>Transfers Out</i>	<i>Total</i>
Perkins	\$		\$	\$ 14,535	\$ 14,535
College work study	166,753	22,502			189,255
SEOG			213,934		213,934
Pell		12,955	8,177,575		8,190,530
Veteran's fund		3,157			3,157
Federal education loan program			11,862,195		11,862,195
State need			2,336,376		2,336,376
Private scholarship award-state			134,113		134,113
Oregon promise grant			971,735		971,735
Foundation			1,347,440		1,347,440
COCC financial aid program			13,418	43,157	56,575
Native American trust	251	13,733	2,552		16,536
	<u>\$ 167,004</u>	<u>\$ 52,347</u>	<u>\$ 25,073,873</u>	<u>\$ 43,157</u>	<u>\$ 25,336,381</u>

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
FINANCIAL AID FUND
BUDGETARY BASIS**

YEAR ENDED JUNE 30, 2017

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
Revenue				
Local:				
Interest	\$ 28,068	\$ 28,068	\$ 28,679	\$ 611
Grants	1,167,818	1,267,818	1,243,440	(24,378)
Other	52,800	52,800	40,265	(12,535)
Intergovernmental:				
State	2,950,000	3,650,000	3,442,224	(207,776)
Federal	15,470,000	14,670,000	8,515,105	(6,154,895)
Transfers from other funds	232,182	232,182	225,339	
<i>Total revenue</i>	19,900,868	19,900,868	13,495,052	(6,398,973)
Beginning fund balance	416,000	416,000	524,075	108,075
<i>Total available for appropriation</i>	20,316,868	20,316,868	14,019,127	(6,297,741)
Expenditures				
Federal programs	15,567,800	14,767,800	8,608,256	6,159,544
State programs	2,950,000	3,650,000	3,442,224	207,776
Local programs	1,458,806	1,558,806	1,423,706	135,100
<i>Total expenditures</i>	19,976,606	19,976,606	13,474,186	6,502,420
Ending fund balance	\$ 340,262	\$ 340,262	\$ 544,941	\$ 204,679



CENTRAL OREGON
community college

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**

JUNE 30, 2017 AND 2016

	2017	2016
ASSETS		
Pooled cash and investments	\$ 147,244	\$ 84,622
Cash with county treasurers	17,932	18,387
Property tax receivable	92,052	87,938
<i>Total assets</i>	\$ 257,228	\$ 190,947
 LIABILITIES AND FUND EQUITY		
<i>Liabilities:</i>		
Deferred revenue	\$ 66,011	\$ 60,951
<i>Total liabilities</i>	66,011	60,951
 <i>Fund equity:</i>		
Fund balance		
Designated for debt service	191,217	129,996
<i>Total liabilities and fund equity</i>	\$ 257,228	\$ 190,947

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
DEBT SERVICE FUND
BUDGETARY BASIS**

YEAR ENDED JUNE 30, 2017

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenue				
Local:				
Property taxes	\$ 3,029,615	\$ 3,029,615	\$ 3,100,102	\$ 70,487
Assessment	1,056,543	1,056,543	1,056,394	(149)
Interest	185	185	900	715
Transfers from other funds	<u>1,322,588</u>	<u>1,322,588</u>	<u>1,321,977</u>	<u>(611)</u>
Total revenue	5,408,931	5,408,931	5,479,373	70,442
 Beginning fund balance	 <u>85,400</u>	 <u>85,400</u>	 <u>129,996</u>	 <u>44,596</u>
Total available for appropriation	 <u>5,494,331</u>	 <u>5,494,331</u>	 <u>5,609,369</u>	 <u>115,038</u>
 Expenditures				
Debt service:				
Principal	2,119,179	2,119,179	2,119,178	1
Interest	3,298,376	3,298,376	3,298,374	2
Material and services	<u>1,200</u>	<u>1,200</u>	<u>600</u>	<u>600</u>
Total expenditures	<u>5,418,755</u>	<u>5,418,755</u>	<u>5,418,152</u>	<u>603</u>
 Ending fund balance	 <u>\$ 75,576</u>	 <u>\$ 75,576</u>	 <u>\$ 191,217</u>	 <u>\$ 115,641</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

JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Pooled cash and investments	\$ 7,306,531	\$ 7,662,211
<i>Total assets</i>	<u>\$ 7,306,531</u>	<u>\$ 7,662,211</u>
LIABILITIES AND FUND EQUITY		
<i>Liabilities:</i>		
Accounts payable	\$ 365,842	\$ 165,232
<i>Fund equity:</i>		
Fund balance		
Undesignated	<u>6,940,689</u>	<u>7,496,979</u>
<i>Total liabilities and fund equity</i>	<u>\$ 7,306,531</u>	<u>\$ 7,662,211</u>

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
FUND BALANCE – ACTUAL AND BUDGET
CAPITAL PROJECTS FUND
BUDGETARY BASIS**

