



Reference: COCC Audit and Finance Committee Meeting

Date: January 3, 2024 – 4:00 p.m.

Location: Zoom Meeting

<p><u>Committee Members:</u></p> <ul style="list-style-type: none"> • Alan Unger, Chair • Joe Krenowicz • Jim Porter • Roger Detweiler • Richard Hurd 	<p><u>Auditors:</u> Price/Fronk & Co.</p> <ul style="list-style-type: none"> • Heather McMeekin, Partner • Audit Team Members 	<p><u>Administration:</u></p> <ul style="list-style-type: none"> • Dr. Laurie Chesley, President • Michael LaLonde, Vice President of Finance and Operations (VPFO) • Cathleen Knutson, Controller • Kyle Matthews, Executive Assistant to the President and VPFO
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Agenda

1. Introductions and Opening Remarks [Alan Unger]
2. Approval of July 6, 2023 Meeting Minutes [Alan Unger] – Items 2.1-6
3. 2022-23 Fiscal Year Audit Results [Price/Frank & Co.]
 - a. Overview
 - b. Areas of Focus
 - c. Audit Findings
4. Audit Request for Proposal [Michael LaLonde/Cathleen Knutson]
5. Employee Retention Tax Credit [Michael LaLonde]
6. Investment Policy [Michael LaLonde]
7. Reserve Policy [Michael LaLonde]
8. Next meeting: TBD – Summer 2024 [Alan Unger]
9. Adjourn [Alan Unger]



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Minutes

1. Introductions and opening remarks from Committee Chair [Joe Krenowicz]
 - Krenowicz explained that the COCC Audit and Finance Committee (AFC) meets with CPA consultants every six months to discuss how the college has been managing its resources and what changes may need to be made.
 - Everyone introduced themselves.

2. Auditors 2022-23 Fiscal Year Audit Planning [Heather McMeekin]
 - a. Overview
 - LaLonde explained that COCC put out a bid for a new accounting firm to perform the annual audit. The only firm to place a bid was an out of state firm who quoted fees outside of COCC’s desired rate, so COCC declined their bid. The college’s current accounting firm, Price/Fronk & Co., did not place a bid, but they agreed to extend their contract to complete the audit for fiscal year 2023. After this audit concludes, COCC and Price/Fronk will need to determine whether they can sustain this partnership into 2024 in light of the firm’s staffing shortage. COCC may need to put out another bid and LaLonde is asking other community colleges in Oregon who they use for their annual audits.
 - McMeekin explained that Price/Fronk intends to provide quality service to their clients, which requires a robust staff of accountants, which may have been a factor in the lack of bids from auditing firms who are unable to meet the needs of government clients. Price/Fronk has received several requests for bids from potential new clients, but their firm did not have the capacity for any additional contracts. They had recently hired some new accountants who will need additional training before they can take on new clients. It has proven difficult to find accountants who are

experienced in working with government clients.

- LaLonde asked McMeekin to clarify whether Price/Fronk would be able to determine their capacity to continue their partnership with COCC after the 2023 audit season, which McMeekin confirmed.
- LaLonde mentioned that there is an employee retention tax credit that many companies are filing for, which may be contributing to the overwhelming demand that CPA firms are facing. He said he would discuss this further later in the meeting.

b. Audit Timeline and Areas of Focus

- McMeekin explained that Price/Fronk begins their audits with on-site interim testing for payroll and disbursements. They will test COCC's controls to confirm they are followed, that there are no fictitious employees in the college's records, the rates on their human resource files match their payments, and that everything is being coded properly. With COCC's large staff size, fictitious employees are a concern, especially with the amount of part-time and full-time staff. Disbursements are another concern. The firm will look at checks that are going out, making sure they were properly approved by department heads, whether the coding is correct, whether the checks were properly signed, whether the vendors agree to the amount on the invoices and whether that amount is what is cleared in the bank account. Other areas they will examine include bank reconciliations, journal entries, bank accounts and loans, accounts payable/receivable cutoff process, fixed assets, depreciation schedules, inventory (may not be necessary), leases, debt, revenue, and expenses. One item McMeekin will discuss with Knutson for the interim will be pre-paid expenses as, historically, these expenses have been the same every year. They have included letters in previous audit reports acknowledging that pre-paid expenses were not examined and should be in a future audit, so they will attempt to do so in 2023. All of the departments involved will need to submit their pre-paid expenses to Knutson in a timely manner. This will not be a budget basis entry, but a government-wide entry, so it will not impact the daily financials that Knutson oversees. Price/Fronk examines a different department for each audit. Last year they interviewed the Madras campus to get an overview of their fiscal process. The firm may not select a department to examine this year, but they will still visit the Bend campus where most of the cash transactions take place. They will ask for a walkthrough of the cash handling process.
- Miller explained the single-audit portion of the process. Since COCC spends over \$750,000 each year, the college is required to receive a single-audit or compliance audit of the federal funds that were spent. The majority of this audit focuses on the student financial aid program. This would be a compliance audit that tests parameters of the student financial aid fund, making sure that COCC is complying with everything written in the grant agreement, including student eligibility for financial aid and lifetime limits on student aid. The firm also examines COCC's use of the Higher Education Emergency Relief Fund (HEERF), which is meant to help students during the pandemic, as well as helps the college make-up for its lost revenue. 2023 will be COCC's last year with access to this fund. The main way Price/Fronk will examine COCC's use of education stabilization funds is testing samples of student relief funds that are sent out, ensuring they are being received by students, and testing the formula for funds being sent to the college to justify the amount of revenue received.
- McMeekin added that Miller has been in contact with COCC's Financial Aid department and will schedule appointments with them. One area that Price/Fronk will need to examine more thoroughly is COCC's IT Services (ITS) department; specifically, their controls and structures, how their systems work together and their security. This will require additional documentation.
- LaLonde asked whether the firm cross-references employee addresses and vendor addresses.

McMeekin said Price/Fronk only checks whether any Board members or senior staff own any businesses. If they do, the firm would then cross-reference any vendor that may share their address to ensure no one is embezzling funds. The firm does not have the capacity to cross-reference every college employee's information.

- LaLonde asked if the firm checks credit card statements and receipt documentation aligns with IRS rules.
 - McMeekin said they would do a random sample, which is included almost every year in their audit report. She offered to test additional samples upon LaLonde's request, but it would depend on what they find in their sample.
 - LaLonde explained his desire to update the college's credit card expense approval process. Each department has a credit card with an employee gathering all of the information to present to Fiscal Services, but these employees are usually not trained on proper IRS documentation. These credit card reports are also not approved by department heads, but by Fiscal Services, and LaLonde felt department heads should approve the reports first.
- Krenowicz asked about the depreciation schedule for inventory in regards to ITS. With their increased requests for new equipment, is there an increased risk of stolen property? McMeekin said that in 2020, the firm took a closer work of ITS' process on loaning laptops to students and employees, as well as employees who were working remotely, to get a better sense of college equipment that was in circulation. She recalled that there was a process in place, but the early months of the pandemic likely caused some items to go unprocessed. Price/Fronk is primarily concerned with ITS staff understanding that the firm is examining the check-out process, and they can certainly discuss it further. In their most recent examination of the process, the firm found that when an employee was terminated, all of their systems access was appropriately discontinued in a timely manner.
- LaLonde asked whether Price/Fronk would test COCC's cybersecurity in light of another community college that was recently hacked and had to pay a ransom to regain access to their systems.
 - McMeekin said they do not. Some of the firm's audit clients have outsourced this work to companies that specialize in cybersecurity. She encouraged COCC to consider hiring a cybersecurity consultant.
 - Chesley clarified that COCC *does* have a contract with a cybersecurity company.
- McMeekin acknowledged changes in COCC's Fiscal Services staff since their most recent audit and asked the AFC what their thoughts were on whether additional agreed upon procedures (AUP) audits were necessary for those former employees. Knutson did not think it was necessary.
- LaLonde asked whether the firm looks at physical checks during disbursement tests. McMeekin confirmed they examine a copy of the check after it has cleared the bank.
- Krenowicz asked whether the AFC should be aware of any suspicious findings from journal entries made by former employees. Knutson was of the opinion that Fiscal Services would run a report to see if the former employee received any reimbursement they should not have, but COCC's bank reconciliations are very sound.
- McMeekin referenced a letter of AUP audit from their previous report to give context on an investigation of a former Fiscal Services employee's activities. She did not think a thorough audit would be necessary for the 2023 report. Knutson suggested adding the former employee to a related party search and McMeekin concurred.
- Knutson commented on branch campus visits and had been discussing with McMeekin how Fiscal Services could reduce Price/Fronk's workload during the audit. Instead of sending the firm out to conduct cash handling reviews, Knutson offered to do them her-self as an internal audit.

McMeekin concurred, adding it is always good practice to remind employees that their cash handling is being monitored.

- Regarding pre-paid expenses, Knutson expressed desire for an improved process for pre-paid accounting, which would require additional training for the Fiscal Services team, as well as relevant members of other departments. She suggested a simple audit fix would be to record this on the college's GASB financials, but keep it as is in COCC's budget financials.
- Detweiler asked Knutson if she still had any of the concerns she expressed when they last spoke. While Knutson could not recall those concerns, she felt more confident with LaLonde's recent hiring and said COCC's financial team is becoming more robust. They would continue to make improvements to their financial reporting and budgeting. She acknowledged that members of the AFC were very involved in this process.
- LaLonde expressed concern for staffing issues in Fiscal Services. An Accounts Receivable position has been unoccupied for some time, which can leave the department more vulnerable to errors. He also acknowledged that Knutson is the only member of the department with a four-year accounting degree, and that the department has no Assistant Director. He expressed desire for succession planning, updates to policies, and transiting COCC's financial procedures to a more digitized system. In his opinion, Fiscal Services would need to hire an experienced Assistant Director to make these things happen.

3. Other Discussion Items [Michael LaLonde]

- LaLonde informed the AFC of the Employee Retention Tax Credit, which many community colleges have applied for and received. If COCC qualifies, the college could receive as much as \$7,000 per quarter per employee from the federal government. COCC has not yet applied, but LaLonde has been looking into firms that could help with the application. Many of these firms are paid on a contingency of 10-15%, and several of the other community colleges LaLonde has referenced have gone this route and received \$5-7 million in tax credits. He also consulted an auditor he worked with in his previous position who could work with COCC at an hourly rate, which would be less expensive. He estimated a total cost of \$20,000-\$40,000, as opposed to a contingency-paid firm that could cost \$300,000-\$500,000. COCC has been in contact with this firm and they are currently testing whether the college qualifies. This could relieve Fiscal Services of doing this work.
 - Krenowicz asked whether this would be a one-time tax credit. LaLonde explained that the federal government allowed community colleges to receive this credit in the 2021 fiscal year. They required a measurement of decline in revenue for a substantial portion of business. COCC did not find this to be the case. LaLonde hired a consultant to do the calculations and the consultant has been working closely with Knutson. Krenowicz asked whether these calculations included any grants or federal funds. LaLonde said it did not include HEERF. Knutson added that it may be difficult for COCC to qualify due to their high property taxes, but it would still be worth determining whether the college would be eligible for the credit.
- LaLonde noted that there is no investment committee of the Board and considering the large cash balance this may be a good direction for the College. He plans to consult other community colleges on how they coordinate their investment committees and present a proposal to the Board at a future meeting with Chesley's approval.
 - Krenowicz asked whether investment approvals were done at the finance level or through a separate committee. LaLonde clarified that COCC does not have an investment committee. Krenowicz was not in favor of creating anymore Board committees and suggested putting investment supervision under the AFC.

- Chesley said that LaLonde has been reviewing COCC's investment history and policies and suggested it might be a good idea to have a group discuss it further. It would include Board members and possibly community members with expertise in investing. Would the AFC consider expanding its membership to investment experts? Krenowicz was open to this idea.
- Clark suggested creating an investment subcommittee under the AFC. While Krenowicz liked Clark's suggestion, he asked whether the AFC could simply find an expert who would be willing to volunteer their time or receive reimbursement for advising the AFC on investments. Clark said this could be possible as well. Krenowicz also suggested someone associated with the COCC Foundation might consider advising the AFC on investments.
- Chesley offered to discuss this matter further with LaLonde and bring some recommendations to the AFC.
- Unger mentioned that the State of Oregon had increased its contribution to the Community College Support Fund, which was higher than what COCC had budgeted for and led to a tuition adjustment. He encouraged maintaining good relations with state legislation in order to ensure COCC would not need to increase its tuition in order to meet the college's needs. What should COCC do if the college ends up receiving more funding than it had budgeted for?
 - Chesley said that students were already enrolling for the Fall 2023 term and paying the current rate that had been approved by the Board. She felt the rate was reasonable in light of inflation. She had discussed with LaLonde how much of COCC's reserves should be maintained after the most recent Budget Committee meeting. Chesley has asked LaLonde to bring some recommendations to the Board regarding the college's reserves. This discussion would relate to what is happening with the State's budget and what COCC's tuition rates would be in 2024.
 - LaLonde had consulted with CFOs from other community colleges in Oregon and gave examples of what they were doing. He also planned to consult his peers at the upcoming community colleges business officers meeting. He would need to learn more before making any recommendations to the Board.
 - Unger clarified that COCC should have good talking points when asked about funding and tuition rates when approached by the State, and he liked Chesley and LaLonde's answers.
- Detweiler said this had been discussed at the most recent Budget Committee meeting. In his experience working with nonprofit organizations, there are some general rules when it comes to investing, but he did not know whether COCC's reserves requires a certain amount of time of operation.
 - Chesley said that 15% of COCC's budget is for reserves, which leads to the question of when someone asks about the budget, do they mean the general fund or the non-general fund? This leads to the question of how it should be calculated.
 - LaLonde said it is the general fund balance divided by spending in the general fund. Knutson added that, with the influx of revenue that COCC would be receiving (roughly \$3 million in 2023), removing that from the reserve calculation brings it up to 17% of the budget, rather than 20+%. It takes time and bandwidth to determine how to responsibly spend excess funds. She predicted that, during next year's budget development cycle, COCC will find ways to use those funds in a responsible way to address some of the college's current needs.
- Detweiler asked what percentage of the budget used for reserves would cover a certain number of months.
 - Knutson said that COCC's general fund has a monthly operations budget of about \$4 million, and the reserve is about \$12-13 million. This would be the equivalent of about

three months.

- Detweiler recalled a general rule of six months of reserve funds not being considered excessive and acknowledged concern for how this might look publicly.
- Chesley added that, during the most recent Budget Committee meeting, it was reported that COCC had about 24% of its budget in reserves, not including HEERF funds. It may sound like a lot, but it's not as high as it might sound when calculated by the general fund. Detweiler agreed it did not sound too unreasonable.
- Unger added that the fickleness of the State legislature can be unpredictable. They may give COCC what it asks for or a lot less. Is there a plan for how to adjust if the latter happens?
 - LaLonde concurred that the State could decide to give COCC less than it asks for, especially if the State goes through a recession and the student population sees a significant increase.
 - Knutson said that adding more context to next year's budget would be helpful.
 - Krenwoicz agreed a six-month reserve budget is reasonable. He has worked with nonprofit organizations that hold similar standards. It was unfortunate when COCC had to downsize its staff between 2008 and 2010, but they managed to save money that could have been otherwise been lost in changes to the State budget. He agreed with Unger's point to have good verbiage points in the event the college needs to increase its requested funding. COCC's largest challenge would be how the college taxes itself based on how well it has done over the past 40 years. COCC has been much more fortunate in that area than many community colleges in Oregon.

4. Next Meeting Date – January 3, 2024

CENTRAL OREGON COMMUNITY COLLEGE

FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

CENTRAL OREGON COMMUNITY COLLEGE

DISTRICT OFFICIALS

JUNE 30, 2023

Chairperson

Joe Krenowicz
Zone 1

Vice Chairperson

Laura Craska Cooper
Zone 2

Board Members

Alan Unger
Zone 3

Erica Skatvold
Zone 4

Erin Merz
Zone 5

Jim Porter
Zone 6

Erin Foote Morgan
Zone 7

President

Dr. Laurie Chesley

Vice President of Finance and Operations

Michael LaLonde

CENTRAL OREGON COMMUNITY COLLEGE

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INDEPENDENT AUDITORS' REPORT

Board of Officials
Central Oregon Community College
Bend, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of Central Oregon Community College (the College) and Central Oregon Community College Foundation, its discretely presented component unit, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Central Oregon Community College and Central Oregon Community College Foundation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and other information starting on page 5, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Central Oregon Community College's basic financial statements. The budgetary comparison information and the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 22, 2023, on our consideration of the 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 solely 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 effectiveness of the College’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the College’s internal control over financial reporting and compliance.

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued a report titled “Independent Auditors’ Report Required by State Regulations” dated December 22, 2023, which is also a required part of the financial statements. The purpose of the report is to address specific matters required by the State of Oregon.

Price Fronk & Co.
Certified Public Accountants & Consultants

By:  _____
Heather A. McMeeKin – a partner

December 22, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

CENTRAL OREGON COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

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, 2023. 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 the following Governmental Accounting Standards Board Statements in recent years that required adjustments to the financials: Number 68 (Accounting and Financial Reporting for Pensions) for the fiscal year ended June 30, 2015, and Number 87, Leases for the fiscal year ended June 30, 2022.

Overview of the Financial Statements

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

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

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

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

Financial Highlights

- The College's financial position as of June 30, 2023, consists of total assets and deferred outflows of \$156.3 million, liabilities and deferred inflows of \$104.5 million, and net position of \$51.7 million, an increase of \$4.3 million from the prior year. GASB Statement Nos. 68 requires the College to accrue pension assets, liabilities and related deferred inflows and deferred outflows of resources. Due to changes in the actuarial assumptions, pension assets decreased by \$997 thousand and pension liabilities decreased by \$2.1 million, resulting in a \$3.1 million operating expense adjustment. Unrestricted fund balance is now reported as a \$4.0 million deficit balance compared to last year's deficit balance of \$7.1 million.
- Student credit enrollment decreased by 2.4% from the prior year. Declining enrollment in addition to a proportional increase in tuition, resulted in a 0.4% decrease in tuition and fees. With increased activity resuming on campus, Auxiliary Enterprise revenues from the bookstore, residence hall and food services increased by \$299 thousand from the prior year.
- Property tax revenues for operations increased \$349 thousand due to increasing property values and new construction. Other impacts on property taxes include voter approved Measure 5 and Measure 50. Measure 5 limits the maximum allowable tax to \$5 for each \$1,000 of real market value on property assessed by all public-school districts including community colleges. Measure 50 further limits future annual property tax growth to 3% of assessed value. The total property taxes received of \$24.2 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 \$4.3 million due to the State's deferral of the biennium's 8th quarter community college support fund payment for 2022-23 received in fiscal year

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2023-24. 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 within the budgetary basis statements. The basic financial statements, which are prepared using the full accrual accounting basis, report the eighth quarter delayed payment as revenue in the year received. This reporting timing difference between the two sets of statements is illustrated below.

<u>Fiscal Year</u>	<u>Number of State Aid Payments</u>		<u>Amount (in thousands, 000's)</u>	
	<u>Full Accrual Statements</u>	<u>Budgetary Basis Statements</u>	<u>Full Accrual Statements</u>	<u>Budgetary Basis Statements</u>
2013-14	5	4	\$ 8,013	\$ 6,739
2014-15	3	4	5,721	7,577
2015-16	5	4	11,266	9,411
2016-17	3	4	6,958	9,321
2017-18	5	4	11,662	9,299
2018-19	3	4	6,012	7,847
2019-20	5	4	10,704	8,868
2020-21	3	4	6,218	8,312
2021-22	5	4	11,671	9,577
2022-23	3	4	7,354	9,917

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.

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The comparative Statement of Net Position is provided below:

STATEMENT OF NET POSITION

	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>% Change</u>
In thousands of dollars (000's)				
Assets				
Current assets	\$ 43,423	\$ 40,643	\$ 2,780	6.8%
Capital assets, net of depreciation	88,742	88,571	171	0.2%
Non-depreciable assets	993	4,196	(3,203)	-76.3%
Leases receivable	1,737	1,819	(82)	-4.5%
Other noncurrent assets	7,367	7,639	(272)	-3.6%
Total Assets	142,262	142,868	(606)	-0.4%
Deferred outflows of resources				
Net pension deferred outflows	14,010	14,700	(690)	-4.7%
Total Assets and Deferred Outflows	\$ 156,272	\$ 157,568	\$ (1,296)	-0.8%
Liabilities				
Current liabilities	\$ 10,687	\$ 9,594	\$ 1,093	11.4%
Net pension liability	33,021	24,970	8,051	32.2%
OPEB payable	1,636	1,809	(173)	-9.6%
Noncurrent liabilities	44,054	48,627	(4,573)	-9.4%
Total Liabilities	89,398	85,000	4,398	5.2%
Deferred inflows of resources				
Pension related	13,028	23,135	(10,107)	-43.7%
OPEB related	375	187	188	100.5%
Lease resources	1,737	1,819	(82)	-4.5%
Total Liabilities and Deferred Inflows	104,538	110,141	(5,603)	-5.1%
Net Position				
Net investment in capital assets	47,680	47,464	216	0.5%
Restricted	8,088	7,050	1,038	14.7%
Unrestricted	(4,034)	(7,087)	3,053	-43.1%
Total Net Position	51,734	47,427	4,307	9.1%
Total Liabilities and Net Position	\$ 156,272	\$ 157,568	\$ (1,296)	-0.8%

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Current assets, which consist of pooled cash and investments, accounts receivable and inventory, increased \$2.8 million from the prior year. The major changes within current assets included a decrease in cash balances of \$2.1 million and an increase in net accounts receivable by \$4.5 million. Property taxes receivable increased \$39 thousand from prior year, while prepaid assets increased by \$399 thousand. Capital assets consist of land, buildings, equipment and land improvements net of accumulated depreciation. Capital assets decreased \$3.0 million due to reduced capital spending and accumulated depreciation. Other noncurrent assets include a pension prepayment, the beneficial interest in a perpetual trust and leases receivable.

Current liabilities, consisting of accounts payable, interest payable, accrued expenses, unearned revenue and the current portion of long-term debt increased by \$1.1 million. Accounts payable and accrued expenses decreased by \$1.6 thousand, the current portion of long-term debt increased \$1.0 million, and unearned revenue increased by \$77 thousand. Included in noncurrent liabilities are long-term obligations in the form of full faith and credit bonds, pension obligation bonds, general obligation bonds, capital leases, net pension liability and other post-employment benefits (OPEB). The net pension liability increased \$8.1 million due to the State's revised actuarial assumptions, offset by a \$4.6 million decrease in noncurrent liabilities due to debt service payments.

The College implemented GASB Statement Nos. 87, Leases, in the prior fiscal year, which requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognizes inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, the College, as a lessor, is required to recognize a lease receivable and a deferred inflow of resources. Current year and future years are presented to represent the changes upon implementation. The balance of the leases receivable and corresponding deferred lease resources is \$1.7 million as of June 30, 2023. These changes do not have a long-term impact on the budgetary basis statements where the College reports actual lease revenue.

The College implemented GASB Statement Nos. 68 in 2015, which requires the College to recognize deferred inflows, and deferred outflows of resources and the associated pension liability as long-term obligations. The net pension liability represents the College's proportionate share of the Oregon Public Employees Retirement System (PERS). The asset net pension deferred outflows decreased \$690 thousand and net pension liabilities (net of deferred inflows) decreased \$4 million resulting in a decrease in operating expenses of \$1.9 million. These changes do not have a long-term impact on the budgetary basis statements where the College reports actual pension payments made to PERS.

Net position is the difference between total assets and total liabilities. The College reports investment in capital assets (land, buildings, and major equipment) at historical cost, net of accumulated depreciation and less any debt used to acquire those assets. The College has \$47.7 million (92%) of total net position invested in capital assets, \$8.1 million (16%) is restricted primarily for construction, and negative \$4.0 million (-8%) is unrestricted.

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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

	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>% Change</u>
<i>In thousands of dollars (000's)</i>				
Operating Revenue				
Student tuition and fees	\$ 10,394	\$ 10,432	\$ (38)	-0.4%
Grants and contracts	2,809	2,401	408	17.0%
Sales of goods and services	5,069	5,192	(123)	-2.4%
Other operating revenue	3,128	2,314	814	35.2%
Auxiliary enterprises	4,482	4,183	299	7.1%
Total Operating Revenues	<u>25,882</u>	<u>24,522</u>	<u>1,360</u>	<u>5.5%</u>
Non-operating Revenues				
Federal appropriations	9,461	17,938	(8,477)	-47.3%
State appropriations	14,688	15,876	(1,188)	-7.5%
Property taxes	24,175	23,826	349	1.5%
Investment earnings	1,136	(90)	1,226	1362.2%
Total Non-Operating Revenues	<u>49,460</u>	<u>57,550</u>	<u>(8,090)</u>	<u>-14.1%</u>
Total Revenues	<u>\$ 75,342</u>	<u>\$ 82,072</u>	<u>\$ (6,730)</u>	<u>-8.2%</u>

CENTRAL OREGON COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - CONTINUED

Operating Expenses				
Instruction	\$ 26,885	\$ 26,987	\$ (102)	-0.4%
Instructional support services	6,180	4,599	1,581	34.4%
Student services	13,572	18,432	(4,860)	-26.4%
College support service	6,750	7,247	(497)	-6.9%
Plant operations and maintenance	5,481	4,530	951	21.0%
Information and technology services	4,846	4,679	167	3.6%
Depreciation	3,846	3,940	(94)	-2.4%
Auxiliary enterprise	1,922	1,751	171	9.8%
Total Operating Expenses	69,482	72,165	(2,683)	-3.7%
Non-operating Expenses				
Interest expense	2,036	2,932	(896)	-30.6%
Total Non-operating Expenses	2,036	2,932	(896)	-30.6%
Total Expenses	71,518	75,097	(3,579)	-4.8%
Increase (decrease) in net position	3,824	6,975	(3,151)	-45.2%
Net position - beginning of year - as originally stated	47,427	40,452	6,975	17.2%
Prior period adjustment	483			
Net position - beginning of year - as restated	47,910	40,452		
Net position - end of year	\$ 51,734	\$ 47,427	\$ 4,307	9.1%

Revenues

Operating revenues increased by \$1.4 million from the prior fiscal year. Tuition and fee revenues decreased \$38 thousand due to a decrease in enrollment. Operating gifts, grants and contracts increased \$408 thousand. Sales of goods and services decreased \$123 thousand, offset by a \$814 thousand increase in other operating revenues. Increased activity on campus in the current year, resulted in an increase in auxiliary enterprise revenues of \$299 thousand.

Non-operating revenues decreased \$8.1 million from the prior year. There were fewer federal grants and contracts awarded in the current year, decreasing federal appropriations by \$8.5 million. State appropriations decreased \$1.2 million due to the timing differences in State Aid payments and increased aid from the Community College Support Fund. The College received five State Aid payments in 2022 and three payments in 2023, a timing difference of \$4.3 million. Property tax revenue increased \$349 thousand from increasing property values and new construction within the district. Investment performance was stronger than prior year resulting in an increase of \$1.2 million in investment earnings.

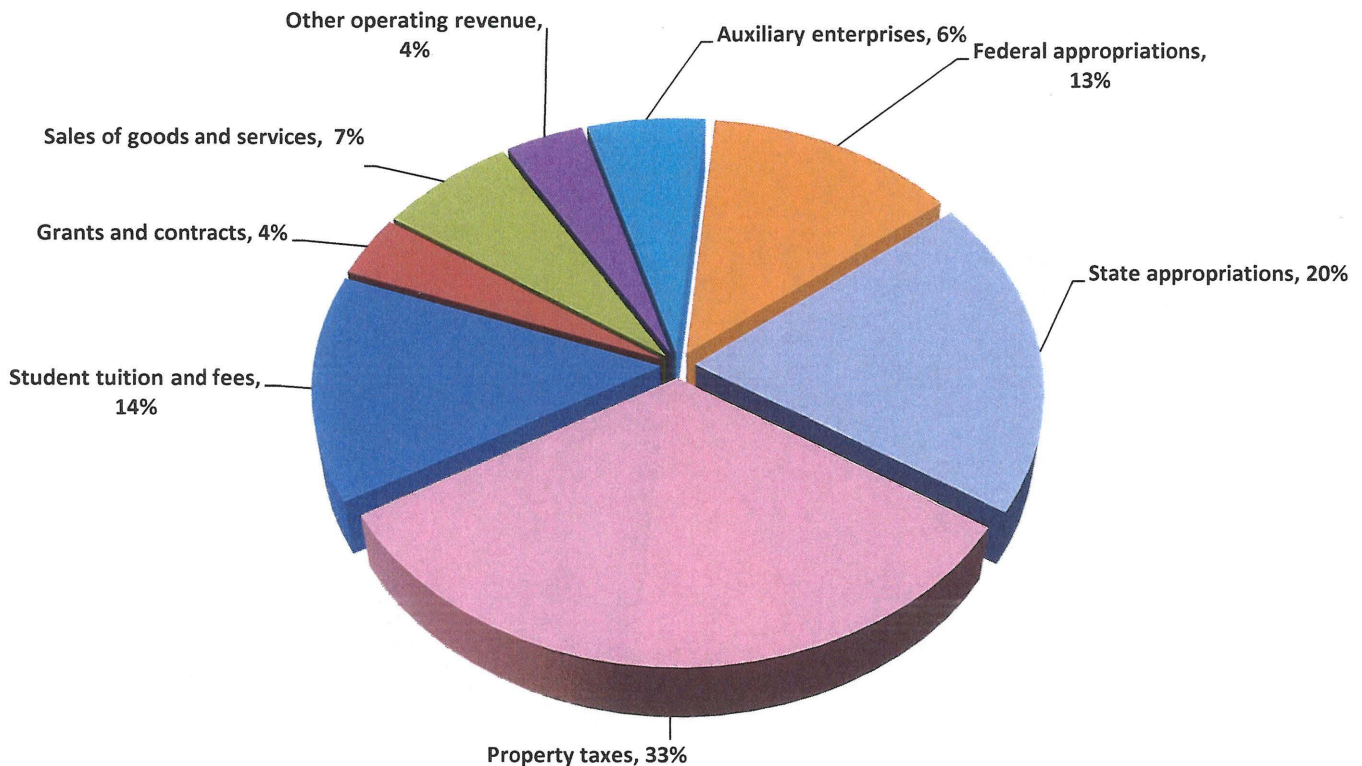
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The following graph illustrates the total revenue sources for the College for the 2023 fiscal year. Federal appropriations now represent 13% of College revenues compared to 22% last year. State appropriations increased to 20% from 19% while property taxes increased to 33% from 29%. Student tuition and fees, grants and contracts, sales of goods and services, auxiliary enterprises and other revenue remained relatively flat from the prior year as a percentage of total revenues.

2023 Total Revenues



Expenses

Operating expenses consist of salaries and payroll assessments, materials and services, utilities, grants and scholarships, and depreciation. Total operating expenses decreased \$2.7 million from the prior year as the majority of HEERF (Higher Education Emergency Relief Funding) dollars were awarded to students in 2021-22.

Non-operating expenses decreased by \$896 thousand, as interest expense related to debt financing amortizes and continues to decrease.

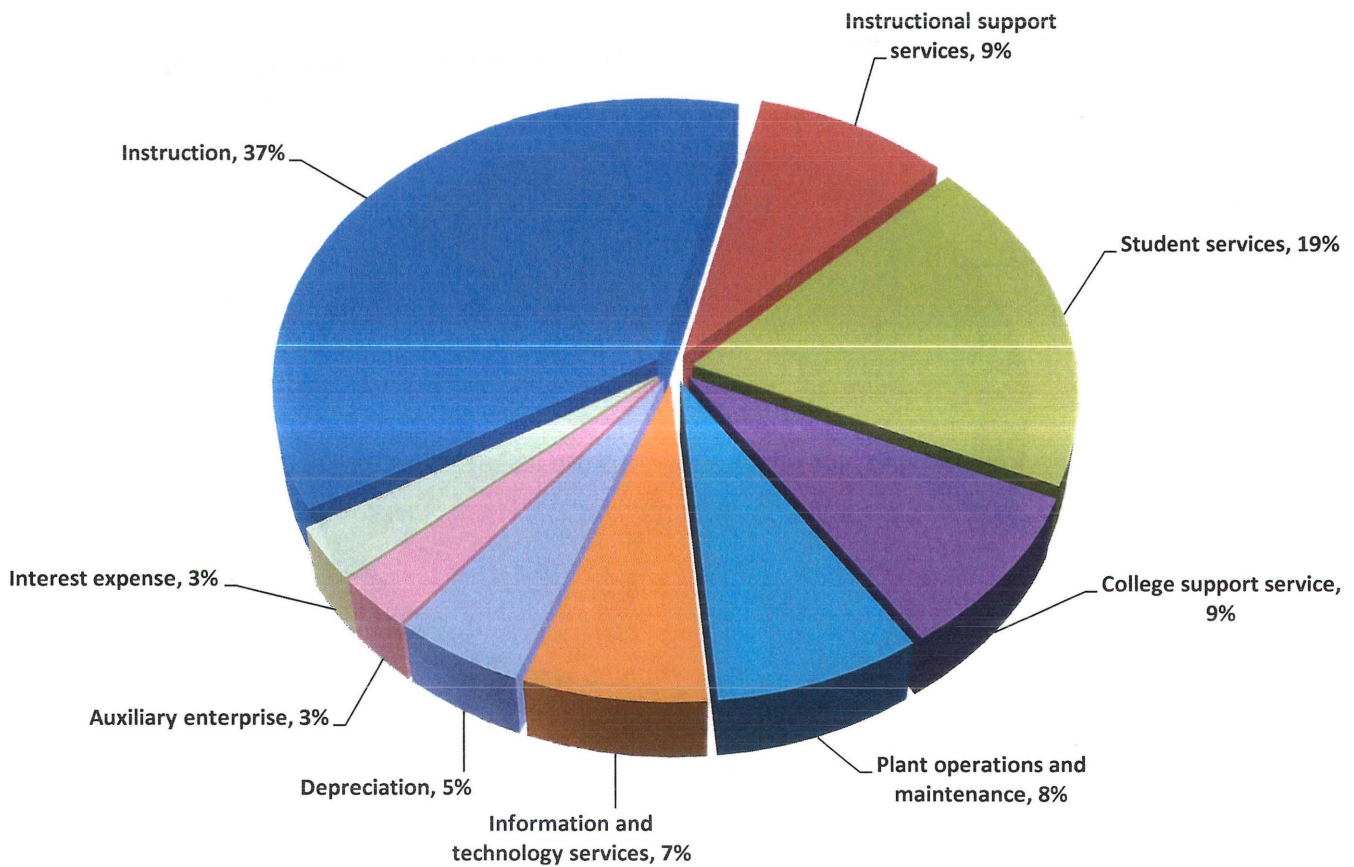
CENTRAL OREGON COMMUNITY COLLEGE

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The following graph illustrates the total expenditures for the College for the 2023 fiscal year. Student Services expenses now represent 19% compared to 16% in the prior year, while College Support Services represents 9% of expenditures compared to 14% in the prior year. All other percentages by category did not include material changes.

2023 Total Expenses



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).

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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The comparative Statement of Cash Flows is provided below:

STATEMENT OF CASH FLOW

	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>% Change</u>
Cash flows from operating activities	\$ (45,068)	\$ (45,245)	\$ 177	0%
Cash flows from noncapital financing activities	46,838	56,596	(9,758)	-17%
Cash flows from capital financing activities	(4,994)	(5,838)	844	-14%
Cash flows from investing activities	<u>1,136</u>	<u>(167)</u>	<u>1,303</u>	<u>-780%</u>
Net increase (decrease) in cash and investments	(2,088)	5,346	(7,434)	-139%
Cash and pooled investments - beginning of year	<u>36,794</u>	<u>31,448</u>	<u>5,346</u>	<u>17%</u>
Cash and pooled investments - end of year	<u>\$ 34,706</u>	<u>\$ 36,794</u>	<u>\$ (2,088)</u>	<u>-6%</u>

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

General Fund Budgetary Highlights

The general fund is the College's primary operating fund. It accounts for operational activities of the College except those designated or restricted activities accounted for in other funds. The general fund's ending fund balance totaled \$11.7 million, an increase of \$2.5 million over the beginning balance. The \$760 thousand negative variance in total revenue reflects lower than budgeted tuition and fees (\$365 thousand), and reductions to interfund transfers-in (\$1.4 million). The unfavorable variances are offset by higher than budgeted state appropriations (\$529 thousand), property taxes (\$250 thousand) and investment earnings (\$238 thousand).

The budgetary savings in general fund expenditures of \$5.1 million includes instruction \$2.7 million, student services \$925 thousand, college support services \$412 thousand, plant operations and maintenance \$402 thousand, information and technology services \$640 thousand and \$23 thousand in financial aid. Across all appropriation categories salaries were under budget by \$2.6 million and payroll assessments were under budget by \$2.8 million. In many instances, the College had to hire outside services to fill vacant positions, therefore materials and services were over budget by \$273 thousand.

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

	Budget	Actual	Variance with Budget Over (Under)	% Variance
<i>In thousands of dollars (000's)</i>				
Resources				
Local:				
Property taxes	\$ 21,182	\$ 21,432	\$ 250	1.2%
Tuition and fees	15,570	15,205	(365)	-2.3%
Investment earnings	70	308	238	340.0%
Other operating revenue	177	119	(58)	-32.8%
Intergovernmental:				
State appropriations	9,388	9,917	529	5.6%
Transfer-in from other funds	4,860	3,506	(1,354)	-27.9%
 Total Resources	 51,247	 50,487	 (760)	 -1.5%
 Expenditures				
Instruction and instructional support services	29,262	26,533	(2,729)	-9.3%
Student services	6,093	5,168	(925)	-15.2%
College support services	6,107	5,695	(412)	-6.7%
Plant operations and maintenance	5,249	4,847	(402)	-7.7%
Information and technology services	5,481	4,841	(640)	-11.7%
Financial aid	113	90	(23)	-20.4%
Operating contingency	800	800		0.0%
 Total Expenditures	 53,105	 47,974	 (5,131)	 -9.7%
 Beginning fund balance	 5,772	 9,161	 3,389	 58.7%
 Ending fund balance	 \$ 3,914	 \$ 11,674	 \$ 7,760	 198.3%

Capital Assets

The College records all capital assets at historical cost with associated accumulated depreciation. The College added \$814 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.

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SUMMARY OF CAPITAL ASSETS

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Land and land improvements	\$ 11,320,261	\$ 11,320,261	\$ -	0.0%
Construction work in progress	350,669	226,297	124,372	55.0%
Buildings	130,234,820	129,913,186	321,634	0.2%
Equipment/library books/art	12,376,726	12,008,126	368,600	3.1%
Change in capital assets	154,282,476	153,467,870	814,606	0.5%
Accumulated depreciation	<u>(64,547,438)</u>	<u>(60,701,447)</u>	<u>(3,845,991)</u>	<u>6.3%</u>
Net Capital Assets	<u>\$ 89,735,038</u>	<u>\$ 92,766,423</u>	<u>\$ (3,031,385)</u>	<u>-3.3%</u>

Debt Administration

As of June 30, 2023, the College had \$48.2 million in outstanding long-term debt, a decrease of \$3.6 million from the prior year. The decrease reflects the long-term debt principal payments made in 2022-2023. The Oregon Revised Statutes limits bonded indebtedness to 1.5% 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, 2023

Full Faith & Credit Bonds	\$ 18,720,000
Pension Obligation Bonds	6,140,000
General Obligation Bonds	<u>23,334,059</u>
	<u>\$ 48,194,059</u>

Future Economic Outlook

Economic planning at Central Oregon Community College has evolved over the past several years, yet the approach remains thoughtful and adaptable as we encounter external factors. Enrollment trends, public resources, workforce management and retention, and nationwide inflation are top concerns as the College plans for future fiscal years. The College has a long history of strong financial management, conservative budgeting practices and adequate levels of reserves. Additionally, in recent years the College has contained costs to allow a positive operating margin, despite decreased student enrollment. The College relies on State Aid distributions from the State's community college support fund, property tax collections, and student tuition and fees for

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JUNE 30, 2023

from the State's community college support fund, property tax collections, and student tuition and fees for operating revenue and resources. The future economic outlook for these sources of revenue, as well as expenditures and employment efforts, are discussed below.

Increased State revenue and labor earnings have led to an upward revision to Oregon's revenue outlook for personal and corporate income tax collections. Levels of employment and corporate earnings are particularly important to the State as individual and corporate income taxes represent the largest sources of revenue for the State's general fund. The 2023-25 biennium budget includes a \$795 million appropriation for the community college support fund (CCSF), an increase of 14% from the previous biennium. The State uses a funding formula to distribute State Aid to Oregon's 17 community colleges. Numerical elements such as property taxes and student enrollment within the funding formula affect the amount each college receives. State Aid of \$12.1 million to COCC represents 21% of the College's current year general fund budget.

The current year's budgeted property tax revenue of \$21.8 million, represents 39% of the general fund budgeted revenue and the largest single source of revenue for general operations. The financial health, economic vitality and population growth of the College district impacts property values and associated property taxes. The College district is large covering 10,000 square miles and encompasses all of Crook, Deschutes and Jefferson counties, as well as parts of Wasco, and Klamath counties. Like most areas throughout the country, the college district is diverse with communities experiencing different levels of economic growth.

Similar to many institutions of higher education the College experienced its enrollment peak during the period of 2008-2012. This growth was due to the large number of individuals returning to college due to job losses and high levels of unemployment during the recession at that time. Since then, there has been a gradual decline in student enrollment with a significant drop during the 2020-21 academic year, when the majority of classes were conducted through remote learning due to the COVID-19 pandemic. The College resumed most on-campus instruction and operations for the 2021-22 academic year. Student enrollment declined 6.6% and 2.4% during the 2021-22 and 2022-23 academic years, respectively. Although attendance has not yet returned to pre-pandemic levels, the College is experiencing increased enrollment trends in the current year.