YEAR ENDED JUNE 30, 2017

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
Revenue				
Local				
Interest	\$ 10,704	\$ 10,704	\$ 50,352	\$ 39,648
Other			126,240	126,240
Transfers from other funds	1,249,051	1,249,051	1,294,051	45,000
<i>Total revenue</i>	1,259,755	1,259,755	1,470,643	210,888
Beginning fund balance	6,553,000	6,553,000	7,496,979	943,979
<i>Total available for appropriation</i>	7,812,755	7,812,755	8,967,622	1,154,867
Expenditures				
Capital outlay				
Materials and services	1,803,000	1,803,000	664,331	1,138,669
Capital Outlay	3,678,000	3,678,000	982,602	2,695,398
Transfers out	380,000	380,000	380,000	-
<i>Total expenditures</i>	5,861,000	5,861,000	2,026,933	3,834,067
Ending fund balance	\$ 1,951,755	\$ 1,951,755	\$ 6,940,689	\$ 4,988,934

PROPRIETARY FUNDS

ENTERPRISE FUNDS

INTERNAL SERVICE FUND



CENTRAL OREGON
community college

ENTERPRISE FUNDS

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

CENTRAL OREGON COMMUNITY COLLEGE

**COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND EQUITY
ALL ENTERPRISE FUNDS
BUDGETARY BASIS**

**JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2016)**

	<i>Bookstore</i>	<i>Food Service Operations</i>
ASSETS		
<i>Current assets:</i>		
Pooled cash and investments	\$ 1,902,254	\$ 631,276
Accounts receivable	117,931	
Inventory	432,456	
<i>Total current assets</i>	2,452,641	631,276
<i>Capital assets</i>		
Buildings and equipment	1,576,763	
Accumulated depreciation	(1,031,961)	
Net property and equipment	544,802	
<i>Total assets</i>	\$ 2,997,443	\$ 631,276
LIABILITIES AND FUND EQUITY		
<i>Liabilities:</i>		
Accounts payable	\$ 6,007	\$ 14,351
Deferred revenue		160,750
Total liabilities	6,007	175,101
<i>Fund equity:</i>		
Contributed capital	20,000	
Retained earnings - unreserved	2,971,436	456,175
<i>Total fund equity</i>	2,991,436	456,175
<i>Total liabilities and fund equity</i>	\$ 2,997,443	\$ 631,276

<i>Wickiup Hall</i>	<i>Juniper Hall</i>	<i>Totals</i>	
		<i>2017</i>	<i>2016</i>
\$ 1,185,296	\$ 255,627	\$ 3,974,453	\$ 3,191,454
		117,931	152,709
		432,456	551,375
<u>1,185,296</u>	<u>255,627</u>	<u>4,524,840</u>	<u>3,895,538</u>
20,048,233	631,871	22,256,867	22,216,867
(869,673)	(562,989)	(2,464,623)	(1,932,842)
<u>19,178,560</u>	<u>68,882</u>	<u>19,792,244</u>	<u>20,284,025</u>
<u>\$ 20,363,856</u>	<u>\$ 324,509</u>	<u>\$ 24,317,084</u>	<u>\$ 24,179,563</u>
\$ 8,624	\$	\$ 28,982	\$ 17,916
<u>250,574</u>		<u>411,324</u>	<u>309,570</u>
<u>259,198</u>		<u>440,306</u>	<u>327,486</u>
<u>20,104,658</u>	<u>324,509</u>	<u>23,856,778</u>	<u>23,832,077</u>
 		20,000	20,000
<u>20,104,658</u>	<u>324,509</u>	<u>23,876,778</u>	<u>23,852,077</u>
<u>\$ 20,363,856</u>	<u>\$ 324,509</u>	<u>\$ 24,317,084</u>	<u>\$ 24,179,563</u>

CENTRAL OREGON COMMUNITY COLLEGE

**COMBINING SCHEDULE OF REVENUE, EXPENSES, AND
CHANGES IN FUND EQUITY
ALL ENTERPRISE FUNDS**

**YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2016)**

	<i>Bookstore</i>	<i>Food Service Operations</i>
Operating revenue:		
Charges for services	\$ 2,235,757	\$ 1,362,842
<i>Total operating revenue</i>	2,235,757	1,362,842
Operating expenses:		
Salaries	354,460	46,625
Payroll assessments	201,596	27,429
Materials and services	1,647,347	1,013,657
Capital outlay	1,221	10,070
Depreciation	53,366	
<i>Total operating expenses</i>	2,257,990	1,097,781
Operating income (loss)	(22,233)	265,061
Non-operating revenue (expenses):		
Interest income	11,836	3,213
Operating transfer in		
Operating transfer out		
<i>Total non-operating revenue (expenses)</i>	11,836	3,213
Net income (loss)	(10,397)	268,274
Fund equity - beginning of year	3,001,833	187,901
Residual equity transfer		
Fund equity - end of year	\$ 2,991,436	\$ 456,175