Salaries and payroll assessments make up 80% of the College's operating budget, while materials and services represent only 16% in the current year. Although the cost of consumer goods is rising, the College's exposed inflation risk is more closely tied to labor and wages. The College has made significant efforts to manage staffing needs and provide fair wages by funding salary increases to the extent feasible, based on benchmarking data, budget parameters and equity concerns among employees. Recruitment for new employees remains a challenge, given low levels of unemployment nationwide.

With the expansion of enrollment in the current year, as well as increased property tax revenue and State Aid, the College is adapting to its current operations with a positive economic outlook. The focus is to empower students and engage with the community. There are new efforts to advance fiscal and operational sustainability, including employee succession planning and new technology. The College will continue to be disciplined in its spending in order to address critical needs and to position ourselves responsibly for the future.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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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.

CENTRAL OREGON COMMUNITY COLLEGE

STATEMENT OF NET POSITION

JUNE 30, 2023

	College	Foundation
ASSETS		
Current Assets		
Pooled cash and investments	\$ 34,706,288	\$ 27,252,003
Cash surrender value of life insurance benefit		44,249
Cash with county treasurers	93,737	
Property taxes receivable	502,998	
Accounts receivable	7,750,786	
Allowance for uncollectible accounts	(302,268)	
Prepays and advances	479,046	
Inventory	192,059	
Total current assets	43,422,646	27,296,252
Noncurrent Assets		
Leases receivable	1,737,226	
Beneficial interest in perpetual trust	1,227,171	1,193,460
Pension prepayment	6,140,000	
Land	3,327,690	
Construction work in process	350,669	
Other non-depreciable assets	642,425	
Capital assets - net of accumulated depreciation	85,414,254	
Total noncurrent assets	98,839,435	1,193,460
Deferred Outflows of Resources		
Pension related	14,010,228	
Total deferred outflows of resources	14,010,228	
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 156,272,309	\$ 28,489,712
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 5,270,261	\$ 33,418
Interest payable	70,188	
Accrued expenses	821,439	
Unearned revenue	385,015	
Current portion of bonds and notes payable	4,140,000	
Total current liabilities	10,686,903	33,418
Noncurrent Liabilities		
Other post employment benefits payable	1,635,638	
Net pension liability	33,021,499	
Bonds and notes payable - net of current portion	44,054,059	
Total noncurrent liabilities	78,711,196	
TOTAL LIABILITIES	89,398,099	33,418
Deferred Inflows of Resources		
Pension related	13,027,742	
OPEB related	374,871	
Lease resources	1,737,226	
Total deferred inflows of resources	15,139,839	
TOTAL LIABILITIES AND DEFERRED INFLOWS	\$ 104,537,938	\$ 33,418
NET POSITION		
Net Investments in capital assets	\$ 47,680,979	\$
Restricted		
Capital projects	6,226,655	
Permanent non-expendable endowment	1,549,733	
Student scholarships		24,686,371
Debt service	311,128	
Unrestricted	(4,034,124)	3,769,923
TOTAL NET POSITION	51,734,371	28,456,294
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 156,272,309	\$ 28,489,712

See notes to the basic financial statements

CENTRAL OREGON COMMUNITY COLLEGE

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2023

	College	Foundation
Operating Revenue		
Tuition and fees	\$ 10,395,183	\$
Operating gifts, grants and contracts	2,808,810	1,266,321
Sales and other services	5,068,558	
Other operating revenue	3,127,734	165,958
Auxiliary Enterprises		
College Bookstore	881,888	
Food Service Operations	1,503,871	
Residence Hall	2,095,972	
Total Operating Revenue	25,882,016	1,432,279
Operating Expenses		
Instruction	26,884,573	
Instruction support	6,179,939	
Student services	13,571,601	
College support services	6,749,458	2,510,119
Plant operations and maintenance	5,481,388	
Information technology services	4,845,561	
Depreciation	3,845,991	
Auxiliary Enterprises		
College Bookstore	1,007,436	
Food Service Operations	848,237	
Residence Hall	67,412	
Total Operating Expense	69,481,596	2,510,119
TOTAL OPERATING LOSS	(43,599,580)	(1,077,840)
Non-operating Revenue (Expenses)		
Federal appropriations	9,460,503	
State appropriations	14,687,933	
Property taxes	24,175,155	
Investment earnings	1,136,181	2,757,474
Interest expense	(2,035,622)	
Net Non-operating Revenue (Expense)	47,424,150	2,757,474
Increase (decrease) in net position	3,824,570	1,679,634
Net position - beginning of year, as originally stated	47,427,297	26,776,660
Prior period adjustment	482,504	
Net position - beginning of year, as restated	47,909,801	26,776,660
Net position - end of year	\$ 51,734,371	\$ 28,456,294

See notes to the basic financial statements

CENTRAL OREGON COMMUNITY COLLEGE

STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2023

	<u>College</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 21,521,360
Cash payments for goods and services	(20,608,524)
Cash payments to employees	<u>(45,981,032)</u>
Net cash used by operating activities	<u>(45,068,196)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Cash received from federal appropriation	9,460,503
Cash received from state appropriation	14,687,933
Cash received from property taxes	24,136,003
Change in beneficial interest in perpetual trust	(34,761)
Principal paid on long-term debt	(307,476)
Interest paid on long-term debt	<u>(1,103,974)</u>
Net cash provided by noncapital financing activities	<u>46,838,228</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition of buildings, improvements and equipment	(814,605)
Principal paid on capital - related long-term debt	(2,815,000)
Interest paid on capital - related long-term debt	<u>(1,364,488)</u>
Net cash used in capital financing activities	<u>(4,994,093)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investment income	<u>1,136,181</u>
Net cash provided by investing activities	<u>1,136,181</u>
Net increase in cash and pooled investments	(2,087,880)
Cash and pooled investments - beginning of year	<u>36,794,168</u>
Cash and pooled investments - end of year	<u>\$ 34,706,288</u>
Reconciliation of operating loss to net cash flows from operating activities:	
Operating loss	\$ (43,599,580)
Adjustments to reconcile operating loss to net cash provided by (used) by operating activities:	
Depreciation	3,845,991
Loss on disposal of capital assets	
(Increase) decrease in:	
Receivables	(4,437,697)
Prepaid expenses	84,001
Inventory	2,163
Pension prepayment	307,476
Deferred OPEB outflows of resources	
Deferred pension outflows of resources	689,682
Increase (decrease) in:	
Accounts payable	(43,699)
Accrued expenses	47,376
Unearned revenue	77,041
Other post employment benefits payable	(172,878)
Net pension liability	8,051,433
Deferred OPEB inflows of resources	187,273
Deferred pension inflows of resources	<u>(10,106,778)</u>
Net Cash Used By Operating Activities	<u>\$ (45,068,196)</u>

See notes to the basic financial statements

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity

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

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

Basis of Presentation

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

Basis of Accounting

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

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Accounting – Continued

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

Use of Resources

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

Cash, Cash Equivalents and Investments

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

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

The College's investments as of June 30, 2023, consist of demand deposit and deposits in the State of Oregon Local Government Investment Pool, which is managed and monitored by the Oregon State Treasurer. Investments are recorded at cost, which approximates market value. The carrying value of the pool approximates the fair value of pool shares.

Receivables

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

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

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Leases Receivable

Leases receivable are recognized at the net present value of the leased assets at a borrowing rate either explicitly described in the agreement or implicitly determined by the College, reduced by principal payments received.

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 Position.

Deferred Inflows/Outflows of Resources

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

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

Revenues received but not earned and deferred lease resources qualify for this treatment and are reported in the Statement of Net Position. These amounts are deferred and recognized as inflows of resources in the period the amounts become available.

Capital Assets

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

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Capital Assets – Continued

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

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

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

Compensated Leave

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

Pensions

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

Post-employment Healthcare Benefits Obligation (OPEB)

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

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Use of Estimates

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

Federal Financial Assistance Programs

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

Scholarship Allowances

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

Student services	\$ 3,961,245
Auxillary enterprises	
College bookstore	52,913
Food service operations	393,960
Residence hall	<u>402,137</u>
Total Scholarship Allowance	<u>\$ 4,810,255</u>

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Reclassifications

Certain prior year amounts have been reclassified to conform with current year presentation.

New Accounting Standard

The District adopted the provisions of GASB Statement No. 92, Omnibus 2020. This Statement establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance related activities of public entity risk pools, fair value of investments and derivative instruments. This pronouncement did not impact the preparation of these financial statements.

The District adopted the provisions of GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). This pronouncement did not impact the preparation of these financial statements.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements, became effective for fiscal year 2022-2023. This Statement provides guidance on the accounting and financial reporting for subscription-based technology arrangements (SBITAs) for government end users. The College determined that the reclassifications did not have a material effect on the Statement of Net Position or the Statement of Revenues, Expenses and Changes in Net Position for the period ending June 30, 2023.

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.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 2 – BUDGET COMPLIANCE – CONTINUED

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

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

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

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

NOTE 3 – POOLED CASH AND INVESTMENTS

The College's investment of cash funds is regulated by Oregon Revised Statutes. Under these guidelines, cash funds may be invested in bank accounts, general obligation issues of the United States, its agencies, and certain states, commercial paper and certain guaranteed investments issued by banks. The College invested in authorized investments during the year. The Oregon State Treasurer's Investment Pool is carried at cost, which approximates market value at June 30, 2023. The Oregon State Treasurer's Investment Pool is characterized as a Level 2 fair value measurement in the Oregon Short Term Fund's audited financial report.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 3 – POOLED CASH AND INVESTMENTS – CONTINUED

The College and Foundation’s cash and investments at June 30, 2023, consist of the following:

	Security	College	Foundation
Cash and cash equivalents			
Cash on hand and other	N/A	\$ 10,350	\$
Demand deposits	FDIC & Collateral	1,760,256	2,530,673
		1,770,606	2,530,673
Investments			
Oregon State Treasurer's Investment Pool - Level 2	N/A	33,029,419	
Commonfund Investments			24,721,330
CSV New York Life			44,249
		33,029,419	24,765,579
Cash and investments, as reported in statement of net position		\$ 34,800,025	\$ 27,296,252

Deposits with Financial Institutions

The College and Foundation’s deposits with financial institutions are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). The College policy, in compliance with State Statutes, requires that deposits be covered by the FDIC and deposited in a qualified depository for public funds. Certain financial institutions have pledged they will cover deposits of public funds in any one of the group’s banks. The banks that have joined this group have been identified by the State Treasurer. The College only deposits funds in banks that have been approved by the Office of the State Treasurer. At June 30, 2023, the carrying amount of deposits in financial institutions was \$1,671,175 and \$2,530,673 and the balance per the bank statements was \$3,021,642 and \$2,666,973 for the College and Foundation, respectively. Of this amount, \$250,000 was covered by FDIC for each, the College and the Foundation, and \$1,421,525 and \$2,280,673 was collateralized by securities held by financial institutions acting as agents of the College and Foundation, respectively.

Interest Rate Risk

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

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 3 – POOLED CASH AND INVESTMENTS – CONTINUED

Credit Risk

Oregon Revised Statutes limit investments in commercial paper and corporate bonds to those rated at least A-1 and AA respectively by a nationally recognized rating agency. The College investment policy does not further limit its investment choices. At June 30, 2023, 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, 2023.

NOTE 4 – PROPERTY TAXES

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

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

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

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 4 – PROPERTY TAXES – CONTINUED

Taxes may be paid by the property owner by November 15 to receive a 3% discount. The installment method can also be used by the property owner, with one-third due November 15, February 15 and May 15, following the date of the lien. Unpaid taxes become subject to foreclosure four years after they become a lien on the property. Tax collections and foreclosure are the responsibility of the county tax collector and treasurer.

The Deschutes County assessor allocates property tax levies to the other counties included in the College's boundaries. The levy for the year ended June 30, 2023, by county, is as follows:

Deschutes County	\$ 21,170,441
Jefferson County	1,482,674
Crook County	2,055,437
Klamath County	309,689
Lake County	33,327
Wasco County	9,634
	<hr/>
	\$ 25,061,202

NOTE 5 – RECEIVABLES

Accounts Receivable

All accounts, student loans, grants and property taxes receivable are shown net of an allowance for uncollectible accounts. Student loans receivable are recorded as tuition is assessed, or as amounts are advanced to students, under various federal student financial assistance programs. The allowance for uncollectible accounts was \$302,268 as of June 30, 2023.

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

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 5 – RECEIVABLES – CONTINUED

Leases Receivable

The following is a summary of the leases receivable for the year ended June 30, 2023:

	<u>Balance at July 1, 2022 RESTATED</u>	<u>Additions</u>	<u>Decreases</u>	<u>Balance at June 30, 2023</u>
High Desert Education District - Building Lease Interest at 0.19%, principal and interest of \$4,435 quarterly, lease period covers August 1, 2021, through July 31, 2023	\$ 17,720	\$	\$ 17,720	\$
Oregon State University for its Cascades Campus - Building Lease Interest at 1.04% , principal and interest of \$1,630 monthly, lease period covers January 2, 2022, through January 1, 2025	48,263		19,154	29,109
Oregon State University for its Cascades Campus - Building Lease Interest at 2.85% , principal and interest of \$250 monthly, lease period covers July 1, 2022 through January 1, 2025.		8,637	2,811	5,826
CCTMI LLC - Cell Tower Lease Interest at 4.0%, principal and interest of \$2,500 monthly and increasing 3% each year, 5% increase on year of renewal (five-year period), option to extend through 2045	697,547		9,212	688,335
New Cingular Wireless PCS, LLC - Property easement Interest at 4.0%, principal and interest of \$2,500 monthly and increasing 3% each year, automatic renewal for four additional five-year terms	754,723		15,983	738,740
RCC Atlantic, Inc. d/b/a Verizon Wireless - Cell Tower Lease Interest at 4.0%, principal and interest of \$1,500 monthly and increasing 3.5% each year, option of three renewal terms of six years each	<u>301,090</u>		<u>25,874</u>	<u>275,216</u>
	<u>\$ 1,819,343</u>	<u>\$ 8,637</u>	<u>\$ 90,754</u>	<u>\$ 1,737,226</u>

Deferred inflows of resources mirror the principal payment maturities as described above. Deferred inflows of resources related to leases receivable are amortized and recognized as revenue on a straight-line basis.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 5 – RECEIVABLES – CONTINUED

Leases Receivable – Continued

Future lease revenues, in total, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 78,334	\$ 54,602	\$ 132,936
2025	74,117	52,524	126,641
2026	66,988	50,464	117,452
2027	72,863	48,300	121,163
2028	79,048	45,947	124,995
2029-2033	389,954	190,456	580,410
2034-2038	404,861	129,966	534,827
2039-2043	450,408	53,038	503,446
2044-2045	120,653	4,330	124,983
	<u>\$ 1,737,226</u>	<u>\$ 629,627</u>	<u>\$ 2,366,853</u>

NOTE 6 – CAPITAL ASSETS

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

	<u>Balance June 30, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2023</u>
Capital Assets not being depreciated				
Land	\$ 3,327,690	\$	\$	\$ 3,327,690
Construction work in progress	226,297	290,015	(165,643)	350,669
Art and collectibles	641,795	630		642,425
	<u>4,195,782</u>	<u>290,645</u>	<u>(165,643)</u>	<u>4,320,784</u>
Capital Assets being depreciated				
Improvements	7,992,572			7,992,572
Buildings	129,913,186	321,633		130,234,819
Equipment and other	11,366,330	367,971		11,734,301
	<u>149,272,088</u>	<u>689,604</u>		<u>149,961,692</u>
Accumulated depreciation	<u>(60,701,447)</u>	<u>(3,845,991)</u>		<u>(64,547,438)</u>
	<u>\$ 92,766,423</u>	<u>\$ (2,865,742)</u>	<u>\$ (165,643)</u>	<u>\$ 89,735,038</u>

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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, 2023:

Full Faith and Credit Obligations

December 16, 2021, original issue was \$18,490,000, interest rates of .51% to 2.95% payable semiannually, principal paid annually. \$ 18,190,000

Full Faith and Credit Obligations

December 16, 2021, original issue was \$1,530,000, interest rate of 4% payable semiannually, principal paid annually. 530,000

General Obligation Bonds

December 14, 2021, Issue, original issue was \$25,420,000, interest rate of 4% payable semiannually, principal paid annually; including unamortized premium of \$3,467,496. 23,334,059

Pension Obligation Bonds

April 23, 2003, Issue, original issue was \$11,535,638, interest rates of 2.04% to 6.25% payable semiannually, principal paid annually. 6,140,000

\$ 48,194,059

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 7 – LONG-TERM DEBT – CONTINUED

The following changes in long-term debt occurred for the year ended June 30, 2023.

<i>Principal</i>						
Issue	Beginning Balance July 1, 2022	Issued	Matured	Paid	Ending Balance June 30, 2023	Due Within One Year
April 23, 2003	\$ 6,447,476	\$	\$ 307,476	\$ 307,476	\$ 6,140,000	\$ 1,135,000
June 17, 2010						
December 14, 2021	22,420,000		2,120,000	2,120,000	20,300,000	2,290,000
April 16, 2014						
December 16, 2021	18,375,000		185,000	185,000	18,190,000	185,000
December 16, 2021	1,040,000		510,000	510,000	530,000	530,000
	<u>48,282,476</u>		<u>3,122,476</u>	<u>3,122,476</u>	<u>45,160,000</u>	<u>\$ 4,140,000</u>
Unamortized premium	3,467,496			(433,437)	3,034,059	
Totals	<u>\$ 51,749,972</u>	<u>\$ -</u>	<u>\$ 3,122,476</u>	<u>\$ 2,689,039</u>	<u>\$ 48,194,059</u>	<u>\$ 4,140,000</u>
<i>Interest</i>						
Issue	Outstanding Issued	Matured	Paid	Outstanding June 30, 2023		
April 23, 2003	\$	\$ 1,103,974	\$ 1,103,974	\$		
June 17, 2010						
December 14, 2021		896,785	896,785			
April 16, 2014						
December 16, 2021		452,181	452,181			
December 16, 2021		20,800	20,800			
	<u>\$ -</u>	<u>\$ 2,473,740</u>	<u>\$ 2,473,740</u>	<u>\$ -</u>		

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 – LONG-TERM DEBT – CONTINUED

Future maturities of long-term debt as are follows:

<u>Year Ended</u>	<u>Future Principal and Interest Requirements April 23, 2003 Issue</u>		<u>Future Principal and Interest Requirements December 14, 2021 Issue</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,135,000	\$ 346,542	\$ 2,290,000	\$ 812,000
2025	1,270,000	282,301	2,475,000	720,400
2026	1,415,000	210,292	2,670,000	621,400
2027	1,575,000	129,920	2,880,000	514,600
2028	745,000	41,720	3,095,000	399,400
2029-2030			6,890,000	418,200
	<u>\$ 6,140,000</u>	<u>\$ 1,010,775</u>	<u>\$ 20,300,000</u>	<u>\$ 3,486,000</u>

<u>Year Ended</u>	<u>Future Principal and Interest Requirements December 16, 2021 Issue</u>		<u>Future Principal and Interest Requirements December 16, 2021 Issue</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 185,000	\$ 430,105	\$ 530,000	\$ 21,200
2025	740,000	428,329		
2026	750,000	419,745		
2027	760,000	409,545		
2028	770,000	398,145		
2029-2033	4,070,000	1,774,081		
2034-2038	4,560,000	1,290,021		
2039-2043	5,215,000	629,178		
2044	1,140,000	33,630		
	<u>\$ 18,190,000</u>	<u>\$ 5,812,778</u>	<u>\$ 530,000</u>	<u>\$ 21,200</u>

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 7 – LONG-TERM DEBT – CONTINUED

<u>Year Ended</u>	<u>Future Principal and Interest Totals Requirements</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 4,140,000	\$ 1,609,847
2025	4,485,000	1,431,030
2026	4,835,000	1,251,437
2027	5,215,000	1,054,065
2028	4,610,000	839,265
2029-2033	10,960,000	2,192,281
2034-2038	4,560,000	1,290,021
2039-2043	5,215,000	629,178
2044	1,140,000	33,630
	<u>\$ 45,160,000</u>	<u>\$ 10,330,753</u>

The schedules below present information to disclose the affordability of the College's current levels of outstanding debt and the College's ability to issue additional debt in the future.