<i>Wickiup Hall</i>	<i>Juniper Hall</i>	<i>Totals</i>	
		<i>2017</i>	<i>2016</i>
\$ 2,056,345	\$ 160,000	\$ 5,814,944	\$ 5,257,699
<u>2,056,345</u>	<u>160,000</u>	<u>5,814,944</u>	<u>5,257,699</u>
230,790	5,400	637,275	599,025
153,293	4,600	386,918	351,166
609,466	13,697	3,284,167	3,182,056
		11,291	5,100
<u>474,138</u>	<u>4,277</u>	<u>531,781</u>	<u>460,829</u>
<u>1,467,687</u>	<u>27,974</u>	<u>4,851,432</u>	<u>4,598,176</u>
<u>588,658</u>	<u>132,026</u>	<u>963,512</u>	<u>659,523</u>
7,353	1,375	23,777	7,400
443,500		443,500	110,000
<u>(1,406,088)</u>		<u>(1,406,088)</u>	<u>(2,048,188)</u>
<u>(955,235)</u>	<u>1,375</u>	<u>(938,811)</u>	<u>(1,930,788)</u>
(366,577)	133,401	24,701	(1,271,265)
20,471,235	191,108	23,852,077	5,075,109
<u>-</u>	<u>-</u>	<u>-</u>	<u>20,048,233</u>
<u>\$ 20,104,658</u>	<u>\$ 324,509</u>	<u>\$ 23,876,778</u>	<u>\$ 23,852,077</u>

CENTRAL OREGON COMMUNITY COLLEGE

**COMBINING SCHEDULE OF CASH FLOWS
ALL ENTERPRISE FUNDS**

**YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2016)**

	<i>Bookstore</i>	<i>Food Service Operations</i>
Cash flows from operating activities:		
Cash received for services	\$ 2,262,507	\$ 1,419,100
Cash payments for goods and services	(1,528,973)	(1,009,376)
Cash payments to employees	(556,056)	(74,054)
<i>Net cash flows from operating activities</i>	177,478	335,670
Cash flows from non-capital financing activities		
Cash flows from capital and related financing activities		
Acquisition of building, improvements, and equipment		
Net cash flows from capital and related financing activities		
Cash flows from investing activities:		
Interest earned	11,836	3,213
<i>Net cash flows from investing activities</i>	11,836	3,213
Net increase (decrease) in cash and cash equivalents	189,314	338,883
Cash and cash equivalents - beginning of year	1,712,940	292,393
Cash and cash equivalents - end of year	\$ 1,902,254	\$ 631,276
Reconciliation of operating income to net cash flows from operating activities:		
Operating income (loss)	\$ (22,233)	\$ 265,061
Adjustments to reconcile operating income to net cash flows from operating activities		
Depreciation	53,366	
Decrease (increase) in accounts receivable	26,750	8,028
Decrease (increase) in inventory	118,919	
Increase (decrease) in accounts payable	676	14,351
Increase (decrease) in deferred revenue		48,230
<i>Net cash flows from operating activities</i>	\$ 177,478	\$ 335,670

<i>Wickiup Hall</i>	<i>Juniper Hall</i>	<i>Totals</i>	
		<i>2017</i>	<i>2016</i>
\$ 2,109,869	\$ 160,000	\$ 5,951,476	\$ 5,693,237
(613,227)	(13,897)	(3,165,473)	(3,082,307)
(384,083)	(10,000)	(1,024,193)	(950,191)
<u>1,112,559</u>	<u>136,103</u>	<u>1,761,810</u>	<u>1,660,739</u>
(962,588)		(962,588)	(1,938,188)
	(40,000)	(40,000)	
	(40,000)	(40,000)	
<u>7,353</u>	<u>1,375</u>	<u>23,777</u>	<u>7,400</u>
<u>7,353</u>	<u>1,375</u>	<u>23,777</u>	<u>7,400</u>
157,324	97,478	782,999	(270,049)
<u>1,027,972</u>	<u>158,149</u>	<u>3,191,454</u>	<u>3,461,503</u>
<u>\$ 1,185,296</u>	<u>\$ 255,627</u>	<u>\$ 3,974,453</u>	<u>\$ 3,191,454</u>
\$ 588,658	\$ 132,026	\$ 963,512	\$ 659,523
474,138	4,277	531,781	460,829
		34,778	125,968
(3,761)	(200)	118,919	131,228
53,524		11,066	(26,378)
		<u>101,754</u>	<u>309,570</u>
<u>\$ 1,112,559</u>	<u>\$ 136,103</u>	<u>\$ 1,761,810</u>	<u>\$ 1,660,740</u>

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN AVAILABLE RESOURCES – ACTUAL AND BUDGET
BOOKSTORE FUND
BUDGETARY BASIS**

YEAR ENDED JUNE 30, 2017

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
Revenue				
Local:				
Sales	\$ 3,500,000	\$ 3,500,000	\$ 2,235,757	\$ (1,264,243)
Interest	5,018	5,018	11,836	6,818
<i>Total revenue</i>	3,505,018	3,505,018	2,247,593	(1,257,425)
Beginning available resources	2,000,000	2,000,000	2,403,665	403,665
<i>Total available for appropriation</i>	5,505,018	5,505,018	4,651,258	(853,760)
Expenditures				
Personnel services	638,192	638,192	556,056	82,136
Materials and services	2,784,950	2,784,950	1,647,347	1,137,603
Capital outlay	100,000	100,000	1,221	98,779
Transfer to other funds	86,750	86,750		86,750
<i>Total expenditures</i>	3,609,892	3,609,892	2,204,624	1,405,268
Ending available resources	\$ 1,895,126	\$ 1,895,126	\$ 2,446,634	\$ 551,508

Analysis of ending available resources

Current assets	\$ 2,452,641
Less liabilities	(6,007)
	\$ 2,446,634

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN AVAILABLE RESOURCES – ACTUAL AND BUDGET
FOOD SERVICE OPERATIONS FUND
BUDGETARY BASIS**

YEAR ENDED JUNE 30, 2017

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
Revenue				
Local:				
Sales	\$ 1,405,500	\$ 1,405,500	\$ 1,362,842	\$ (42,658)
Interest			3,213	3,213
<i>Total revenue</i>	1,405,500	1,405,500	1,366,055	(39,445)
Beginning available resources	<u>175,000</u>	<u>175,000</u>	<u>187,901</u>	<u>12,901</u>
<i>Total available for appropriation</i>	<u>1,580,500</u>	<u>1,580,500</u>	<u>1,553,956</u>	<u>(26,544)</u>
Expenditures				
Personnel services	30,345	30,345	74,054	(43,709)
Materials and services	1,391,055	1,391,055	1,013,657	377,398
Capital outlay	<u>50,000</u>	<u>50,000</u>	<u>10,070</u>	<u>50,000</u>
<i>Total expenditures</i>	<u>1,471,400</u>	<u>1,471,400</u>	<u>1,097,781</u>	<u>383,689</u>
Ending available resources	<u>\$ 109,100</u>	<u>\$ 109,100</u>	<u>\$ 456,175</u>	<u>\$ 347,075</u>

Analysis of ending available resources

Current assets	\$ 631,276
Less liabilities	(175,101)
	<u>\$ 456,175</u>

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN AVAILABLE RESOURCES – ACTUAL AND BUDGET
WICKIUP HALL FUND
BUDGETARY BASIS**

YEAR ENDED JUNE 30, 2017

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenue				
Local:				
Room and board	\$ 1,845,166	\$ 1,845,166	\$ 2,056,345	\$ 211,179
Interest	1,033	1,033	7,353	6,320
Transfer from other funds	<u>443,500</u>	<u>443,500</u>	<u>443,500</u>	
<i>Total revenue</i>	2,289,699	2,289,699	2,507,198	217,499
Beginning available resources	<u>690,572</u>	<u>690,572</u>	<u>818,537</u>	<u>127,965</u>
<i>Total available for appropriation</i>	<u>2,980,271</u>	<u>2,980,271</u>	<u>3,325,735</u>	<u>345,464</u>
Expenditures				
Personnel services	404,744	404,744	384,083	20,661
Materials and services	643,008	643,008	609,466	33,542
Transfer to other funds	<u>1,406,088</u>	<u>1,406,088</u>	<u>1,406,088</u>	
<i>Total expenditures</i>	<u>2,453,840</u>	<u>2,453,840</u>	<u>2,399,637</u>	<u>54,203</u>
Ending available resources	<u>\$ 526,431</u>	<u>\$ 526,431</u>	<u>\$ 926,098</u>	<u>\$ 399,667</u>

Analysis of ending available resources

Current assets	\$ 1,185,296
Less liabilities	<u>(259,198)</u>
	<u>\$ 926,098</u>

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN AVAILABLE RESOURCES – ACTUAL AND BUDGET
JUNIPER HALL FUND
BUDGETARY BASIS**

YEAR ENDED JUNE 30, 2017

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
Revenue				
Local:				
Room and board	\$ 200,000	\$ 200,000	\$ 160,000	\$ (40,000)
Interest			1,375	1,375
<i>Total revenue</i>	200,000	200,000	161,375	(38,625)
Beginning available resources			157,949	157,949
<i>Total available for appropriation</i>	200,000	200,000	319,324	119,324
Expenditures				
Personnel services			10,000	(10,000)
Materials and services	100,000	100,000	53,697	46,303
<i>Total expenditures</i>	100,000	100,000	63,697	(63,697)
Ending available resources	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 255,627</u>	<u>\$ 155,627</u>

Analysis of ending available resources

Current assets	\$ 255,627
Less liabilities	
	<u>\$ 255,627</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, 2017
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2016)