Central Oregon Community College Tax Levy

<u>Fiscal Year</u>	<u>Permanent Rate</u>	<u>Bond Levy</u>	<u>Total</u>
2023	0.6204	0.1072	\$ 0.7276
2022	0.6204	0.1036	0.7240
2021	0.6204	0.1072	0.7276
2020	0.6204	0.1093	0.7297
2019	0.6204	0.1114	0.7318
2018	0.6204	0.1206	0.7410
2017	0.6204	0.1221	0.7425

* Source: Oregon Department of Revenue, Oregon Property Tax Statistics Publications

Central Oregon Community College

<u>Fiscal Year</u>	<u>Total Assessed Value</u>	<u>Urban Renewal Excess</u>	<u>Net Assessed Value</u>	<u>M5 Real Market Value</u>	<u>GO Bend Cap. (1.5% of AMV)</u>	<u>GO Bond Outstanding</u>	<u>Remaining Capacity</u>
2023	\$ 35,972,973,978	\$ 595,895,295	\$ 35,377,078,683	\$ 85,251,316,492	\$ 1,278,769,747	\$ 20,300,000	\$ 1,258,469,747
2022	34,257,611,091	526,800,539	33,730,810,552	65,710,001,434	985,650,022	22,420,000	963,230,022
2021	32,453,416,530	466,111,058	31,987,305,472	56,355,466,139	845,331,992	28,115,000	817,216,992
2020	30,714,515,358	427,759,968	30,286,755,390	52,582,265,409	788,733,981	30,070,000	758,663,981
2019	29,142,168,005	403,492,276	28,738,675,729	48,183,600,075	722,754,001	31,855,000	690,899,001
2018	27,531,106,294	355,037,354	27,176,068,940	42,922,479,776	643,837,197	33,480,000	610,357,197
2017	26,109,902,123	339,631,810	25,770,270,313	38,003,331,385	570,049,971	34,955,000	535,094,971

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 8 – PARTICIPATION IN PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description

General Information About the Pension Plan

The Oregon Public Employees Retirement Systems (PERS or the System) provides statewide defined benefit and defined contribution plans for eligible employers such as units of state government, political subdivisions, community colleges and school districts. For the District and other eligible employers that have joined the State and Local Government Rate Pool, PERS is a cost-sharing, multiple-employer system. PERS is administered in accordance with Oregon Revised Statutes (ORS) Chapter 238, 238A and Internal Revenue Code Section 401(a) by the Public Employees Retirement Board. The Oregon legislature has delegated authority to the Public Employees Retirement Board (Board) to administer and manage the system. All members of the board are appointed by the Governor and confirmed by the State Senate. The Governor designates the chairperson. One member must be a public employer manager or a local elected official, one member must be a union-represented public employee or retiree, and three members must have experience in business management, pension management, or investing. PERS issues publicly available financial reports that include financial statements and required supplementary information. The reports can be obtained from the Oregon Public Employees Retirement System, PO Box 23700, Tigard, Oregon 97281-3700 or by calling 1-503-598-7377 or at www.oregon.gov/pers. The Plan currently covers 142,471 retired plan members (or their beneficiaries) receiving benefits, 8,625 inactive members not receiving benefits, and 182,808 active members.

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

Benefits Provided

Tier One/Tier Two Retirement Benefit ORS Chapter 238

Pension Benefits. The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum payouts. The basic benefit is based on years of service and final average salary. A percentage (2.0% for police and fire employees, 1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under a formula plus annuity (for members who were contributing before August 21, 1981), or a money match computation if a greater benefit results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalent of benefits to which he or she is entitled.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 8 – PARTICIPATION IN PUBLIC EMPLOYEES RETIREMENT SYSTEM

Benefits Provided – Continued

Tier One/Tier Two Retirement Benefit ORS Chapter 238 – Continued

Under Senate Bill 1049, passed during 2019 legislative sessions, the salary included in the determination of Final Average Salary was limited for all members beginning in 2021. The limit was equal to \$210,582 in 2022 and was indexed with inflation in later years.

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

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

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

A member's beneficiary may choose a monthly payment for life instead of the lump-sum or a combination of lump-sum and monthly payments, if eligible. The monthly payment must be a minimum of \$30 per month for deaths that occurred July 30, 2003, and earlier; \$200 per months for deaths that occur after July 30, 2003.

Disability Benefits. A member with ten 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.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 8 – PARTICIPATION IN PUBLIC EMPLOYEES RETIREMENT SYSTEM – CONTINUED

OPSRP Individual Account Program (OPSRP IAP)

Benefit Changes. Members may choose to continue participation in a variable account after retiring and may experience annual benefit fluctuations caused by changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living (COLA) changes. The COLA is capped at 2%.

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

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Installment amounts vary with market returns as the account remains invested while in distribution. When chosen, the distribution option must result in a \$200 minimum distribution amount, or the frequency of the installments will be adjusted to reach the minimum.

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

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

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.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 8 – PARTICIPATION IN PUBLIC EMPLOYEES RETIREMENT SYSTEM – CONTINUED

Individual Account Program – Continued

Members of OPERS and OPSRP are required to contribute six percent of their salary covered under the plan which is invested in the IAP. The College makes this contribution on behalf of its employees.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and Other Post-Employment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2020, actuarial valuation, which became effective July 1, 2022. 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, 2023, were \$6,221,009, excluding amounts to fund employer specific liabilities.

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

At June 30, 2023, the College reported a net pension liability of \$33,021,499 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, rolled forward to June 30, 2022. 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, 2023, the College's proportionate share was .022% up from .021% in the prior year.

For the year ended June 30, 2023, the College recognized pension revenue of \$1,043,792. At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 8 – PARTICIPATION IN PUBLIC EMPLOYEES RETIREMENT SYSTEM – CONTINUED

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

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 1,602,927	205,928
Changes in assumptions	5,181,252	47,336
Net difference between actual and expected earnings in investments		5,903,605
Changes in proportionate share	1,005,040	2,326,719
Differences between employer contributions and employer's proportionate share of system contributions		4,544,154
College contributions subsequent to measurement date	6,221,009	
Total	\$ 14,010,228	\$ 13,027,742

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

<u>Year Ended June 30,</u>	
2023	\$ (1,374,942)
2024	(2,097,835)
2025	(3,615,773)
2026	2,070,593
2027	(220,566)
Total	\$ (5,238,523)

Actuarial Assumptions

The employer contribution rates effective July 1, 2022, through June 30, 2023, 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 twenty years.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 8 – PARTICIPATION IN PUBLIC EMPLOYEES RETIREMENT SYSTEM – CONTINUED

Actuarial Assumptions – Continued

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 sixteen years.

The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions:

Valuation date	December 31, 2020, rolled forward to June 30, 2022
Experience Study Report	2020, Published July 20, 2021
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	2.40 percent
Investment rate of return	6.90 percent
Projected salary increase	3.40 percent based on overall payroll growth
Cost of living adjustment (COLA)	A blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with the Moro decision, blended based on service.
Mortality	Mortality rates based on; Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 Experience Study which reviewed experience for the four-year period ending on December 31, 2020.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 8 – PARTICIPATION IN PUBLIC EMPLOYEES RETIREMENT SYSTEM – CONTINUED

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of long-term expected rate of return assumptions, in June 2021 the PERS board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each asset class in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class/Strategy</u>	<u>Low Range</u>	<u>High Range</u>	<u>Target Allocation</u>
Debt Securities	15.0%	25.0%	20.0%
Public Equity	25.0%	35.0%	30.0%
Real Estate	7.5%	17.5%	12.5%
Private Equity	15.0%	27.5%	20.0%
Risk Parity	0.0%	3.5%	2.5%
Real Assets	2.5%	10.0%	7.5%
Diversifying Strateg	2.5%	10.0%	7.5%
Opportunity Portfoli	0.0%	5.0%	0.0%
Total			100.0%

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 8 – PARTICIPATION IN PUBLIC EMPLOYEES RETIREMENT SYSTEM – CONTINUED

Long-Term Expected Rate of Return – Continued

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
 Total	 100.00%	
 Assumed Inflation - Mean		 2.40%

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the 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.

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

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as what the College's proportionate share of the net pension liability should be if it were calculated using a discount rate that was 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 8 – PARTICIPATION IN PUBLIC EMPLOYEES RETIREMENT SYSTEM – CONTINUED

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	5.90%	6.90%	7.90%
College's proportionate share of the net pension liability/(asset)	<u>\$ 58,560,772</u>	<u>\$ 33,021,499</u>	<u>\$ 11,646,307</u>

Pension Plan Fiduciary Net Position

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

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

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

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 8 – PARTICIPATION IN PUBLIC EMPLOYEES RETIREMENT SYSTEM – CONTINUED

Pension Plan Fiduciary Net Position – Continued

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

Deferred Inflows of Resources and Deferred Outflows of Resources

Deferred inflows and outflows of resources are calculated at the Plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2022, the following deferred items are reported:

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

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

The average remaining service lives determined at the beginning of each measurement period are:

- Year ended June 30, 2022 – 5.5 years
- Year ended June 30, 2021 – 5.4 years
- Year ended June 30, 2020 – 5.3 years
- Year ended June 30, 2019 – 5.2 years
- Year ended June 30, 2018 – 5.2 years
- Year ended June 30, 2017 – 5.3 years
- Year ended June 30, 2016 – 5.3 years
- Year ended June 30, 2015 – 5.4 years
- Year ended June 30, 2014 – 5.6 years

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 8 – PARTICIPATION IN PUBLIC EMPLOYEES RETIREMENT SYSTEM – CONTINUED

Deferred Inflows of Resources and Deferred Outflows of Resources – Continued

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

Detailed information about the pension plan's net position is available in the separately issued PERS financial report.

NOTE 9 – RISK MANAGEMENT

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

NOTE 10 – ORGANIZATION

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

NOTE 11 – BENEFICIAL INTEREST IN PERPETUAL TRUST

The College is a beneficiary of an irrevocable trust created by a donor, the assets of which are not in the possession of the College. The College has an irrevocable right to receive the income from the trust's assets in perpetuity. Net interest income is paid annually to the College to be used for educational purposes. Effective the first business day of January 2001, the College shall receive an amount equal to the greater of 5% of the net fair value of the Trust assets or 85% of the net income of the Trust. Gains or losses related to the beneficial interest 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, 2023, of the beneficial interest was \$1,227,171.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 11 – BENEFICIAL INTEREST IN PERPETUAL TRUST – CONTINUED

The Foundation is a beneficiary of irrevocable trusts created by donors, the assets of which are not in the possession of the Foundation. The Foundation has an irrevocable right to receive the income from the trust's assets in perpetuity. Net realized and unrealized gains (losses) related to the beneficial interest are reported as changes in permanently restricted net assets based on explicit donor stipulations. The fair value at June 30, 2023, of the beneficial interest was \$1,193,460.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Grant Audit

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

Legal Proceedings

The College is involved in various legal proceedings. During the year, the College settled one proceeding and booked a payable for the settlement amount. Management believes that any losses arising from remaining actions will not materially affect the College's financial position.

NOTE 13 – COMPONENT UNITS

The discretely presented component unit is reported in a separate column in the government-wide statements to emphasize that it is legally separate from the primary government. The Central Oregon Community College Foundation is a separate non-profit organization established in 1955 to provide grants, loans and endowments for the education of the students of Central Oregon Community College. The Foundation's primary transaction with the College was \$1,583,845 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.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 14 – POST-EMPLOYMENT BENEFITS

General Information About the Stipend Benefits Plan

Plan description – The College maintains a single employer stipend benefit program for its employees. This program covers all full-time PERS eligible employees employed by the College with at least twelve years of service as of June 30, 2002, and retire after attaining age 55 with at least fifteen 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 fifteen or more years of service at June 30, 2002, and \$300 per month if the participant has twelve to fourteen years of service as of June 30, 2002, (certain early retirees are grandfathered into a \$550 per month level).

General Information About the PERS OPEB Plan

Oregon Public Employees Retirement System (PERS or the System) administers the Retirement Health Insurance Account (RHIA) cost-sharing, multiple-employer defined benefit Other Postemployment Benefit (OPEB) plan (the Plan) for units of state government, political subdivisions, community colleges and school districts, containing multiple actuarial pools. Plan assets may be used to pay the benefits of the employees of any employer that provides OPEB through the Plan. Contributions are mandatory for each employer that is a member of PERS. As of June 30, 2023, there were 811 participating employers.

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

Contributions

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

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 14 – POST-EMPLOYMENT BENEFITS – CONTINUED

Plan Membership

ORS 238.420 established the Retirement Health Insurance Account (RHIA) and authorizes a payment of up to \$60 from RHIA toward the monthly cost of health insurance for eligible PERS members. The plan was closed to new entrants hired on or after August 29, 2003. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan.

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

At June 30, 2023, the College reported a net OPEB liability of \$1,635,638 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021. The Employer's proportion of the net OPEB liability was based on the Employer's share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers. As of the measurement date amounts paid by the College to the RHIA fund of the Oregon PERS, which represents its contributions to OPEB, were included in the College's deferred outflow of resources related to pensions. For the year ended June 30, 2023, the Employer recognized OPEB credit of \$172,878.

Actuarial Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown below are based on the 2020 Experience Study, which reviewed experience for the four-year period ended on December 31, 2020.

The total OPEB liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation date – July 1, 2021
- Measurement date – June 30, 2022
- Experience Study – 2020, published July 24, 2021
- Actuarial cost method – Entry Age Normal, level percent of salary

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 14 – POST-EMPLOYMENT BENEFITS – CONTINUED

Actuarial Assumptions – Continued

- Interest rate for discount future liabilities – 3.75% per year, based on all years discounted at municipal bond rate (based on Bond Buyer 20-Bond General Obligation Index as of June 30, 2021)
- General Inflation – 2.4%
- Salary Merit Scale – total payroll increase is overall payroll growth plus a salary merit scale. Sample rates are as follows:

<u>Duration</u>	<u>Rate</u>
0	4.15%
5	2.98%
10	1.79%
15	0.72%
20	-0.11%
25	-0.55%
30+	-0.59%

- Annual premium increase rate:

<u>Year</u>	<u>Rate</u>
2022-23	5.4%
2023-24	5.3%
2024-25	5.2%
2025-26	5.1%
2026-27	5.0%
2027-28	4.9%
2028-29	4.8%
2029-30	4.7%
2030-31	4.6%
2031-32	4.5%

- Mortality rates: Active employees: PUB 2010 Employee Tables for Teachers, sex distinct, projected generationally. Active employees' adjustments: 120% of published rates for males, 100% of published rates for females. Retirees: PUB 2010 Retiree Tables for Teachers, sex distinct, projected generationally. Beneficiaries: PUB 2010 Employee and Retiree Tables for General Employees, sex distinct, projected generationally. Beneficiary adjustments: Set back twelve months for males, no setback for females; 115% of published rates for non-annuitant males, 125% of published rates for non-annuitant females. Improvement scale: Unisex Social Security Data Scale (sixty-year average).

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 14 – POST-EMPLOYMENT BENEFITS – CONTINUED

Actuarial Assumptions – Continued

- Turnover rates – as developed for the valuation of benefits under Oregon PERS. For the current school year, it is assumed that terminations are reflected in the census data provided.

<u>Years of Service</u>	<u>Male</u>	<u>Female</u>
0	16.63%	13.50%
5	6.86%	7.13%
10	3.31%	3.85%
15	2.30%	2.68%
20	1.62%	1.95%
25	1.20%	1.50%
30+	1.20%	1.50%

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

<u>Age</u>	<u>Rate</u>
30	0.0164%
35	0.0252%
40	0.0406%
45	0.0666%
50	0.1151%

- Retirement rates – as developed for the valuation of benefits under Oregon PERS. For the current school year, it is assumed that retirements are reflected in the census data provided. It is also assumed employees will retire by the time both employee and dependent have reached age 65, the age at which they can no longer receive subsidized health benefits.
- Participation – of the active employees currently enrolled in a medical plan 70% are assumed to remain enrolled at retirement until Medicare eligibility.
- Plan enrollment – current and future retirees are assumed to remain enrolled in the plans in which they are currently enrolled, if any.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 14 – POST-EMPLOYMENT BENEFITS – CONTINUED

Actuarial Assumptions – Continued

- Marital status – 50% of future retirees electing coverage are assumed to cover a spouse as well. Males are assumed to be three years older than their female spouses. Actual marital status as of the valuation date is used for current retirees.
- Coverage of eligible Children – assumed no impact of dependent children on the implicit subsidy.
- Health care claims costs – 2022-2023 claims costs for an age 64 retiree or spouse are assumed to be:

	<u>MODA</u>
Plan 1	\$ 16,296
Plan 2	15,127
Plan 3	14,199
Plan 4	13,424
Plan 5	12,403
Plan 6	12,664
Plan 7	11,819

- Aging factors – Aging factors are used to adjust the age 64 per capita claims costs. Percentages shown below age 64 reduce the claims cost:

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

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

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 14 – POST-EMPLOYMENT BENEFITS – CONTINUED

Discount Rate

The discount rate used to measure the total OPEB liability at June 30, 2022, and June 30, 2023, was 2.25% and 3.75%, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. More information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means are included in the PERS' audited financial statements.

Sensitivity of the Employer's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate.

The following presents the net OPEB liability of the Plan as of June 30, 2023, calculated using the discount rate of 3.75%, as well as what the RHIA net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75%) or 1-percentage-point higher (4.75%) than the current rate:

	1% Decrease	Current	1% Increase
	2.75%	Discount Rate	4.75%
	_____	_____	_____
District's proportionate share of the net pension liability/(asset)	\$ 1,730,313	\$ 1,635,638	\$ 1,544,877

Deferred Inflows of Resources and Deferred Outflows of Resources

Deferred inflows of resources and deferred outflows of resources are calculated at the Plan level and are allocated to employers based on their proportionate share.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 14 – POST-EMPLOYMENT BENEFITS – CONTINUED

Deferred Inflows of Resources and Deferred Outflows of Resources – Continued

For the measurement period ended June 30, 2022, there were:

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

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

The average remaining service life determined as of the beginning of the June 30, 2022, measurement period is two-point-seven years.

NOTE 15 – FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY

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

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each fund has the ability to access

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

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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

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

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

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

The following table sets forth by level, within the fair value hierarchy, assets at fair value as of June 30, 2023, for the Foundation:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Commonfund investments	\$ 3,781,748	\$ 22,132,606	\$ 436	\$ 25,914,790
CSV New York Life	<u>44,249</u>			<u>44,249</u>
	<u>\$ 3,825,997</u>	<u>\$ 22,132,606</u>	<u>\$ 436</u>	<u>\$ 25,959,039</u>

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

Investments	\$ 24,721,330
Cash surrender value of life insurance benefit	44,249
Beneficial interest in perpetual trust	<u>1,193,460</u>
	<u>\$ 25,959,039</u>

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 15 – PRIOR-PERIOD ADJUSTMENT

The College reported a prior period adjustment to record prepaid expenses on the Statement of Net Position. Historically, management determined the change in prepaid balance that would have impacted the Statement of Revenue, Expenses and Changes in Net Position was immaterial. In the current-year, management determined that prepaid expenses should be added to the financials and going forward, the expenses will be recorded in the same period that the asset provides the benefit. The effect of this adjustment for the reclassification of operating expenses to prepaid expenses is as follows:

Net position:	
Net position - beginning of year, as originally stated	\$ 47,427,297
Prior period adjustment	<u>482,504</u>
Net position - beginning of year, as restated	<u>\$ 47,909,801</u>

NOTE 16 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 22, 2023, the date the financial statements were available to be issued. On October 11, 2023, the College sold a real estate property on Awbrey Butte. Net proceeds from the sale were 1.8 million.

REQUIRED SUPPLEMENTAL INFORMATION

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS YEAR ENDED JUNE 30, 2023

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
2023	0.022%	\$ 33,021,499	\$ 24,409,381	135.28%	87.60%
2022	0.021%	\$ 24,970,066	\$ 24,183,478	103.25%	87.60%
2021	0.022%	\$ 48,937,245	\$ 24,756,717	197.67%	75.80%
2020	0.023%	\$ 40,558,330	\$ 23,952,475	169.33%	80.20%
2019	0.022%	\$ 35,258,079	\$ 22,428,063	157.21%	82.10%
2018	0.024%	\$ 31,355,843	\$ 24,169,944	129.73%	83.10%
2017	0.027%	\$ 36,737,387	\$ 22,203,147	165.50%	80.50%
2016	0.024%	\$ 14,167,747	\$ 20,733,321	68.30%	91.10%

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

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ending June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contributions	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percentage of covered payroll
2023	\$ 6,221,009	\$ 6,221,009	\$ -	\$ 24,409,381	25.49%
2022	\$ 6,018,374	\$ 6,018,374	\$ -	\$ 24,183,478	24.89%
2021	\$ 5,963,363	\$ 5,963,363	\$ -	\$ 24,756,717	24.09%
2020	\$ 5,752,765	\$ 5,752,765	\$ -	\$ 23,952,475	24.02%
2019	\$ 4,767,935	\$ 4,767,935	\$ -	\$ 22,428,063	21.26%
2018	\$ 4,932,234	\$ 4,932,234	\$ -	\$ 24,169,944	20.41%
2017	\$ 4,085,379	\$ 4,085,379	\$ -	\$ 22,203,147	18.40%
2016	\$ 4,001,531	\$ 4,001,531	\$ -	\$ 20,733,321	19.30%

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

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND SCHEDULE OF CONTRIBUTIONS OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM OPEB PLAN YEAR ENDED JUNE 30, 2023

SCHEDULE OF PROPORTIONATE SHARE OF THE OPERS NET OPEB LIABILITY

Fiscal Year Ending June 30,	Employer's proportion of the net OPEB liability (NPL)	Employer's proportionate share of the net OPEB liability/(asset)	Employer's covered payroll	OPEB liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2023	0.101%	\$ 1,635,638	\$ 24,409,381	6.70%	124.6%
2022	0.115%	\$ 1,808,516	\$ 24,183,478	7.48%	124.6%
2021	0.149%	\$ 1,686,923	\$ 24,756,717	6.81%	150.1%
2020	0.217%	\$ 1,729,099	\$ 23,952,475	7.22%	144.4%
2019	0.230%	\$ 1,563,604	\$ 22,428,063	6.97%	124.0%
2018	0.220%	\$ 1,530,125	\$ 24,169,944	6.33%	-108.90%
2017	0.240%	\$ 1,438,007	\$ 22,203,147	6.48%	94.20%

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

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ending June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percentage of covered payroll
2023	\$ 91,553	\$ 91,553	\$ -	\$ 24,409,381	0.38%
2022	\$ 92,294	\$ 92,294	\$ -	\$ 24,183,478	0.38%
2021	\$ 79,037	\$ 79,037	\$ -	\$ 24,756,717	0.32%
2020	\$ 84,290	\$ 84,290	\$ -	\$ 23,952,475	0.35%
2019	\$ 149,002	\$ 149,002	\$ -	\$ 22,428,063	0.66%
2018	\$ 117,319	\$ 117,319	\$ -	\$ 24,169,944	0.49%
2017	\$ 110,126	\$ 110,126	\$ -	\$ 22,203,147	0.50%

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

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF CHANGES IN THE COLLEGE'S TOTAL OPEB LIABILITY AND RELATED RATIOS EARLY RETIREMENT PLAN YEAR ENDED JUNE 30, 2023

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
TOTAL OPEB LIABILITY							
Service cost	\$ 149,925	\$ 173,075	\$ 163,824	\$ 158,284	\$ 126,943	\$ 123,847	\$ 123,847
Interest on total OPEB liability	62,072	40,812	64,869	75,939	57,422	51,049	47,696
Differences between expected and actual experience	(175,996)		(140,927)		(3,301)		
Changes of assumptions or other input	(117,326)		(50,905)		(114,705)		
Benefit payments	(91,553)	(92,294)	(79,037)	(68,728)	(32,880)	(82,778)	(68,686)
Net Change in total OPEB liability	(172,878)	121,593	(42,176)	165,495	33,479	92,118	102,857
Total OPEB liability - beginning	<u>1,808,516</u>	<u>1,686,923</u>	<u>1,729,099</u>	<u>1,563,604</u>	<u>1,530,125</u>	<u>1,438,007</u>	<u>1,335,150</u>
TOTAL OPEB LIABILITY - ENDING	<u>\$ 1,635,638</u>	<u>\$ 1,808,516</u>	<u>\$ 1,686,923</u>	<u>\$ 1,729,099</u>	<u>\$ 1,563,604</u>	<u>\$ 1,530,125</u>	<u>\$ 1,438,007</u>
Covered employee payroll	\$ 24,409,381	\$ 24,183,478	\$ 24,756,717	\$ 23,952,475	\$ 22,428,063	\$ 22,303,628	\$ 21,759,637
Total OPEB liability - ending as a percentage of covered employee payroll	6.70%	7.48%	6.81%	7.22%	6.97%	6.86%	6.61%

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

SUPPLEMENTARY INFORMATION

General Fund

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

CENTRAL OREGON COMMUNITY COLLEGE

COMPARATIVE SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE GENERAL FUND BUDGETARY BASIS YEAR ENDED JUNE 30, 2023 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	<u>2023</u>	<u>2022</u>
ASSETS		
Pooled cash and investments	\$ 6,273,749	\$ 11,013,612
Cash with county treasurers	82,229	89,587
Property taxes receivable	440,242	397,514
Accounts receivable	10,602,463	3,764,897
Allowance for doubtful accounts	(302,268)	(269,567)
Prepays	350	80,543
	<u>17,096,765</u>	<u>15,076,586</u>
<i>Total assets</i>	<u>\$ 17,096,765</u>	<u>\$ 15,076,586</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 4,282,512	\$ 4,831,345
Accrued compensated leave	821,439	774,063
	<u>5,103,951</u>	<u>5,605,408</u>
<i>Total liabilities</i>	<u>5,103,951</u>	<u>5,605,408</u>
Deferred inflows of resources unavailable property taxes	<u>318,476</u>	<u>310,277</u>
Fund balance:		
Unreserved	<u>11,674,338</u>	<u>9,160,901</u>
	<u>11,674,338</u>	<u>9,160,901</u>
<i>Total fund balance</i>	<u>11,674,338</u>	<u>9,160,901</u>
<i>Total liabilities and fund balance</i>	<u>\$ 17,096,765</u>	<u>\$ 15,076,586</u>

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET GENERAL FUND BUDGETARY BASIS YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenue				
<i>Local:</i>				
Property taxes	\$ 21,182,000	\$ 21,182,000	\$ 21,432,083	\$ 250,083
Tuition and fees	15,570,000	15,570,000	15,205,438	(364,562)
Interest	70,000	70,000	308,106	238,106
Other	177,200	177,200	118,653	(58,547)
<i>Intergovernmental:</i>				
State	9,388,000	9,388,000	9,917,389	529,389
<i>Transfer from other funds</i>	4,860,000	4,860,000	3,505,908	(1,354,092)
<i>Total revenue</i>	51,247,200	51,247,200	50,487,577	(759,623)
<i>Beginning fund balance</i>	5,772,000	5,772,000	9,160,901	3,388,901
<i>Total available for appropriation</i>	\$ 57,019,200	\$ 57,019,200	\$ 59,648,478	\$ 2,629,278
Expenditures				
<i>Instruction:</i>				
Humanities office	\$ 73,001	\$ 73,001	\$ 74,914	\$ 1,913
Writing/literature	1,691,119	1,691,696	1,283,564	(408,132)
Foreign languages	558,854	558,854	565,961	7,107
Communication	634,580	634,580	635,426	846
Social science office	77,595	77,595	73,931	(3,664)
Music	446,806	501,292	430,332	(70,960)
Art	643,767	698,640	682,580	(16,060)
Theater arts	75,195	75,195	63,493	(11,702)
Fine arts and communication office	78,759	78,759	77,988	(771)
Business administration	700,444	646,340	528,385	(117,955)
Culinary program	918,804	973,772	1,117,502	143,730
Business administration office	71,709	71,709	71,870	161
Journalism	6,219	6,219	130	(6,089)
Culinary program office	55,120	55,120	48,071	(7,049)
World languages and cultures office	55,780	55,780	42,709	(13,071)
Philosophy	27,014	27,014	36,378	9,364
Addiction studies	167,835	167,835	177,482	9,647
Anthropology	280,193	280,193	302,046	21,853
Criminal justice	195,082	249,568	163,228	(86,340)
Economics	128,773	128,773	106,131	(22,642)
Education	299,286	353,582	338,630	(14,952)
Geography	22,683	22,683	18,751	(3,932)
History	253,667	253,667	240,750	(12,917)
Human development	247,717	193,131	173,890	(19,241)
Political science	24,507	24,507	17,558	(6,949)
Psychology	460,982	461,173	430,524	(30,649)
Sociology	197,778	197,778	180,708	(17,070)
AVANZA	90,871	90,871	72,718	(18,153)
Regional services & R.C. operations	322,717	322,717	308,716	(14,001)
Regional services & M.C. operations	275,562	275,562	274,459	(1,103)
Regional services & P.C. operations	277,436	277,436	274,188	(3,248)

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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Expenditures - Continued				
<i>Instruction - Continued</i>				
Engineering and engineering tech.	176,664	176,664	159,925	(16,739)
Science office	86,628	86,628	88,780	2,152
Mathematics	1,850,568	1,796,754	1,416,839	(379,915)
Biological science	1,441,520	1,387,804	1,177,364	(210,440)
Chemistry	645,102	645,679	473,851	(171,828)
Physics	255,664	255,182	118,472	(136,710)
Geology	124,034	124,034	134,422	10,388
Nursing	1,387,499	1,443,551	1,278,497	(165,054)
Health and human performance office	196,171	196,171	165,919	(30,252)
Health and human performance	973,910	974,484	829,250	(145,234)
Math office	73,240	73,240	75,192	1,952
Allied health	21,467	21,467	39,873	18,406
Computer information systems	1,196,775	1,196,484	1,087,956	(108,528)
Licensed massage therapy	330,948	331,332	238,203	(93,129)
Emergency medical service	399,488	345,384	436,401	91,017
Dental assisting	298,687	298,687	306,133	7,446
Medical assisting	288,962	288,962	235,007	(53,955)
Allied health office	83,211	83,211	83,969	758
Pharmacy technician	139,828	139,346	117,666	(21,680)
Veterinary technician program	285,805	285,805	281,403	(4,402)
CIS office	53,569	53,569	52,662	(907)
Nursing office	95,939	95,939	98,809	2,870
Nursing assistant	305,005	242,037	123,835	(118,202)
HHP: Recreation (O.R.L.T.)	261,554	261,554	254,828	(6,726)
Ponderosa office	131,146	131,146	132,645	1,499
Forestry technology	527,045	527,045	495,999	(31,046)
Automotive	360,323	360,323	392,500	32,177
Health information technology	251,673	251,673	239,269	(12,404)
Manufacturing processes	543,027	543,027	355,372	(187,655)
Apprenticeship	139,729	139,729	156,816	17,087
Wildland fire management			5,154	5,154
Structural fire science	305,938	305,938	297,808	(8,130)
Geographical information systems	140,647	140,647	135,703	(4,944)
Aviation program	383,253	383,444	385,302	1,858
Military science	1,250	1,250	1,020	(230)
Regional credit instruction - Madras	4,457	4,457	348	(4,109)
Regional credit instruction - Prineville	4,337	4,337	4,422	85
Regional credit instruction - Redmond	7,137	7,137	265	(6,872)
Library skills	55,064	55,064	39,182	(15,882)
Instruction transfers	1,014,623	1,014,623	1,009,623	(5,000)
<i>Total instruction</i>	24,201,742	24,198,850	21,739,697	(2,459,153)

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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Expenditures - Continued				
<i>Instructional support:</i>				
Office of the Vice President of instruction	457,599	457,599	503,110	45,511
Library	1,262,137	1,262,137	1,174,091	(88,046)
Convocation	12,526	12,526	7,936	(4,590)
Tutoring and testing	679,979	679,979	642,221	(37,758)
eLearning and academic technology	541,272	541,272	541,219	(53)
Instructional deans	1,304,910	1,307,802	1,236,930	(70,872)
Assessment and curriculum	240,224	240,224	189,922	(50,302)
ITS-instructional software	223,708	223,708	159,870	(63,838)
Instructional support transfers	338,276	338,276	338,276	
<i>Total instructional support</i>	<u>5,060,631</u>	<u>5,063,523</u>	<u>4,793,575</u>	<u>(269,948)</u>
<i>Student services:</i>				
Admissions	1,418,795	1,418,795	1,204,256	(214,539)
Counseling center	76,458	76,458	54,093	(22,365)
Student life	358,914	358,914	328,386	(30,528)
Commencement	27,771	27,771	23,033	(4,738)
Financial aid	791,304	791,304	755,401	(35,903)
Career services and job placement	160,871	160,871	35,127	(125,744)
Student outreach and contact	415,612	415,612	361,904	(53,708)
Diversity and inclusion	365,447	365,447	235,204	(130,243)
Club sports	285,194	285,194	258,843	(26,351)
Enrollment cashiering			106,164	106,164
Disability services	426,575	426,575	311,448	(115,127)
Office VP student affairs	624,617	624,617	607,779	(16,838)
Advising	707,309	707,309	514,693	(192,616)
Placement testing	118,981	118,981	51,802	(67,179)
First year experience	246,287	246,287	226,977	(19,310)
ITS-student services software	67,325	67,325	67,646	321
Student service transfers	1,250	1,250	25,220	23,970
<i>Total student services</i>	<u>6,092,710</u>	<u>6,092,710</u>	<u>5,167,976</u>	<u>(924,734)</u>
<i>College support services:</i>				
Governing board	97,696	97,696	47,143	(50,553)
President's office	436,153	436,153	397,132	(39,021)
Fiscal services	554,784	554,784	513,908	(40,876)
Campus public safety	768,611	768,611	677,754	(90,857)
Human resources	1,069,498	1,069,498	1,014,302	(55,196)
Mail services	164,295	164,295	143,186	(21,109)
Marketing and public relations	805,832	805,832	684,456	(121,376)
Chief financial officer	428,822	428,822	230,686	(198,136)
Legal, audit and professional services	83,183	83,183	617,650	534,467
Elections	29,355	29,355	29,843	488
General institutional support	528,633	528,633	318,923	(209,710)
Liability and other insurance	168,445	168,445	130,170	(38,275)
Institutional effectiveness	406,549	406,549	367,698	(38,851)

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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Expenditures - Continued				
<i>College support services - Continued</i>				
Vice President for Administration	107,533	107,533	836	(106,697)
College community development	13,000	13,000	10,795	(2,205)
College advancement	92,411	92,411	157	(92,254)
College support transfers	352,651	352,651	509,871	157,220
<i>Total college support services</i>	6,107,451	6,107,451	5,694,510	(412,941)
<i>Plant operations and maintenance:</i>				
Custodial services	1,069,253	1,069,253	742,819	(326,434)
Utilities	1,120,935	1,120,935	1,366,423	245,488
Fire and boiler insurance	221,131	221,131	188,994	(32,137)
Maintenance of grounds	889,369	889,369	816,694	(72,675)
Maintenance of buildings	1,201,428	1,201,428	1,033,245	(168,183)
Plant administration	346,964	346,964	298,856	(48,108)
Plant operations and maintenance transfers	400,000	400,000	400,000	
<i>Total plant operations and maintenance</i>	5,249,080	5,249,080	4,847,031	(402,049)
<i>Information technology services:</i>				
Information technology services	1,734,943	1,734,943	1,633,662	(101,281)
Management information systems	725,346	725,346	662,125	(63,221)
User services	871,395	871,395	761,695	(109,700)
Enterprise computing services	417,779	417,779	301,835	(115,944)
Network/Telecom and media services	695,495	695,495	621,418	(74,077)
Web development	145,268	145,268	137,145	(8,123)
Regional IT services - Prineville	75,558	75,558		(75,558)
Project management	140,978	140,978	129,129	(11,849)
Information security	139,275	139,275	121,754	(17,521)
Student tech services	309,744	309,744	247,338	(62,406)
Information technology service transfers	225,000	225,000	224,832	(168)
<i>Total information technology services</i>	5,480,781	5,480,781	4,840,933	(639,848)
<i>Financial aid transactions:</i>				
Financial aid transactions	112,897	112,897	90,418	(22,479)
<i>Total financial aid transactions</i>	112,897	112,897	90,418	(22,479)
<i>Operating contingency transactions:</i>				
Operating contingency	800,000	800,000		(800,000)
Operating contingency transfer			800,000	800,000
<i>Total operating contingency transactions</i>	800,000	800,000	800,000	
<i>Total expenditures</i>	\$ 53,105,292	\$ 53,105,292	\$ 47,974,140	\$ (5,131,152)

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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Expenditures - Continued				
General Fund Summary				
Total revenue	\$ 51,247,200	\$ 51,247,200	\$ 50,487,577	\$ (759,623)
Beginning fund balance	<u>5,772,000</u>	<u>5,772,000</u>	<u>9,160,901</u>	<u>3,388,901</u>
<i>Total available for appropriations</i>	<u>57,019,200</u>	<u>57,019,200</u>	<u>59,648,478</u>	<u>2,629,278</u>
Expenditures:				
Instruction	24,201,742	24,198,850	21,739,697	(2,459,153)
Instructional support	5,060,631	5,063,523	4,793,575	(269,948)
Student services	6,092,710	6,092,710	5,167,976	(924,734)
College support services	6,107,451	6,107,451	5,694,510	(412,941)
Plant operations and maintenance	5,249,080	5,249,080	4,847,031	(402,049)
Information technology services	5,480,781	5,480,781	4,840,933	(639,848)
Financial aid transactions	112,897	112,897	90,418	(22,479)
Operating contingency	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	
<i>Total expenditures</i>	<u>53,105,292</u>	<u>53,105,292</u>	<u>47,974,140</u>	<u>(5,131,152)</u>
Ending fund balance	<u>\$ 3,913,908</u>	<u>\$ 3,913,908</u>	<u>\$ 11,674,338</u>	<u>\$ 7,760,430</u>

Special Revenue Funds

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

CENTRAL OREGON COMMUNITY COLLEGE

COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE SPECIAL REVENUE FUNDS

BUDGETARY BASIS

JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	Contracts and Grants	Auxiliary	Reserve	Financial Aid	Totals	
					2023	2022
ASSETS						
Current Assets						
Pooled cash and investments	\$ 245,481	\$ 13,989,497	\$ 1,457,969	\$ 446,867	\$ 16,139,814	\$ 15,236,756
Accounts receivable	2,115,627	33,415		(373)	2,148,669	1,369,200
Total assets	\$ 2,361,108	\$ 14,022,912	\$ 1,457,969	\$ 446,494	\$ 18,288,483	\$ 16,605,956
LIABILITIES AND FUND EQUITY						
Liabilities						
Accounts payable	\$ 514,669	\$ 168,734	\$	\$ 7,378	\$ 690,781	\$ 263,865
Deferred revenue	74,463	2,443,562		6,831	2,524,856	1,889,065
Total current liabilities	589,132	2,612,296		14,209	3,215,637	2,152,930
Fund Equity						
Fund balance						
Reserved						
Retiree benefits						457,802
PERS reserve			982,987		982,987	955,034
Unreserved - undesignated	1,771,976	11,410,616	474,982	432,285	14,089,859	13,040,190
Total fund balance	1,771,976	11,410,616	1,457,969	432,285	15,072,846	14,453,026
Total liabilities and fund equity	\$ 2,361,108	\$ 14,022,912	\$ 1,457,969	\$ 446,494	\$ 18,288,483	\$ 16,605,956

CENTRAL OREGON COMMUNITY COLLEGE

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

JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	Contracts and Grants	Auxiliary	Reserve	Financial Aid	Totals	
					2023	2022
Revenue						
Local						
Charges for services	\$ 10,080	\$ 3,548,701	\$ 41,406	\$ 39,121	\$ 3,558,781	\$ 3,764,105
Interest		381,244		461,771	461,771	107,028
Grants	1,236,703			1,572,107	2,808,810	2,401,312
Other		2,158,043		6,574	2,164,617	1,690,103
Intergovernmental						
State	3,367,647			3,965,864	7,333,511	4,205,649
Federal	4,595,275			4,865,228	9,460,503	17,938,443
Total Revenue	<u>9,209,705</u>	<u>6,087,988</u>	<u>41,406</u>	<u>10,448,894</u>	<u>25,787,993</u>	<u>30,106,640</u>
Expenditures						
Current						
Instruction	2,403,155	4,338,239			6,741,394	7,074,271
Instructional support	1,205,533	487,304			1,692,837	754,708
Student services	1,477,040	274,810		101,197	1,853,047	791,305
College support services	184,498	1,330,497	(3,727)		1,511,268	2,942,553
Financial aid				10,611,419	10,611,419	16,554,922
Capital outlay	620,517	321,638			942,155	193,769
Total Expenditures	<u>5,890,743</u>	<u>6,752,488</u>	<u>(3,727)</u>	<u>10,712,616</u>	<u>23,352,120</u>	<u>28,311,528</u>
Excess of revenue over (under) expenditures	3,318,962	(664,500)	45,133	(263,722)	2,435,873	1,795,112
Other financing sources (uses)						
Transfer in	40,000	2,052,843		173,970	2,266,813	3,070,259
Transfer out	(2,892,114)	(1,040,752)		(150,000)	(4,082,866)	(4,044,044)
	<u>(2,852,114)</u>	<u>1,012,091</u>		<u>23,970</u>	<u>(1,816,053)</u>	<u>(973,785)</u>
Excess of revenue and other sources over (under) expenditures and other uses	466,848	347,591	45,133	(239,752)	619,820	821,327
FUND BALANCE - beginning of year	<u>1,305,128</u>	<u>11,063,025</u>	<u>1,412,836</u>	<u>672,037</u>	<u>14,453,026</u>	<u>13,631,699</u>
FUND BALANCE - end of year	<u>\$ 1,771,976</u>	<u>\$ 11,410,616</u>	<u>\$ 1,457,969</u>	<u>\$ 432,285</u>	<u>\$ 15,072,846</u>	<u>\$ 14,453,026</u>

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF BEGINNING BALANCE, REVENUE, EXPENDITURES AND ENDING BALANCE BY FUNCTION
GRANTS AND CONTRACTS FUND
BUDGETARY BASIS
JUNE 30, 2023**