	<i>Totals</i>	
	<i>2017</i>	<i>2016</i>
ASSETS		
<i>Current assets:</i>		
Pooled cash and investments	\$ 304,655	\$ 371,315
<i>Total current assets</i>	304,655	371,315
<i>Capital assets:</i>		
Building and equipment	83,172	60,736
Accumulated depreciation	(47,153)	(39,393)
Net property and equipment	36,019	21,343
<i>Total assets</i>	\$ 340,674	\$ 392,658
LIABILITIES AND FUND EQUITY		
<i>Liabilities:</i>		
Accounts payable	\$ 6,095	\$ 13,174
<i>Fund equity:</i>		
Retained earnings - unreserved	334,579	379,484
<i>Total liabilities and fund equity</i>	\$ 340,674	\$ 392,658

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF REVENUE, EXPENSES, AND CHANGES IN FUND EQUITY
INTERNAL SERVICE FUND**

**JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2016)**

	<i>Centralized Services</i>	<i>Copier Activities</i>	<i>Totals</i>	
			<i>2017</i>	<i>2016</i>
Operating revenue:				
Charges for services	\$ 126,288	\$ 108,458	\$ 234,746	\$ 274,404
Operating expenses:				
Salaries	52,333		52,333	52,132
Payroll assessments	48,909		48,909	34,289
Materials and services	66,458	106,437	172,895	182,330
Capital outlay				2,807
Depreciation	7,760		7,760	4,020
<i>Total operating expenses</i>	175,460	106,437	281,897	275,578
Operating income (loss)	(49,172)	2,021	(47,151)	(1,174)
Non-operating revenue (expenses):				
Interest income	2,190	56	2,246	641
Transfer out				(60,000)
<i>Total non-operating revenue (expenses)</i>	2,190	56	2,246	(59,359)
Net income (loss)	\$ (46,982)	\$ 2,077	(44,905)	(60,533)
Fund equity - beginning of year			379,484	440,017
Fund equity - end of year			\$ 334,579	\$ 379,484

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF CASH FLOWS
INTERNAL SERVICE FUND**

**JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2016)**

	<i>Totals</i>	
	<i>2017</i>	<i>2016</i>
Cash flows from operating activities:		
Cash received from users	\$ 234,746	\$ 274,404
Cash payments for goods and services	(179,974)	(186,061)
Cash payments to employees	(101,242)	(86,421)
<i>Net cash flows from operating activities</i>	(46,470)	1,922
Cash flows from non-capital financing activities		(60,000)
Cash flows from capital and related financing activities		
Acquisition of building, improvements and equipment	(22,436)	
<i>Net cash flows from capital and related financing activities</i>	(22,436)	
Cash flows from investing activities		
Interest earned	2,246	641
<i>Total non-operating revenue (expenses)</i>	2,246	641
Net increase (decrease) in cash and cash equivalents	(66,660)	(57,437)
Cash and cash equivalents - beginning of year	371,315	428,752
Cash and cash equivalents - end of year	\$ 304,655	\$ 371,315
Reconciliation of operating income to net cash flows from operating activities:		
Operating income (loss)	\$ (47,151)	\$ (1,174)
Adjustments to reconcile operating income to net cash flows from operating activities		
Depreciation	7,760	4,020
Increase (decrease) in accounts payable	(7,079)	(924)
<i>Net cash flows from operating activities</i>	\$ (46,470)	\$ 1,922

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN AVAILABLE RESOURCES – ACTUAL AND BUDGET
CENTRALIZED SERVICES FUND
BUDGETARY BASIS**

JUNE 30, 2017

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
Revenue				
<i>Local:</i>				
User charges	\$ 180,000	\$ 180,000	\$ 126,288	\$ (53,712)
Interest	404	404	2,190	1,786
<i>Total revenue</i>	180,404	180,404	128,478	(51,926)
Beginning available resources	300,000	330,000	356,092	26,092
<i>Total available for appropriation</i>	480,404	510,404	484,570	(25,834)
Expenditures				
Personnel services	110,158	110,158	101,242	8,916
Materials and services	102,000	102,000	66,458	35,542
Capital outlay	32,500	32,500	22,436	10,064
Transfer to other funds	8,050	8,050		8,050
<i>Total expenditures</i>	252,708	252,708	190,136	62,572
Ending available resources	\$ 227,696	\$ 257,696	\$ 294,434	\$ 36,738
 Analysis of ending available resources				
Current assets			\$ 298,058	
Less liabilities			(3,624)	
			\$ 294,434	

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN AVAILABLE RESOURCES – ACTUAL AND BUDGET
COPIER ACTIVITIES FUND
BUDGETARY BASIS**

JUNE 30, 2017

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
Revenue				
<i>Local:</i>				
User charges	\$ 110,000	\$ 110,000	\$ 108,458	\$ (1,542)
Interest			56	56
<i>Total revenue</i>	110,000	110,000	108,514	(1,486)
Beginning available resources	<u>2,000</u>	<u>2,000</u>	<u>2,049</u>	<u>49</u>
<i>Total available for appropriation</i>	<u>112,000</u>	<u>112,000</u>	<u>110,563</u>	<u>(1,437)</u>
Expenditures				
Materials and services	106,500	106,500	106,437	63
Capital purchases	<u>1,000</u>	<u>1,000</u>		<u>1,000</u>
<i>Total expenditures</i>	<u>107,500</u>	<u>107,500</u>	<u>106,437</u>	<u>1,063</u>
Ending available resources	<u>\$ 4,500</u>	<u>\$ 4,500</u>	<u>\$ 4,126</u>	<u>\$ (374)</u>
 Analysis of ending available resources				
Current assets			\$ 6,597	
Less liabilities			(2,471)	
			<u>\$ 4,126</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

JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2016)

	<i>Totals</i>	
	<i>2017</i>	<i>2016</i>
ASSETS		
Pooled cash and investments	\$ 452,127	\$ 500,222
Beneficial interest in perpetual trust	1,292,890	1,226,391
<i>Total assets</i>	\$ 1,745,017	\$ 1,726,613
LIABILITIES AND FUND EQUITY		
<i>Liabilities:</i>		
Accounts payable	\$ 75,754	\$ 127,851
<i>Total liabilities</i>	<u>75,754</u>	<u>127,851</u>
<i>Fund balance:</i>		
Reserved for endowments	1,549,733	1,549,733
Unreserved	119,530	49,029
<i>Total fund equity</i>	<u>1,669,263</u>	<u>1,598,762</u>
<i>Total liabilities and fund equity</i>	\$ 1,745,017	\$ 1,726,613

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF REVENUE, EXPENSES, AND CHANGES IN FUND BALANCE
NON-EXPENDABLE TRUST FUND
BUDGETARY BASIS**

**JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2016)**

	<i>Totals</i>	
	<i>2017</i>	<i>2016</i>
Operating expenses:		
Materials and services	\$ 89,347	\$ 92,011
Operating income (loss)	(89,347)	(92,011)
Non-operating revenue:		
Interest	4,002	2,288
Net gain (loss) on perpetual trust	155,846	(9,542)
Non-operating income	159,848	(7,254)
Net gain	70,501	(99,265)
FUND BALANCE - beginning of year	1,598,762	1,698,027
FUND BALANCE - end of year	\$ 1,669,263	\$ 1,598,762

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCE – ACTUAL AND BUDGET
NON-EXPENDABLE TRUST FUND
BUDGETARY BASIS**

JUNE 30, 2017

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Over (Under)</u>
BEGINNING FUND BALANCE	\$ 1,598,762	\$ 371,725	\$ 1,227,037
Revenue			
Interest	4,002	2,665	1,337
Net gain (loss) on perpetual trust	<u>66,499</u>	<u> </u>	<u>66,499</u>
<i>Total revenue</i>	<u>70,501</u>	<u>2,665</u>	<u>67,836</u>
<i>Total available for appropriation</i>	<u>1,669,263</u>	<u>374,390</u>	<u>1,294,873</u>
Expenses			
Scholarships	<u> </u>	<u>3,000</u>	<u>3,000</u>
ENDING FUND BALANCE	<u>\$ 1,669,263</u>	<u>\$ 371,390</u>	<u>\$ 1,297,873</u>

OTHER SUPPLEMENTAL INFORMATION

CENTRAL OREGON COMMUNITY COLLEGE
SCHEDULE OF POOLED CASH AND INVESTMENTS
JUNE 30, 2017

	<i>Cash</i>
	<u><i>Balance</i></u>
Petty cash	\$ 10,350
Demand accounts	1,475,918
Investments:	
Oregon State Treasurer's Investment Pool	<u>27,680,018</u>
	<u>\$ 29,166,286</u>

CENTRAL OREGON COMMUNITY COLLEGE
SCHEDULE OF PROPERTY TAX TRANSACTIONS BY COUNTY
YEAR ENDED JUNE 30, 2017

<i>Tax Year</i>	<i>2016-17 Levy and Taxes Receivable July 1, 2016</i>	<i>Adjustments</i>	<i>Net Interest (Discount)</i>	<i>Collections</i>	<i>Receivable June 30, 2017</i>
Deschutes County					
2016-17	\$ 16,005,737	\$ (97,006)	\$ (395,936)	\$ 15,274,103	\$ 238,692
Prior	366,933	(12,522)	32,613	228,104	158,920
Jefferson County					
2016-17	1,172,976	(2,002)	(29,393)	1,112,647	28,934
Prior	63,643	(3,070)	6,599	39,713	27,459
Crook County					
2016-17	1,429,095	(6,563)	(35,666)	1,341,336	45,530
Prior	91,177	(2,287)		45,460	43,430
Klamath County					
2016-17	270,074	(81)	(6,995)	251,554	11,444
Prior	24,403	(386)	1	12,022	11,996
Lake County					
2016-17	127,173	(737)	(3,336)	117,693	5,407
Prior	13,518	226	(44)	5,524	8,176
Wasco County					
2016-17	6,986	(25)	(177)	6,566	218
Prior	492	(5)		236	251
<i>Totals</i>	<u>\$ 19,572,207</u>	<u>\$ (124,458)</u>	<u>\$ (432,334)</u>	18,434,958	<u>\$ 580,457</u>
Tax offsets and other collections				61,107	
<i>Total cash turnover to District</i>				<u>\$ 18,496,065</u>	
<i>By Fund</i>					
General Fund	\$ 15,403,681	\$ (7,718)	\$ 15,395,963	\$ 488,405	
Debt Service Fund	3,101,504	(1,402)	3,100,102	92,052	
District totals	<u>\$ 18,505,185</u>	<u>\$ (9,120)</u>	<u>\$ 18,496,065</u>	<u>\$ 580,457</u>	