	<u>Sub-Fund Number</u>	<u>Beginning Balance</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Ending Balance</u>
ABE-special projects	31100	\$ 34,189	\$ 283,480	\$ 317,669	
Carl Perkins	31101		22,014	20,808	1,206
SBA grant	31105		35,000	35,000	
SBA grant match	31108		40,000	40,000	
NSF-NEVTX2 grant	31162		107,011	106,980	31
Better Together HSEP	31168		60,910	60,910	
CARES grant	31169		3,009,013	3,009,013	
HEERF COVID support	31174		755,612	755,612	
Adv manufacturing and cybersecurity	31176		58,415	58,415	
Child care access parents in school	31177		67,160	67,160	
Early Childcare Business Accelerator program	31179	51,797		51,797	
LSTA Redmond campus	31180	7,473		7,473	
Local public health workforce	31181	177,771		63,268	114,503
Early Childcare Business Accel Prgm	31182		125,000	125,000	
STARTALK Grant	31183		49,964	49,964	
NSF-Physical Sciences	31184		12,478	12,477	1
HRSA Rural Public Hlth Workforce	31185		17,971	17,971	
NSF-Careers in Info. Systems	31186		19,827	19,827	
OBDD	32226		112,000	112,000	
ABS Pathways grant	32257		62,051	62,052	(1)
Oregon Develop Education Work grant	32261	1,347			1,347
Student Success grant	32268		268,756	268,756	
Pathways to Opportunity	32278	10,523		10,523	
ABE Professional Development	32282			33	(33)
HECC guided pathways cohort 3	32286	23,808		23,808	
HECC Deer Ridge ABS	32288	86,522	539,644	487,127	139,039
HECC benefits navigator	32289		126,290	126,290	
Campus Veteran Resource Center	32290		28,254	28,254	
HECC Apprenticeship Retention	32292		45,079	66,664	(21,585)
Oregon Community Summer grant	32293		241,047	236,642	4,405
Future Ready OR-Career Pathways	32294		780,643	780,643	
Linn-Benton Career Connected LN	32295		87,744	87,744	
Future Ready-Credit Prior Learning	32296		412,614	412,614	
Workforce Ready Capacity Bld	32297		351,480	351,480	
ODVA Suicide Awareness Prevention	32298		3,000	2,939	61
Future Ready-Pre Apprenticeship	32299		290,545	15,103	275,442
Veteran-Partnership to End Poverty	33342	6,776		279	6,497
Meyer Memorial-Latino and Native American	33355	67,717	92,451	41,600	118,568
Deer Ridge Entrepreneurship program	33363	16,441			16,441
Ford Family Latinx and Native Prep	33366	14,082		13,757	325
Portland CC STEP	33367	118,055	89,007	34,840	172,222
ECW-Allied Health programs	33370		12,907	12,907	
Oregon Humanities Red Door Project	33371	1,000		1,000	
St. Charles Red Door Project	33372	2,000		2,000	
D.C.C. Red Door Project	33373	2,900		2,900	
Adv. Literacy Acquisition Early Yrs	33375	15,846		15,846	
Regional CC Career Tech Ed program	33376	5,729	30,000	27,908	7,821
Forest Mgmt Through Paid Research	33377	18,658		3,146	15,512
PSH-Peer Support Specialist	33378	2,583		2,540	43
FFF-College Success program	33379	20,200		20,200	
OEA Health and Well-being support	33380	7,869		7,892	(23)
COHC Public Health Workforce	33384	174,634		63,454	111,180
COHC Improving D&I in CO Appren.	33385	33,452		22,374	11,078
Deschutes county electric vehicle	33387	2,500		2,500	
Black United Fund of OR	33388	1,500		1,500	
Reser Family Foundation-Welding	33389		23,250	23,008	242
US Bank-Latino Advising	33390		10,000	10,000	
T.E.C. Sorting Station Signage	33391		800	800	
St. Charles-EVOLVE	33392		7,500	2,116	5,384
HDESD-LatinX Success Grant	33393		39,092	39,136	(44)
Pacific Power EVSE	33394		83,993	87,162	(3,169)
Adv. Lit. Acq. Evidence-Based	33395		27,000	8,039	18,961
DC Spanish for First Responders	33397		3,000		3,000
ECW-Const. Basic Boot Camp	33398		23,300	6,268	17,032
ECW-Early Learning Boost	33399		11,750	6,564	5,186
Marie Lamfrom Expand Youth Programs	33400		37,500	34,622	2,878
R.F. Youth Summer Programs	33401		20,000		20,000
Deer Ridge Correctional Institution	34355			15,035	(15,035)
Deer Ridge Correctional Institution-WBE	34365	97,953	254,842	214,849	137,946
Improving HS graduation rates	34368	53,428		43	53,385
SCHS MA partnership	34370	152,375	178,500	114,898	215,977
SCHS CNA	34371	79,000	82,573		161,573
Redmond SD CNA	34372	17,000	15,078		32,078
NI Expand Child Care Providers	34373		194,160	51,658	142,502
		\$ 1,305,128	\$ 9,249,705	\$ 8,782,857	\$ 1,771,976

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF REVENUE BY FUNCTION AND OBJECT GRANTS AND CONTRACTS FUND BUDGETARY BASIS JUNE 30, 2023

	Charge for Services	Intergovernmental		Grants and Contracts	Transfers In	Total
		State	Federal			
ABE-special projects	\$ 10,080	\$	\$ 273,400	\$	\$	\$ 283,480
Carl Perkins			22,014			22,014
SBA grant		18,500	16,500			35,000
SBA grant match					40,000	40,000
NSF-NEVTX2 grant			107,011			107,011
Better Together HSEP			60,910			60,910
CARES grant			3,009,013			3,009,013
HEERF COVID support			755,612			755,612
Adv manufacturing and cybersecurity			58,415			58,415
Child care access parents in school			67,160			67,160
Early Childcare Business Accel			125,000			125,000
STARTALK Grant			49,964			49,964
NSF-Physical Sciences			12,478			12,478
HRSA Rural Public Hlth			17,971			17,971
NSF-Careers in Info. Systems			19,827			19,827
OBDD		112,000				112,000
ABS Pathways grant		62,051				62,051
Student Success grant		268,756				268,756
HECC Deer Ridge ABS		539,644				539,644
HECC benefits navigator		126,290				126,290
Campus Veteran Resource Center		28,254				28,254
HECC Apprenticeship Retention		45,079				45,079
Oregon Community Summer grant		241,047				241,047
Future Ready OR-Career Pathway		780,643				780,643
Linn-Benton Career Connected L		87,744				87,744
Future Ready-Credit Prior Learning		412,614				412,614
Workforce Ready Capacity Bld		351,480				351,480
ODVA Suicide Awareness Prevent		3,000				3,000
Future Ready-Pre Apprenticeship		290,545				290,545
Meyer Memorial-Latino and Native American				92,451		92,451
Portland CC STEP				89,007		89,007
ECW-Allied Health programs				12,907		12,907
Regional CC Career Tech Ed program				30,000		30,000
Reser Family Foundation-Weldin				23,250		23,250
US Bank-Latino Advising				10,000		10,000
T.E.C. Sorting Station Signage				800		800
St. Charles-EVOLVE				7,500		7,500
HDESD-LatinX Success Grant				39,092		39,092
Pacific Power EVSE				83,993		83,993
Adv. Lit. Acq. Evidence-Based				27,000		27,000
DC Spanish for First Responder				3,000		3,000
ECW-Const. Basic Boot Camp				23,300		23,300
ECW-Early Learning Boost				11,750		11,750
Marie Lamfrom Expand Youth Pro				37,500		37,500
R.F. Youth Summer Programs				20,000		20,000
Deer Ridge WBE Contract				254,842		254,842
SCHS MA Partnership				178,500		178,500
SCHS CNA				82,573		82,573
Redmond SD CNA				15,078		15,078
NI Expand Child Care Providers				194,160		194,160
	<u>\$ 10,080</u>	<u>\$ 3,367,647</u>	<u>\$ 4,595,275</u>	<u>\$ 1,236,703</u>	<u>\$ 40,000</u>	<u>\$ 9,249,705</u>

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF EXPENDITURES BY FUNCTION AND OBJECT GRANTS AND CONTRACTS FUND BUDGETARY BASIS JUNE 30, 2023

	Salaries	Payroll Assessments	Materials and Services	Capital Outlay	Transfers Out	Total
ABE-special projects	\$ 161,702	\$ 111,535	\$ 18,127	\$	\$ 26,305	\$ 317,669
Carl Perkins	12,558	4,054	4,196			20,808
SBA grant	18,696	16,304				35,000
SBA grant match	26,160	13,840				40,000
NSF-NEVTX2 grant	3,361	1,419	102,200			106,980
Better Together HSEP	31,516	21,388	8,006			60,910
CARES grant	75,343	69,710	26,189		2,837,771	3,009,013
HEERF COVID support			699,879	27,695	28,038	755,612
Adv manufacturing and cybersecurity	16,561	7,322	34,532			58,415
Child care access parents in school	2,379	820	63,961			67,160
Childcare Business Accelerator program	4,795	2,755	44,247			51,797
LSTA Redmond campus				7,473		7,473
Local Public Health Workforce	14,304	7,095	41,869			63,268
Early Childcare Business Accel	33,315	4,663	87,022			125,000
STARTALK Grant	15,422	6,395	28,147			49,964
NSF-Physical Sciences	6,261	2,320	3,896			12,477
HRSA Rural Public Hlth Worforce	9,347	4,125	4,499			17,971
NSF Careers in Info. Systems	10,748	3,547	5,532			19,827
OBDD	73,923	38,049	28			112,000
ABS pathways grant	34,098	24,999	2,955			62,052
Student Success grant	115,006	74,668	79,082			268,756
Pathways to Opportunity			10,523			10,523
ABE Professional Development			33			33
HECC guided pathways cohort 3	8,479	4,576	10,753			23,808
HECC Deer Ridge ABS	276,326	198,582	12,219			487,127
HECC benefits navigator	143	11	124,737	1,399		126,290
Campus Veteran Resource Center	17,283	6,450	4,521			28,254
HECC Apprenticeship Retention			51,904	14,760		66,664
Oregon Community Summer grant	56,369	16,808	154,892	8,573		236,642
Future Ready OR-Career Pathway	94,651	53,165	379,848	252,979		780,643
Linn-Benton Career Connected L	49,740	20,539	16,891	574		87,744
Future Ready-Credit Prior Lear	112,070	48,097	247,361	5,086		412,614
Workforce Ready Capacity Bld			165,683	185,797		351,480
ODVA Suicide Awarenesss Prevent			2,939			2,939
Future Ready-Pre Apprenticeship	1,530	835	12,738			15,103
Veteran-Partnership to End Poverty			279			279
Meyer Memorial-Latino and Native American	26,731	11,473	3,396			41,600
Ford Family Latinx and Native Prep			13,757			13,757
Portland CC STEP			34,840			34,840
ECW-Allied Health programs			12,907			12,907
Oregon Humanities Red Door Project			1,000			1,000
St. Charles Red Door Project			2,000			2,000
D.C.C. Red Door Project			2,900			2,900
Adv. Literacy Acquisition Early Yrs	1,088	406	10,411	3,941		15,846
Regional CC Career Tech Ed program			27,908			27,908
Forest mgmt through paid research	1,600	593	953			3,146
PSH-peer support specialist	1,300	481	759			2,540
FFF-College Success program			20,200			20,200
OEA health and well-being support	110	168	7,614			7,892
COHC Public Health Workforce	14,304	7,095	42,055			63,454
COHC Improving D&I in CO Appre			22,374			22,374
Deschutes County Electric Vehi			2,500			2,500
Black United Fund of OR			1,500			1,500
Reser Family Foundation-Weldin			1,009	21,999		23,008
US Bank-Latino Advising	6,981	2,966	53			10,000
T.E.C. Sorting Station Signage			800			800
St. Charles-EVOLVE			2,116			2,116
HDESD-LatinX Success Grant	10,520	1,497	27,119			39,136
Pacific Power EVSE			5,365	81,797		87,162
Adv. Lit. Acq. Evidence-Based	962	359	6,718			8,039
ECW-Const. Basic Boot Camp			6,268			6,268
ECW-Early Learning Boost	600	17	5,947			6,564
Marie Lamfrom Expand Youth Pro	19,587	15,035				34,622
Deer Ridge Correctional Instit	10,521	4,514				15,035
Deer Ridge Correctional Institution-WBE	79,220	54,976	80,653			214,849
Improving HS graduation rates			43			43
SCHS MA Partnership	64,977	31,551	9,924	8,445		114,897
NI Expand Child Care Providers	26,849	5,908	18,902			51,659
Total Expenditures	\$ 1,547,436	\$ 901,110	\$ 2,821,679	\$ 620,518	\$ 2,892,114	\$ 8,782,857

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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenue				
Local:				
Charges for services	\$ 30,000	\$ 30,000	\$ 10,080	\$ (19,920)
Grants and contracts	1,342,064	362,064	1,236,703	874,639
Intergovernmental:				
State	1,261,975	1,941,975	3,367,647	1,425,672
Federal	4,620,961	4,830,961	4,595,275	(235,686)
Transfers from other funds	40,000	40,000	40,000	
Total Revenue	7,295,000	7,205,000	9,249,705	2,044,705
Beginning fund balance	18,935	18,935	1,305,128	1,286,193
<i>Total available for appropriation</i>	7,313,935	7,223,935	10,554,833	3,330,898
Expenditures				
Federal grants	2,276,133	2,526,133	1,927,230	(598,903)
State grants	1,145,901	3,100,901	3,072,672	(28,229)
Local grants	1,435,922	455,922	494,358	38,436
Contracts	381,144	381,144	396,483	15,339
Transfers to other funds	2,500,000	2,550,000	2,892,114	342,114
	7,739,100	9,014,100	8,782,857	(231,243)
Ending fund balance	\$ (425,165)	\$ (1,790,165)	\$ 1,771,976	\$ 3,562,141

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF BEGINNING BALANCE, REVENUE, EXPENDITURES AND ENDING BALANCE BY FUNCTION AUXILIARY FUND BUDGETARY BASIS JUNE 30, 2023

	Sub-Fund Number	Beginning Balance (deficit)	Revenue	Expenditures	Ending Balance (deficit)
Medical leave assistance program	61001	\$ 137,751	\$ 7,341	\$ 13,146	\$ 131,946
Public safety	61003	8,341	1,220	2,964	6,597
Sustainability fund	61006	40,084	167,571	96,744	110,911
Dental clinic	61007	4,725	2,487	1,736	5,476
Pharmacy tech	61008	8,190	1,604	1,376	8,418
Dental program	61009	20,980	17,900	12,682	26,198
Medical assisting program	61010	2,238	1,790	3,492	536
Teaching and learning center	61011	16,010	10,563	3,550	23,023
Forestry foundation support	61012	21,258	622		21,880
HHP foundation support	61013	27,848	668	10,045	18,471
Geology field studies	61014	2,486	48	1,690	844
General testing	61511	45,523	18,141	2,912	60,752
Art cards	61512	21,368	15,433	17,737	19,064
Auto and industrial fees	61513	70,242	29,918	17,921	82,239
Facilities fees	61514	276,230	86,411	106,206	256,435
Club sports	61516	111,781	48,114	38,827	121,068
College activities	61518	199,109	31,590	3,927	226,772
Classified training	61522	61,253	959	56,962	5,250
Performing arts	61525	5,299	2,571	2,567	5,303
Hybrid vehicle fleet	61527		1,943	5,892	(3,949)
Special programs - administration	61528	22,747	170,378	106,987	86,138
Vehicles	61531		24,988	46,469	(21,481)
Physiology lab	61532	44,873	10,828	3,768	51,933
Library books account	61534	48,644	30,262	11,607	67,299
PCA wellness	61535	1,506	44		1,550
Outdoor recreation program	61537	7,518	4,423	3,681	8,260
Enrollment services support	61546	22,961	672		23,633
Accreditation	61547	13,987	5,403	5,413	13,977
College now	61550	303,527	197,326	284,277	216,576
Salvage sales	61552	44,578	4,846		49,424
CTE accreditation	61553	32,594	20,048	4,000	48,642
Strategic planning fund	61554	41,229	48,629	89,858	
Media activities	61561	40,517	9,063	7,907	41,673
Tutoring/Testing	61574	126,318	30,940	39,267	117,991
Institutional advancement	61576	43,580	13,966	57,546	
PT & ADJ instructional projects	61579	45,035	1,318		46,353
Student honors recognition	61581	679	1,282	448	1,513
Innovation account	61589	16,664	50,262	65,399	1,527
Mazama lab fees	61592	139,222	27,643	27,292	139,573
Tool room deposits	61596	5,684	1,931	435	7,180
Computer lab printers	61597	9,397	5,440	3,444	11,393
Instructional projects	61598	151,350	4,033	20,550	134,833
Oregon international education consortium	61599	8,828	258		9,086
Student government	61601	90,566	75,942	122,417	44,091
The broadside	61602	5,704	41,390	34,431	12,663
Blue sky	61603	80,152		80,152	
Elevation gratuity fund	61605	5,891	9,700	210	15,381
CIS software	61610	6,741	197		6,938
Bend area transit program	61611	86,556	14,709		101,265
Student government programs	61613	171,332	21,917	62,819	130,430
Student government reserve	61614	76,157	2,225	250	78,132
Math contest	61615	929	2,500	4,641	(1,212)
Nursing club	61616	6,895	7,847	10,647	4,095

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF BEGINNING BALANCE, REVENUE, EXPENDITURES AND ENDING BALANCE BY FUNCTION AUXILIARY FUND (CONTINUED) BUDGETARY BASIS JUNE 30, 2023

	Sub-Fund Number	Beginning Balance	Revenue	Expenditures	Ending Balance
Clothing connection	61617	1,066	1,931	158	2,839
Season of nonviolence	61618		61,309	32,948	28,361
Diversity and inclusion events	61619		28,210		28,210
Redmond campus operations	61700	1,302,210	342,448	212,903	1,431,755
Chandler lab operations	61701	115,396	3,377		118,773
Prineville campus operations	61702	28,960	14,744		43,704
Campus services support	61704		1,390	1,390	
Herbarium activity	61705	4,953	1,758	1,748	4,963
Art committee	61707	17,339	478	1,990	15,827
Madras campus operations	61708		1,623		1,623
Self-sustaining activities		4,253,000	1,744,572	1,745,428	4,252,144
Summer session	62501	3,104,822	1,126,881	1,529,190	2,702,513
Apprenticeship	62552	122,024	119,582	106,581	135,025
AHA training center	62553	16,171	35,740	30,708	21,203
International programs	62558	62,205	27,688	21,184	68,709
SBDC program	62564	35,405	129,384	154,521	10,268
Business development and training	62575	26,281	95,671	102,950	19,002
ABE general purpose	62576	442,167	634,333	308,007	768,493
Outreach centers	62577	155,611	3,414	77,920	81,105
Workforce training	62578	(15,122)	690,732	675,616	(6)
Veterinarian tech program	62603	29,629	17,023	19,263	27,389
Culinary foundation fund	62604	63	51,562	51,562	63
EMT practical exam	62610	8,930	6,267	11,162	4,035
Contracted credit classes	63501	163,044	14,303	8,339	169,008
Continuing education	63502	425,611	959,523	815,916	569,218
Fire science	63558	7,666	6,724	5,150	9,240
Licensed massage therapy	63572	34,575	13,273	13,199	34,649
Aviation program - simulator fees	63579	(201,777)	1,353,836	1,051,525	100,534
Unmanned aerial systems operations	63580	81,450	16,082		97,532
Deer Ridge welding program	63581	93,303	2,668	4,275	91,696
Deer Ridge ABS	63582	180,998	5,268	2,026	184,240
Non-general fund instruction		4,773,056	5,309,954	4,989,094	5,093,916
Foundation billing	64515	7,838	642,443	599,036	51,245
Partnership collaborations	64573	807,231	28,192		835,423
Automotive donation	64600	9,944	219	4,900	5,263
GED scholarships	64601		3,250	2,828	422
Student success donation	64602	9,314	199	5,000	4,513
Emergency fund donation	64603	3,975	94	1,500	2,569
Student relief fund	64604	6,029	176		6,205
Revolving activities		844,331	674,573	613,264	905,640
Faculty professional improvement	65521	95,514	77,543	50,680	122,377
Adjunct faculty professional improvement	65523	38,814	7,166	3,975	42,005
ABE professional development fund	65524	42,775	1,205	3,231	40,749
Admin professional development and sabbatical	65526	26,491	5,819	2,000	30,310
Sabbatical - faculty	65527		224,022	222,529	1,493
Institutional staff development	65528	80,896	2,037	22,563	60,370
Unemployment reserve	65542	356,344	10,248	12,438	354,154
Insurance reserve deductible	65543	277,600	18,304	1,433	294,471
Keyes educational enhancement fund	65562	274,204	65,388	126,605	212,987
		1,192,638	411,732	445,454	1,158,916
		\$ 11,063,025	\$ 8,140,831	\$ 7,793,240	\$ 11,410,616

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF REVENUE BY FUNCTION AND OBJECT

AUXILIARY FUND

BUDGETARY BASIS

JUNE 30, 2023

	Charges for Services	Other	Interest	Federal, State and Local Grants	Transfers In	Totals
Medical leave assistance program	\$	\$ 3,451	\$ 3,890	\$	\$	\$ 7,341
Public safety		1,005	215			1,220
Sustainability fund		85,563	1,855		80,153	167,571
Dental clinic		2,340	147			2,487
Pharmacy tech	1,364		240			1,604
Dental program	17,220		680			17,900
Medical assisting program	1,750		40			1,790
Teaching and learning center			563		10,000	10,563
Forestry foundation support			622			622
HHP foundation support			668			668
Geology field studies			48			48
General testing		16,608	1,533			18,141
Art cards	14,850		583			15,433
Auto and industrial fees	10,925	16,794	2,199			29,918
Facilities fees		78,728	7,683			86,411
Club sports		44,756	3,358			48,114
Vending Activities		25,447	6,143			31,590
Classified training			959			959
Performing arts		2,418	153			2,571
Hybrid vehicle fleet		1,943				1,943
Special programs - administration		169,461	917			170,378
Vehicles		24,988				24,988
Physiology lab		9,419	1,409			10,828
Library books account		28,590	1,672			30,262
PCA wellness			44			44
Outdoor recreation program	4,195		228			4,423
Enrollment services support			672			672
Accreditation			403		5,000	5,403
College now	168,925	20,900	7,501			197,326
Salvage sales		3,490	1,356			4,846
CTE accreditation			1,172		18,876	20,048
Strategic planning					48,629	48,629
Media activities		7,878	1,185			9,063
Tutoring/Testing		27,416	3,524			30,940
Institutional advancement					13,966	13,966
PT & ADJ instructional projects			1,318			1,318
Student honors recognition			32		1,250	1,282
Innovation account			262		50,000	50,262
Mazama lab fees	14,996	8,626	4,021			27,643
Tool room deposits		1,745	186			1,931
Computer lab printers		5,140	300			5,440
Instructional projects			4,033			4,033
Oregon International education consortium			258			258
Student government		74,000	1,942			75,942
The Broadside		41,125	265			41,390
Culinary gratuity fund		9,393	307			9,700
CIS software			197			197
Bend area transit program			2,709		12,000	14,709
Student government programs		17,565	4,352			21,917
Student government reserve			2,225			2,225
Math contest		2,500				2,500
Nursing Club		4,688	159		3,000	7,847
Clothing connection		1,875	56			1,931
Season of Nonviolence		60,900	409			61,309
Diversity & Inclusion Events		7,203	407		20,600	28,210
Redmond campus operations		303,016	39,432			342,448
Chandler lab operations			3,377			3,377
Prineville campus operations		13,696	1,048			14,744
Campus Services Support					1,390	1,390
Herbarium activity		1,615	143			1,758
Madras Campus Operations		1,600	23			1,623
Art committee			478			478
Self-sustaining activities	234,225	1,125,882	119,601		264,864	1,744,572

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF REVENUE BY FUNCTION AND OBJECT AUXILIARY FUND (CONTINUED) BUDGETARY BASIS JUNE 30, 2023

	Charges for Services	Other	Interest	Federal, State and Local Grants	Transfers In	Totals
Summer session	1,043,121		83,760			1,126,881
Apprenticeship		115,875	3,707			119,582
AHA training center	6,292	28,909	539			35,740
International programs	22,800	3,000	1,888			27,688
SBDC program	20,758	107,967	659			129,384
Business development and training		2,320	653		92,698	95,671
ABE general purpose	54,505		18,086		561,742	634,333
Outreach centers			3,414			3,414
Workforce training	28,248	595,885			66,599	690,732
Veterinarian tech program	16,200		823			17,023
Culinary foundation fund		51,562				51,562
EMT practical exam		6,080	187			6,267
Contracted credit classes		9,514	4,789			14,303
Continuing education	429,161	41,124	14,349		474,889	959,523
Fire science	6,480		244			6,724
Licensed massage therapy	8,640	3,635	998			13,273
Aviation program-simulator fees	1,300,849	52,987				1,353,836
Unmanned aerial systems operations	13,500		2,582			16,082
Deer Ridge welding program			2,668			2,668
Deer Ridge ABS			5,268			5,268
Non-general fund instruction	2,950,554	1,018,858	144,614		1,195,928	5,309,954
Foundation billing	359,422		370		282,651	642,443
Partnership collaborations	4,500		23,692			28,192
Automotive donation			219			219
Student success donation			199			199
Emergency fund donation			94			94
Student relief fund			176			176
GED Scholarships		3,250				3,250
Revolving activities	363,922	3,250	24,750		282,651	674,573
Faculty professional improvement			3,143		74,400	77,543
Adjunct faculty professional improvement			1,166		6,000	7,166
ABE professional development fund			1,205			1,205
Admin professional development and sabbatical			819		5,000	5,819
Sabbatical - faculty			22		224,000	224,022
Institutional staff development			2,037			2,037
Unemployment reserve			10,248			10,248
Insurance reserve deductible		10,053	8,251			18,304
Keyes educational enhancement fund			65,388			65,388
Contractual and administrative provisions		10,053	92,279		309,400	411,732
	\$ 3,548,701	\$ 2,158,043	\$ 381,244	\$ -	\$ 2,052,843	\$ 8,140,831

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF EXPENDITURES BY FUNCTION AND OBJECT AUXILIARY FUND BUDGETARY BASIS JUNE 30, 2023

	Salaries	Payroll Assessments	Materials and Services	Capital Outlay	Transfers Out	Totals
Medical leave assistance program	\$ 7,026	\$ 6,120	\$	\$	\$	\$ 13,146
Public safety			2,964			2,964
Sustainability fund	36,691	29,714	30,339			96,744
Dental clinic			1,736			1,736
Pharmacy tech			1,376			1,376
Dental program			12,682			12,682
Medical assisting program			3,492			3,492
Teaching and learning center	2,400	731	419			3,550
HHP Foundation support			10,045			10,045
General testing			2,912			2,912
Art cards			17,737			17,737
Geology field studies			1,690			1,690
Auto and industrial fees			17,921			17,921
Facilities fees	61,937	44,268	1			106,206
Club sports	21,421	1,690	15,716			38,827
Vending activities	3,000	927				3,927
Classified training			6,962		50,000	56,962
Performing arts			2,567			2,567
Hybrid vehicle fleet			5,892			5,892
Special programs - administration	61,371	43,531	2,085			106,987
Vehicles			46,469			46,469
Physiology lab			3,768			3,768
Library books account			6,752	4,855		11,607
Outdoor recreation program			3,681			3,681
Accreditation			5,413			5,413
College now	171,343	108,691	4,243			284,277
CTE accreditation			4,000			4,000
Strategic planning	9,446	1,660	61,893	16,859		89,858
Media activities			7,907			7,907
Tutoring/Testing	7,379	5,869	10,938	15,081		39,267
Institutional advancement			57,546			57,546
Student honors recognition			448			448
Innovation account			65,399			65,399
Mazama lab fees			27,292			27,292
Tool room deposits			435			435
Computer lab printers			3,444			3,444
Instructional projects	10,011	2,861	7,678			20,550
Student government	46,331	574	60,512		15,000	122,417
The broadside	31,008	1,313	2,110			34,431
Blue sky					80,152	80,152
Culinary gratuity fund			210			210
Student government programs			42,219		20,600	62,819
Student government reserve			250			250
Math contest			4,641			4,641
Nursing club			10,647			10,647
Clothing connection			158			158
Season of nonviolence	70	26	32,852			32,948
Redmond campus operations			66,165	146,738		212,903
Campus services support			1,390			1,390
Herbarium activity	1300	448				1,748
Art committee			1,990			1,990
Self-sustaining activities	470,734	248,423	676,986	183,533	165,752	1,745,428

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF EXPENDITURES BY FUNCTION AND OBJECT AUXILIARY FUND (CONTINUED) BUDGETARY BASIS JUNE 30, 2023

	Salaries	Payroll Assessments	Materials and Services	Capital Outlay	Transfers Out	Totals
Summer session	539,006	190,184			800,000	1,529,190
Apprenticeship			24,972	81,609		106,581
AHA training center	9,845	1,094	19,769			30,708
International programs			21,184			21,184
SBDC program	63,853	48,967	41,701			154,521
Business development and training	58,474	33,916	10,560			102,950
ABE general purpose	194,389	100,704	11,547	1,367		308,007
Outreach centers			77,920			77,920
Workforce training	224,269	122,876	325,398	3,073		675,616
Veterinarian tech program			420	18,843		19,263
Culinary foundation fund			30,203	21,359		51,562
EMT practical exam	4,769	303	6,090			11,162
Contracted credit classes	7,724	615				8,339
Continuing education	419,139	236,079	158,067	2,631		815,916
Fire science			5,150			5,150
Licensed massage therapy			8,249	4,950		13,199
Aviation program - simulator fees	758,029	143,400	150,096			1,051,525
Deer Ridge ABS			2,026			2,026
Deer Ridge welding program				4,275		4,275
Non-general fund instruction	<u>2,279,497</u>	<u>878,138</u>	<u>893,352</u>	<u>138,107</u>	<u>800,000</u>	<u>4,989,094</u>
Foundation billing	376,412	222,624				599,036
GED scholarships			2,828			2,828
Automotive donation			4,900			4,900
Student success donation			5,000			5,000
Emergency fund donation			1,500			1,500
Revolving activities	<u>376,412</u>	<u>222,624</u>	<u>14,228</u>			<u>613,264</u>
Faculty professional improvement	4,230	1,700	44,750			50,680
Adjunct faculty professional improvement			3,975			3,975
ABE professional development fund	225	18	2,988			3,231
Admin professional development and sabbatical			2,000			2,000
Sabbatical - faculty	135,774	86,755				222,529
Institutional staff development	218	16	22,329			22,563
Unemployment reserve		12,438				12,438
Insurance reserve deductible			1,433			1,433
Keyes educational enhancement fund	19,669	8,122	23,814		75,000	126,605
Contractual and administrative provisions	<u>160,116</u>	<u>109,049</u>	<u>101,289</u>		<u>75,000</u>	<u>445,454</u>
	<u>\$ 3,286,759</u>	<u>\$ 1,458,234</u>	<u>\$ 1,685,855</u>	<u>\$ 321,640</u>	<u>\$ 1,040,752</u>	<u>\$ 7,793,240</u>

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF BEGINNING BALANCE , REVENUE, EXPENDITURES AND ENDING BALANCE BY FUNCTION AUXILIARY FUND BUDGETARY BASIS YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenue				
Local:				
Charges for services	\$ 3,256,755	\$ 3,256,755	\$ 3,548,701	\$ 291,946
Interest	160,939	160,939	381,244	220,305
Other			2,158,043	2,158,043
Transfers from other funds	1,731,800	1,731,800	2,052,843	321,043
Total Revenue	5,149,494	5,149,494	8,140,831	2,991,337
Beginning fund balance	8,184,761	8,184,761	11,063,025	2,878,264
<i>Total available for appropriation</i>	13,334,255	13,334,255	19,203,856	5,869,601
Expenditures				
Self-sustaining activities	2,644,425	2,644,425	1,745,428	(898,997)
Non-general fund instruction	6,352,661	6,352,661	4,989,094	(1,363,567)
Revolving activities	1,319,286	1,319,286	613,264	(706,022)
Contractual and administrative provisions	788,946	788,946	445,454	(343,492)
	11,105,318	11,105,318	7,793,240	(3,312,078)
Ending fund balance	\$ 2,228,937	\$ 2,228,937	\$ 11,410,616	\$ 9,181,679

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF BEGINNING BALANCE, REVENUE, EXPENDITURES AND ENDING BALANCE BY FUNCTION RESERVE FUND BUDGETARY BASIS YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Revenue				
Local:				
Interest	\$ 11,674	\$ 11,674	\$ 41,406	\$ 29,732
Total Revenue	<u>11,674</u>	<u>11,674</u>	<u>41,406</u>	<u>29,732</u>
Beginning fund balance	<u>468,937</u>	<u>468,937</u>	<u>1,412,836</u>	<u>943,899</u>
Total available for appropriation	<u>480,611</u>	<u>480,611</u>	<u>1,454,242</u>	<u>973,631</u>
Expenditures				
Materials and Services	25,000	25,000	(3,727)	(28,727)
Transfer out	<u>430,000</u>	<u>430,000</u>		<u>(430,000)</u>
	<u>455,000</u>	<u>455,000</u>	<u>(3,727)</u>	<u>(458,727)</u>
Ending fund balance	<u>\$ 25,611</u>	<u>\$ 25,611</u>	<u>\$ 1,457,969</u>	<u>\$ 1,432,358</u>

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF BEGINNING BALANCE, REVENUE, EXPENDITURES AND ENDING BALANCE BY FUNCTION FINANCIAL AID FUND BUDGETARY BASIS JUNE 30, 2023

	Sub-Fund Number	Beginning Balance	Revenue	Expenditures	Ending Balance
College work study	71802	\$	\$ 100,035	\$ 66,713	\$ 33,322
SEOG	71803		204,991	204,991	
Pell	71804		4,611,220	4,622,274	(11,054)
Veteran's fund	71807	44,128	7,268	6,496	44,900
State need	72807		1,837,430	1,878,264	(40,834)
Private scholarship award	72808		227,197	223,708	3,489
Oregon promise grant	72809		1,614,626	1,614,626	
OR tribal student grant	72810		286,707	283,532	3,175
Foundation	73805		1,572,107	1,577,032	(4,925)
Merit awards	73806	47,580	100,000	148,300	(720)
COCC financial aid program	73809	373,353	8,682	153,462	228,573
Native American trust	75809	175,126	28,631	27,398	176,359
CARES student grant	71809	31,850	23,970	55,820	
		<u>\$ 672,037</u>	<u>\$ 10,622,864</u>	<u>\$ 10,862,616</u>	<u>\$ 432,285</u>

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF REVENUE BY FUNCTION AND OBJECT
FINANCIAL AID FUND
BUDGETARY BASIS
JUNE 30, 2023**

	Interest	Grants	Other	Intergovernmental		Transfers In	Total
				State	Federal		
College work study	\$ 428	\$	\$	\$	\$ 49,607	\$ 50,000	\$ 100,035
SEOG					204,991		204,991
Pell			590		4,610,630		4,611,220
Veteran's fund	1,284		5,984				7,268
State need				1,837,430			1,837,430
Private scholarship award - state	50			227,147			227,197
Oregon promise grant				1,614,626			1,614,626
OR tribal student grant	46			286,661			286,707
Foundation		1,572,107					1,572,107
Merit awards						100,000	100,000
COCC financial aid program	8,682						8,682
Native American trust	28,631						28,631
CARES student grant						23,970	23,970
	<u>\$ 39,121</u>	<u>\$ 1,572,107</u>	<u>\$ 6,574</u>	<u>\$ 3,965,864</u>	<u>\$ 4,865,228</u>	<u>\$ 173,970</u>	<u>\$ 10,622,864</u>

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF EXPENDITURES BY FUNCTION AND OBJECT FINANCIAL AID FUND BUDGETARY BASIS JUNE 30, 2023

	<u>Personal Service</u>	<u>Administrative Services</u>	<u>Grants and Loans</u>	<u>Transfers Out</u>	<u>Total</u>
College work study	\$ 66,713	\$	\$	\$	\$ 66,713
SEOG			204,991		204,991
Pell		590	4,621,684		4,622,274
Veteran's fund		6,496			6,496
State need			1,878,264		1,878,264
Private scholarship award - state			223,708		223,708
Oregon promise grant			1,614,626		1,614,626
OR tribal student grant			283,532		283,532
Foundation			1,577,032		1,577,032
Merit awards			148,300		148,300
COCC financial aid program			3,462	150,000	153,462
Native American trust	8,670	18,728			27,398
CARES student grant			55,820		55,820
	<u>\$ 75,383</u>	<u>\$ 25,814</u>	<u>\$ 10,611,419</u>	<u>\$ 150,000</u>	<u>\$ 10,862,616</u>

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE FINANCIAL AID FUND BUDGETARY BASIS YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenue				
Local:				
Interest	\$ 28,071	\$ 28,071	\$ 39,121	\$ 11,050
Grants	1,800,000	1,800,000	1,572,107	(227,893)
Other	29,000	29,000	6,574	(22,426)
Intergovernmental				
State	4,600,000	4,600,000	3,965,864	(634,136)
Federal	8,452,000	8,452,000	4,865,228	(3,586,772)
Transfers from other funds	150,000	150,000	173,970	23,970
Total Revenue	15,059,071	15,059,071	10,622,864	(4,436,207)
Beginning fund balance	464,878	464,878	672,037	207,159
<i>Total available for appropriation</i>	<i>15,523,949</i>	<i>15,523,949</i>	<i>11,294,901</i>	<i>(4,229,048)</i>
Expenditures				
Federal programs	8,526,000	8,526,000	4,949,798	(3,576,202)
State programs	4,600,000	4,600,000	4,000,130	(599,870)
Local Programs	2,197,065	2,197,065	1,912,688	(284,377)
	15,323,065	15,323,065	10,862,616	(4,460,449)
Ending fund balance	\$ 200,884	\$ 200,884	\$ 432,285	\$ 231,401

Debt Service Fund

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

CENTRAL OREGON COMMUNITY COLLEGE

COMPARATIVE SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE
DEBT SERVICE FUND
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	<u>2023</u>	<u>2022</u>
ASSETS		
Pooled cash and investments	\$ 311,128	\$ 582,244
Cash with county treasurers	11,508	15,486
Property taxes receivable	<u>62,756</u>	<u>66,332</u>
Total assets	<u>\$ 385,392</u>	<u>\$ 664,062</u>
LIABILITIES AND FUND BALANCE		
Deferred inflows of resources		
Unavailable property taxes	<u>\$ 44,923</u>	<u>\$ 50,765</u>
Total liabilities	<u>44,923</u>	<u>50,765</u>
Fund balance		
Designated for debt service	<u>340,469</u>	<u>613,297</u>
Total liabilities and fund equity	<u>\$ 385,392</u>	<u>\$ 664,062</u>

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE DEBT SERVICE FUND BUDGETARY BASIS YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Revenue				
Local:				
Property taxes	\$ 2,779,059	\$ 2,779,059	\$ 2,740,714	\$ (38,345)
Assessment	1,411,542	1,411,542	1,411,753	211
Interest			13,777	13,777
Misc income				
Transfers from other funds	<u>1,157,743</u>	<u>1,157,743</u>	<u>1,157,743</u>	
Total Revenue	<u>5,348,344</u>	<u>5,348,344</u>	<u>5,323,987</u>	<u>(24,357)</u>
Beginning fund balance	<u>67,350</u>	<u>67,350</u>	<u>613,297</u>	<u>545,947</u>
Total available for appropriation	<u>5,415,694</u>	<u>5,415,694</u>	<u>5,937,284</u>	<u>521,590</u>
Expenditures				
Debt service				
Principal	3,122,476	3,122,476	3,122,476	
Interest	2,240,609	2,475,609	2,473,739	(1,870)
Outside services	<u>600</u>	<u>600</u>	<u>600</u>	
Total Expenditures	<u>5,363,685</u>	<u>5,598,685</u>	<u>5,596,815</u>	<u>(1,870)</u>
Ending fund balance	<u>\$ 52,009</u>	<u>\$ (182,991)</u>	<u>\$ 340,469</u>	<u>\$ 523,460</u>

Capital Projects Fund

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

CENTRAL OREGON COMMUNITY COLLEGE

COMPARATIVE SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE
CAPITAL PROJECTS FUND
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	<u>2023</u>	<u>2022</u>
ASSETS		
Pooled cash and investments	\$ 6,226,655	\$ 4,917,826
Total assets	<u>\$ 6,226,655</u>	<u>\$ 4,917,826</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 114,699	\$ 67,045
Total liabilities	<u>114,699</u>	<u>67,045</u>
Fund equity:		
Undesignated	<u>6,111,956</u>	<u>4,850,781</u>
Total liabilities and fund equity	<u>\$ 6,226,655</u>	<u>\$ 4,917,826</u>

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE CAPITAL PROJECTS FUND BUDGETARY BASIS YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Revenue				
Local:				
Interest	\$ 48,505	\$ 48,505	\$ 157,862	\$ 109,357
Other	3,000,000	3,000,000	1,070,460	(1,929,540)
Transfers from other funds	700,000	700,000	2,623,589	1,923,589
Total Revenue	3,748,505	3,748,505	3,851,911	103,406
Beginning fund balance	1,243,592	1,243,592	4,850,781	3,607,189
<i>Total available for appropriation</i>	4,992,097	4,992,097	8,702,692	3,710,595
Expenditures				
Capital outlay				
Material and services	1,883,000	1,883,000	601,476	(1,281,524)
Capital outlay	6,207,948	5,207,948	990,194	(4,217,754)
Transfers out		1,000,000	999,066	(934)
Total Expenditures	8,090,948	8,090,948	2,590,736	(5,500,212)
Ending fund balance	\$ (3,098,851)	\$ (3,098,851)	\$ 6,111,956	\$ 9,210,807