CENTRAL OREGON COMMUNITY COLLEGE
SCHEDULE OF PROPERTY TAX TRANSACTIONS BY TAX YEAR
YEAR ENDED JUNE 30, 2017

<u>Tax Year</u>	<i>2016-17 Levy and Taxes Receivable July 1, 2016</i>	<u>Adjustments</u>	<i>Net Interest (Discount)</i>	<u>Collections</u>	<i>Receivable June 30, 2017</i>
2016-17	\$ 19,012,041	\$ (106,414)	\$ (471,503)	\$ 18,103,899	\$ 330,225
2015-16	312,708	(9,978)	11,512	178,966	135,276
2014-15	134,328	(2,735)	9,746	69,088	72,251
2013-14	65,414	(1,558)	10,885	54,758	19,983
2012-13	21,804	(1,367)	4,953	21,059	4,331
2011-12	6,599	(1,207)	1,038	3,526	2,904
2010-11	7,125	(295)	491	1,810	5,511
Prior	12,188	(904)	544	1,852	9,976
<i>Totals</i>	<u>\$ 19,572,207</u>	<u>\$ (124,458)</u>	<u>\$ (432,334)</u>	18,434,958	<u>\$ 580,457</u>
Tax offsets and other collections				<u>70,227</u>	
Total cash turnover to District				18,505,185	
Adjustment for accrual				<u>(9,120)</u>	
2016-17 tax revenue				<u>\$ 18,496,065</u>	

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF BOND PRINCIPAL AND INTEREST TRANSACTIONS

YEAR ENDED JUNE 30, 2017

<u>Issue</u>	<i>Principal</i>			<u>Ending Balance June 30, 2017</u>
	<u>Beginning Balance July 1, 2016</u>	<u>Issued</u>	<u>Paid</u>	
April 23, 2003	\$ 8,325,015	\$	\$ 315,936	\$ 8,009,079
June 17, 2010	36,290,000		1,335,000	34,955,000
April 16, 2014	20,575,000		405,000	20,170,000
	<u>\$ 65,190,015</u>	<u>\$ -</u>	<u>\$ 2,055,936</u>	<u>\$ 63,134,079</u>

<u>Issue</u>	<i>Interest</i>			<u>Outstanding June 30, 2017</u>
	<u>Outstanding July 1, 2016</u>	<u>Matured</u>	<u>Paid</u>	
April 23, 2003	\$	\$ 740,606	\$ 740,606	\$
June 17, 2010		1,699,800	1,699,800	
April 16, 2014		856,388	856,388	
	<u>\$ -</u>	<u>\$ 3,296,794</u>	<u>\$ 3,296,794</u>	<u>\$ -</u>

CENTRAL OREGON COMMUNITY COLLEGE
SCHEDULE OF REQUIREMENTS FOR RETIREMENT OF
BOND AND NOTES INDEBTEDNESS

YEAR ENDED JUNE 30, 2017

<i>Year Ended</i>	<i>Future Principal and Interest Requirements April 23, 2003</i>		<i>Future Principal and Interest Requirements June 17, 2010 Issue</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2018	\$ 315,884	\$ 795,658	\$ 1,475,000	\$ 1,650,250
2019	313,470	853,072	1,625,000	1,593,250
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
2023-27	5,702,476	2,073,121	14,165,000	5,067,275
2028-30	745,000	41,720	11,800,000	1,182,787
<i>Totals</i>	<u>\$ 8,009,079</u>	<u>\$ 6,690,948</u>	<u>\$ 34,955,000</u>	<u>\$ 13,846,100</u>

<i>Year Ended</i>	<i>Future Principal and Interest Requirements April 16, 2014 Issue</i>		<i>Future Principal and Interest Requirements Totals</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2018	\$ 420,000	\$ 840,188	\$ 2,210,884	\$ 3,286,096
2019	435,000	823,387	2,373,470	3,269,709
2020	455,000	805,988	2,553,324	3,249,556
2021	475,000	787,788	2,740,745	3,221,110
2022	490,000	768,787	2,948,180	3,171,812
2023-27	2,760,000	3,533,738	22,627,476	10,674,134
2028-32	3,415,000	2,883,825	15,960,000	4,108,332
2033-37	4,215,000	2,083,000	4,215,000	2,083,000
2038-42	5,135,000	1,160,350	5,135,000	1,160,350
2043-44	2,370,000	152,150	2,370,000	152,150
<i>Totals</i>	<u>\$ 20,170,000</u>	<u>\$ 13,839,201</u>	<u>\$ 63,134,079</u>	<u>\$ 34,376,249</u>

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

CENTRAL OREGON COMMUNITY COLLEGE
INDEPENDENT AUDITORS' REPORT REQUIRED
BY STATE REGULATIONS

JUNE 30, 2017

Board of Officials
Central Oregon Community College
Bend, Oregon

We have audited the basic financial statements of the Central Oregon Community College as of and for the year ended June 30, 2017, and have issued our report thereon dated October 31, 2017. 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.

Compliance

As part of obtaining reasonable assurance about whether the Central Oregon Community College 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:

- Deposits 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).

CENTRAL OREGON COMMUNITY COLLEGE

INDEPENDENT AUDITORS' REPORT REQUIRED
BY STATE REGULATIONS (CONTINUED)

JUNE 30, 2017

In connection with our testing nothing came to our attention that caused us to believe the Central Oregon Community 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 Central Oregon Community College 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 Central Oregon Community College internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Central Oregon Community College internal control over financial reporting.

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

Kerkoch Katter & Nelson, LLP
Certified Public Accountants



By: Stuart D. Katter – a partner
Bend, Oregon

October 31, 2017

SINGLE AUDIT ACT REQUIREMENTS



CENTRAL OREGON
community college

KERKOCHE KATTER & NELSON, LLP

Certified Public Accountants

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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

Board of Officials
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, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Central Oregon Community College's basic financial statements, and have issued our report thereon dated October 31, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Central Oregon Community 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 Central Oregon Community College's internal control. Accordingly, we do not express an opinion on the effectiveness of Central Oregon Community 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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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**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)**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Central Oregon Community 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kerkoch Katter & Nelson, LLP

Certified Public Accountants



By: Stuart D. Katter – a partner

Bend, Oregon

October 31, 2017

KERKOCCH KATTER & NELSON, LLP

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Board of Officials
Central Oregon Community College
Bend, Oregon

Report on Compliance for Each Major Federal Program

We have audited Central Oregon Community College's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Central Oregon Community College's major federal programs for the year ended June 30, 2017. Central Oregon Community College's major federal programs are identified in the Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Central Oregon Community 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 Central Oregon Community 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 Central Oregon Community College's compliance.

Opinion on Each Major Federal Program

In our opinion, Central Oregon Community College, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

KERKOCCH KATTER & NELSON, LLP

Certified Public Accountants

45 NW Hawthorne Avenue • Bend, Oregon 97703 • Phone (541) 382-3468 • Fax (541) 382-0533

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 (CONTINUED)

Report on Internal Control Over Compliance


Management of the Central Oregon Community 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 Central Oregon Community 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 Central Oregon Community 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.

Kerkoch Katter & Nelson, LLP
Certified Public Accountants


By: Stuart D. Katter – a partner
Bend, Oregon

October 31, 2017

CENTRAL OREGON COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

<i>Federal Grantor/ Pass-through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Agency or Pass- through Number</i>	<i>Expenditures 2016-17</i>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Student financial aid direct programs:			
Supplemental educational opportunity grants	84.007	N/A	\$ 213,934
Perkins grant	84.038	N/A	14,535
College work study program	84.033	N/A	189,255
Pell grant programs	84.063	N/A	<u>8,190,530</u>
<i>Total student financial aid - cluster</i>			<u>8,608,254</u>
Higher Education Institutional Aid	84.031	N/A	<u>196,733</u>
Adult education - State grant program	84.002	N/A	<u>201,324</u>
<i>Total department of education</i>			<u>9,006,311</u>
<u>NATIONAL SCIENCE FOUNDATION</u>			
Direct program:			
Education and human resources	47.076	N/A	<u>76,643</u>
<u>SMALL BUSINESS ADMINISTRATION</u>			
Passed through Lane Community College:			
Small business development center	59.037	N/A	<u>46,158</u>
<i>Total federal financial assistance</i>			<u>\$ 9,129,112</u>

Note: The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting. In addition to the direct financial assistance, federal guaranteed student loans in the amount of \$11,862,195 were administered during the year ended June 30, 2017.

CENTRAL OREGON COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONS COSTS
YEAR ENDED JUNE 30, 2017

Summary of Auditors' Results

1. The auditors' report expresses an unqualified opinion on the general purpose financial statements of the College.
2. No reportable conditions relating to the audit of the general purpose financial statements are reported in this Schedule.
3. No instances of noncompliance material to the general purpose financial statements of the College were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the Report on Compliance.
5. The auditors' report on compliance with requirements applicable to each major federal program for the College expresses an unqualified opinion.
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 the U.S. Department of Education Cluster CFDA #84.007, #84.038, #84.033 and #84.063.
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. The College was determined to be a low-risk auditee.
10. There were no findings or questioned costs in the year ended June 30, 2017 Single Audit.
11. The auditee did not use the safe harbor 10% administration rate.

Findings - Financial Statements Audit

None

Findings and Questioned Costs - Major Federal Programs Audit

None



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