Proprietary Funds (Enterprise and Internal Service Funds)

Enterprise Funds

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

CENTRAL OREGON COMMUNITY COLLEGE

COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND EQUITY ALL ENTERPRISE FUNDS BUDGETARY BASIS JUNE 30, 2023 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	<u>Bookstore</u>	<u>Food Service Operations</u>	<u>Wickiup Hall</u>	<u>Juniper Hall</u>	<u>Totals</u>	
					2023	2022
Assets						
Current assets						
Pooled cash and investments	\$ 1,133,321	\$ 1,685,868	\$ 2,087,800	\$ 206,844	\$ 5,113,833	\$ 4,425,035
Accounts receivable	6,183				6,183	38,561
Inventory	192,059				192,059	194,222
Total current assets	<u>1,331,563</u>	<u>1,685,868</u>	<u>2,087,800</u>	<u>206,844</u>	<u>5,312,075</u>	<u>4,657,818</u>
Capital assets						
Buildings and equipment	1,435,775	16,552	20,048,233	631,871	22,132,431	22,132,434
Accumulated depreciation	(1,086,984)	(16,550)	(3,706,942)	(600,042)	(5,410,518)	(4,907,226)
Net property and equipment	<u>348,791</u>	<u>2</u>	<u>16,341,291</u>	<u>31,829</u>	<u>16,721,913</u>	<u>17,225,208</u>
Total Assets	<u>\$ 1,680,354</u>	<u>\$ 1,685,870</u>	<u>\$ 18,429,091</u>	<u>\$ 238,673</u>	<u>\$ 22,033,988</u>	<u>\$ 21,883,026</u>
LIABILITIES AND FUND EQUITY						
Liabilities						
Accounts payable	\$ 9,751	\$ 30,746	\$ 5,416	\$	\$ 45,913	\$ 7,970
Deferred revenue	26,580	93,250	180,800		300,630	313,547
Total liabilities	<u>36,331</u>	<u>123,996</u>	<u>186,216</u>		<u>346,543</u>	<u>321,517</u>
Fund equity						
Contributed capital	20,000				20,000	20,000
Retained earnings - unreserved	1,624,023	1,561,874	18,242,875	238,673	21,667,445	21,541,509
Total fund equity	<u>1,644,023</u>	<u>1,561,874</u>	<u>18,242,875</u>	<u>238,673</u>	<u>21,687,445</u>	<u>21,561,509</u>
Total liabilities and fund equity	<u>\$ 1,680,354</u>	<u>\$ 1,685,870</u>	<u>\$ 18,429,091</u>	<u>\$ 238,673</u>	<u>\$ 22,033,988</u>	<u>\$ 21,883,026</u>

CENTRAL OREGON COMMUNITY COLLEGE

COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND EQUITY

ALL ENTERPRISE FUNDS

BUDGETARY BASIS

JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	Bookstore	Food Service Operations	Wickiup Hall	Juniper Hall	Totals	
					2023	2022
Operating revenue						
Charges for services	\$ 881,888	\$ 1,503,871	\$ 2,095,972	\$	\$ 4,481,731	\$ 4,182,541
Total operating revenue	<u>881,888</u>	<u>1,503,871</u>	<u>2,095,972</u>	<u></u>	<u>4,481,731</u>	<u>4,182,541</u>
Operating expenses						
Salaries	237,903	56,894	158,082		452,879	402,967
Payroll assessments	138,961	36,761	103,782		279,504	269,819
Materials and services	701,517	1,122,043	198,062		2,021,622	1,854,190
Capital outlay		34,676	1,446		36,122	22,736
Depreciation	27,672		471,619	4,000	503,291	505,899
Total operating expenses	<u>1,106,053</u>	<u>1,250,374</u>	<u>932,991</u>	<u>4,000</u>	<u>3,293,418</u>	<u>3,055,611</u>
Operating income (loss)	<u>(224,165)</u>	<u>253,497</u>	<u>1,162,981</u>	<u>(4,000)</u>	<u>1,188,313</u>	<u>1,126,930</u>
Non-operating revenue (expenses)						
Interest income	36,697	40,620	18,637	804	96,758	1,457
Operating transfer in						200,000
Operating transfer out			(1,157,744)	(1,390)	(1,159,134)	(1,263,988)
Total non-operating revenue (expenses)	<u>36,697</u>	<u>40,620</u>	<u>(1,139,107)</u>	<u>(586)</u>	<u>(1,062,376)</u>	<u>(1,062,531)</u>
Net income (loss)	<u>(187,468)</u>	<u>294,117</u>	<u>23,874</u>	<u>(4,586)</u>	<u>125,937</u>	<u>64,399</u>
FUND EQUITY - beginning of year	<u>1,831,491</u>	<u>1,267,757</u>	<u>18,219,001</u>	<u>243,259</u>	<u>21,561,508</u>	<u>21,497,109</u>
FUND EQUITY - end of year	<u>\$ 1,644,023</u>	<u>\$ 1,561,874</u>	<u>\$ 18,242,875</u>	<u>\$ 238,673</u>	<u>\$ 21,687,445</u>	<u>\$ 21,561,508</u>

CENTRAL OREGON COMMUNITY COLLEGE

COMBINING SCHEDULE OF CASH FLOWS ALL ENTERPRISE FUNDS BUDGETARY BASIS

JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	Bookstore	Food Service Operations	Wickiup Hall	Juniper Hall	Totals	
					2023	2022
Cash flows from operating activities						
Cash received for services	\$ 905,007	\$ 1,513,311	\$ 2,082,875	\$ -	\$ 4,501,193	\$ 4,292,035
Cash payments for goods and services	(689,602)	(1,125,973)	(202,063)	-	(2,017,638)	(1,796,724)
Cash payments to employees	(376,864)	(93,655)	(261,864)	-	(732,383)	(672,786)
Net cash flows from operating activities	(161,459)	293,683	1,618,948	-	1,751,172	1,822,525
Cash flows from non-capital financing activities						
	-	-	(1,157,744)	(1,390)	(1,159,134)	(1,063,988)
Cash flows from investing activities						
Interest earned	36,697	40,620	18,637	806	96,760	1,457
Net cash flows from investing activities	36,697	40,620	18,637	806	96,760	1,457
Net increase (decrease) in cash and cash equivalents	(124,762)	334,303	479,841	(584)	688,798	759,994
Cash and cash equivalents - beginning of year	1,258,083	1,351,565	1,607,959	207,428	4,425,035	3,665,041
Cash and cash equivalents - end of year	\$ 1,133,321	\$ 1,685,868	\$ 2,087,800	\$ 206,844	\$ 5,113,833	\$ 4,425,035
Reconciliation of operating income to net cash flows from operating activities						
Operating income (loss)	\$ (224,165)	\$ 253,497	\$ 1,162,981	\$ (4,000)	\$ 1,188,313	\$ 1,126,930
Adjustments to reconcile operating income to net cash flows from operating activities						
Depreciation	27,672	-	471,619	4,000	503,291	505,899
Decrease in accounts receivable	5,688	26,690	-	-	32,378	36,257
Decrease in inventory	2,163	-	-	-	2,163	79,593
Increase (decrease) in accounts payable	9,752	30,746	(2,555)	-	37,943	609
Increase (decrease) in deferred revenue	17,431	(17,250)	(13,097)	-	(12,916)	73,237
Net cash flows from operating activities	\$ (161,459)	\$ 293,683	\$ 1,618,948	\$ -	\$ 1,751,172	\$ 1,822,525

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN AVAILABLE RESOURCES

BOOKSTORE FUND

BUDGETARY BASIS

YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenue				
Local:				
Sales	\$ 950,000	\$ 950,000	\$ 881,888	\$ (68,112)
Interest			36,697	36,697
Total Revenue	950,000	950,000	918,585	(31,415)
Beginning available resources	864,007	864,007	1,455,027	591,020
Total available for appropriation	1,814,007	1,814,007	2,373,612	559,605
Expenditures				
Personnel services	436,597	436,597	376,864	(59,733)
Material and services	790,000	790,000	701,517	(88,483)
Capital outlay	20,000	20,000	27,672	7,672
Transfers to other funds	200,000	200,000		(200,000)
Total Expenditures	1,446,597	1,446,597	1,106,053	(340,544)
Ending available resources	\$ 367,410	\$ 367,410	\$ 1,267,559	\$ 900,149
Analysis of ending available resources				
Current assets			\$ 1,139,504	
Less liabilities			(36,331)	
			\$ 1,103,173	

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN AVAILABLE RESOURCES FOOD SERVICES OPERATIONS FUND BUDGETARY BASIS YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Revenue				
Local:				
Sales	\$ 1,515,250	\$ 1,515,250	\$ 1,503,871	\$ (11,379)
Interest	20,000	20,000	40,620	20,620
Total Revenue	<u>1,535,250</u>	<u>1,535,250</u>	<u>1,544,491</u>	<u>9,241</u>
Beginning available resources	<u>1,033,253</u>	<u>1,033,253</u>	<u>1,267,757</u>	<u>234,504</u>
<i>Total available for appropriation</i>	<u>2,568,503</u>	<u>2,568,503</u>	<u>2,812,248</u>	<u>243,745</u>
Expenditures				
Personnel services	89,363	89,363	93,656	4,293
Material and services	1,400,000	1,400,000	1,122,043	(277,957)
Capital outlay	75,000	75,000	34,676	(40,324)
Total Expenditures	<u>1,564,363</u>	<u>1,564,363</u>	<u>1,250,375</u>	<u>(313,988)</u>
Ending available resources	<u>\$ 1,004,140</u>	<u>\$ 1,004,140</u>	<u>\$ 1,561,873</u>	<u>\$ 557,733</u>
Analysis of ending available resources				
Current assets			\$ 1,685,868	
Less liabilities			<u>(123,996)</u>	
			<u>\$ 1,561,872</u>	

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN AVAILABLE RESOURCES WICKIUP HALL FUND BUDGETARY BASIS YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Revenue				
Local:				
Room and board	\$ 2,314,182	\$ 2,314,182	\$ 2,082,972	\$ (231,210)
Interest	6,824	6,824	18,637	11,813
Grant			13,000	13,000
Total Revenue	2,321,006	2,321,006	2,114,609	(206,397)
Beginning available resources	1,018,731	1,018,731	1,406,091	387,360
<i>Total available for appropriation</i>	3,339,737	3,339,737	3,520,700	180,963
Expenditures				
Personnel services	385,635	385,635	261,864	(123,771)
Material and services	356,333	356,333	198,062	(158,271)
Capital outlay			1,446	1,446
Transfers to other funds	1,287,743	1,287,743	1,157,744	(129,999)
Total Expenditures	2,029,711	2,029,711	1,619,116	(410,595)
Ending available resources	\$ 1,310,026	\$ 1,310,026	\$ 1,901,584	\$ 591,558
Analysis of ending available resources				
Current assets			\$ 2,087,800	
Less liabilities			(186,216)	
			\$ 1,901,584	

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN AVAILABLE RESOURCES
JUNIPER HALL FUND
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Revenue				
Interest	\$	\$	\$ 804	\$ 804
Total Revenue			804	804
Beginning available resources				
Total available for appropriation			804	804
Expenditures				
Transfers to other funds			1,390	1,390
Total Expenditures			1,390	1,390
Ending available resources	\$ -	\$ -	\$ (586)	\$ (586)
Analysis of ending available resources				
Current assets			\$ 206,844	
Less liabilities				
			<u>\$ 206,844</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, 2023

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets		
Pooled cash and investments	\$ 127,450	\$ 101,149
Total current assets	<u>127,450</u>	<u>101,149</u>
Capital Assets		
Building and equipment	83,171	83,171
Accumulated depreciation	<u>(76,645)</u>	<u>(75,382)</u>
Net building and equipment	<u>6,526</u>	<u>7,789</u>
TOTAL ASSETS	<u>\$ 133,976</u>	<u>\$ 108,938</u>
LIABILITIES AND FUND EQUITY		
Liabilities		
Accounts payable	\$	\$
Total liabilities	<u></u>	<u></u>
Fund Equity		
Retained earnings - unreserved	<u>133,976</u>	<u>108,938</u>
Total Fund Equity	<u>133,976</u>	<u>108,938</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 133,976</u>	<u>\$ 108,938</u>

CENTRAL OREGON COMMUNITY COLLEGE

COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND EQUITY INTERNAL SERVICE FUND JUNE 30, 2023 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	Centralized Services	Copier Activities	Totals	
			2023	2022
Operating revenue				
Charges for services	\$ 21,275	\$ 76,749	\$ 98,024	\$ 88,428
Total operating revenue	<u>21,275</u>	<u>76,749</u>	<u>98,024</u>	<u>88,428</u>
Operating expenses				
Salaries	7,613		7,613	8,500
Payroll assessments	4,977		4,977	5,540
Materials and services		57,254	57,254	55,058
Depreciation	1,263		1,263	2,012
Total operating expenses	<u>13,853</u>	<u>57,254</u>	<u>71,107</u>	<u>71,110</u>
Operating income (loss)	<u>7,422</u>	<u>19,495</u>	<u>26,917</u>	<u>17,318</u>
Non-operating revenue				
Interest income	3,121		3,121	50
Operating transfer out	<u>(5,000)</u>		<u>(5,000)</u>	
Total non-operating revenue	<u>(1,879)</u>		<u>(1,879)</u>	<u>50</u>
Net income (loss)	5,543	19,495	25,038	17,368
FUND EQUITY - beginning of year	<u>132,313</u>	<u>(23,375)</u>	<u>108,938</u>	<u>91,570</u>
FUND EQUITY - end of year	<u>\$ 137,856</u>	<u>\$ (3,880)</u>	<u>\$ 133,976</u>	<u>\$ 108,938</u>

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF CASH FLOWS INTERNAL SERVICE FUND

JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	Totals	
	2023	2022
Cash flows from operating activities		
Cash received from users	\$ 98,024	\$ 88,428
Cash payments for goods and services	(57,254)	(56,459)
Cash payments to employees	(12,590)	(14,040)
Net cash flows from operating activities	28,180	17,929
Cash flows from non-capital financing activities		
Transfers	(5,000)	
Net cash flows from non-capital financing activities	(5,000)	
Cash flows from investing activities		
Interest earned	3,121	50
Net cash flows from investing activities	3,121	50
Net increase (decrease) in cash and cash equivalents	26,301	17,979
Cash and cash equivalents - beginning of year	101,149	83,170
Cash and cash equivalents - end of year	\$ 127,450	\$ 101,149
Reconciliation of operating income to net cash flows from operating activities		
Operating income (loss)	\$ 26,917	\$ 17,318
Adjustments to reconcile operating income to net cash flows from operating activities		
Depreciation	1,263	2,012
Decrease in accounts payable		(1,401)
Net cash flows from operating activities	\$ 28,180	\$ 17,929

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN AVAILABLE RESOURCES CENTRALIZED SERVICES FUND BUDGETARY BASIS YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenue				
Local:				
User charges	\$ 40,000	\$ 40,000	\$ 21,275	\$ (18,725)
Interest	2,500	2,500	3,121	621
Total Revenue	42,500	42,500	24,396	(18,104)
Beginning available resources	100,000	100,000	124,523	24,523
Total available for appropriation	142,500	142,500	148,919	6,419
Expenditures				
Personnel services	14,893	14,893	12,590	(2,303)
Material and services	34,000	34,000		(34,000)
Capital outlay	5,000	5,000		(5,000)
Transfers to other funds	5,000	5,000	5,000	
Total Expenditures	58,893	58,893	17,590	(41,303)
Ending available resources	\$ 83,607	\$ 83,607	\$ 131,329	\$ 47,722
Analysis of ending available resources				
Current assets			\$ 131,329	
Less liabilities			-	
			\$ 131,329	

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN AVAILABLE RESOURCES COPIER ACTIVITIES FUND BUDGETARY BASIS YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenue				
Local:				
User charges	\$ 85,000	\$ 85,000	\$ 76,749	\$ (8,251)
Total Revenue	85,000	85,000	76,749	(8,251)
Beginning available resources			(23,375)	(23,375)
Total available for appropriation	85,000	85,000	53,374	(31,626)
Expenditures				
Material and services	60,000	60,000	57,254	(2,746)
Capital purchases	1,000	1,000		(1,000)
Total Expenditures	61,000	61,000	57,254	(3,746)
Ending available resources	\$ 24,000	\$ 24,000	\$ (3,880)	\$ (27,880)
Analysis of ending available resources				
Current assets			\$ (3,880)	
Less liabilities				
			\$ (3,880)	

Permanent Fund

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

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE
NON-EXPENDABLE TRUST FUND
BUDGETARY BASIS**

YEAR ENDED JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	<u>2023</u>	<u>2022</u>
ASSETS		
Pooled cash and investments	\$ 513,659	\$ 517,547
Beneficial interest in perpetual trust	<u>1,227,171</u>	<u>1,192,410</u>
TOTAL ASSETS	<u>\$ 1,740,830</u>	<u>\$ 1,709,957</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	<u>\$ 136,357</u>	<u>\$ 143,735</u>
TOTAL LIABILITIES	<u>136,357</u>	<u>143,735</u>
Fund Balance:		
Reserved for endowments	1,549,733	1,549,733
Unreserved	<u>54,740</u>	<u>16,489</u>
TOTAL FUND EQUITY	<u>1,604,473</u>	<u>1,566,222</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,740,830</u>	<u>\$ 1,709,957</u>

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-EXPENDABLE TRUST FUND
BUDGETARY BASIS
JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)**

	Totals	
	2023	2022
Operating expenses		
Materials and services	\$ 98,589	\$ 8,264
Operating loss	(98,589)	(8,264)
Non-operating revenue		
Interest income	11,122	2,161
Net gain (loss) on perpetual trust	125,718	(272,899)
Total non-operating revenue	136,840	(270,738)
Net gain (loss)	38,251	(279,002)
FUND BALANCE - beginning of year	1,566,222	1,845,224
FUND BALANCE - end of year	\$ 1,604,473	\$ 1,566,222

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-EXPENDABLE TRUST FUND
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
BEGINNING FUND BALANCE	\$ 396,334	\$ 1,566,222	\$ 1,169,888
Revenue			
Interest	7,632	11,122	3,490
Net (loss) on perpetual trust		34,760	34,760
Total Revenue	<u>7,632</u>	<u>45,882</u>	<u>38,250</u>
<i>Total available for appropriation</i>	<u>403,966</u>	<u>1,612,104</u>	<u>1,208,138</u>
Expenses			
Materials & Services	<u>18,500</u>	<u>7,631</u>	<u>(10,869)</u>
Total Expenditures	<u>18,500</u>	<u>7,631</u>	<u>(10,869)</u>
ENDING FUND BALANCE	<u>\$ 385,466</u>	<u>\$ 1,604,473</u>	<u>\$ 1,219,007</u>

INDEPENDENT AUDITORS' REPORT REQUIRED BY STATE REGULATIONS

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

Board of Officials
Central Oregon Community College
Bend, Oregon

We have audited the basic financial statements of Central Oregon Community College (the College), as of and for the year ended June 30, 2023, and have issued our report thereon dated December 22, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

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

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

We reviewed the College's procedures for preparation, adoption and execution of its budget for the year ended June 30, 2023, and found them to be in compliance with statutory requirements with the following exceptions:

- Expenditures for local grants in the grants and contracts fund exceeded the appropriation by \$38,436.
- Expenditures for contracts in the grants and contracts fund exceeded the appropriation by \$15,339.

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

OAR 162-10-0230 Internal Control

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

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

PRICE FRONK & CO.
Certified Public Accountants & Consultants

By:  _____
Heather A. McMeekin – a partner

December 22, 2023

SINGLE AUDIT ACT REQUIREMENTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Central Oregon Community College (the College), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 22, 2023.

Report on Internal Control over Financial Reporting

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

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

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PRICE FRONK & CO.
Certified Public Accountants & Consultants

By: 

Heather A. McMeekin – a partner

December 22, 2023

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Central Oregon Community College's (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2023. The College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material impact on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE – CONTINUED**

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the College's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE – CONTINUED**

Report on 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 Auditors' Responsibilities for the Audit of Compliance 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.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

PRICE FRONK & CO.
Certified Public Accountants & Consultants

By:  _____
Heather A. McMeekin – a partner

December 22, 2023

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2023

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on the basic financial statements of Central Oregon Community College (the College).
2. No material weaknesses in internal control over financial reporting were identified during the audit of the financial statements.
3. No instances of noncompliance required to be reported under *Government Auditing Standards* were identified during the audit of the financial statements.
4. No deficiencies in internal control over compliance considered to be material weaknesses were identified during the audit of the major federal award programs.
5. The auditors' report on compliance for the major federal award programs for the College expresses an unmodified opinion on all major federal programs.
6. No audit findings relative to the major federal award programs for the College are reported in this Schedule.
7. The programs tested as major programs were:
 - U.S. Department of Education, Student Financial Assistance Cluster, comprising:
 - CFDA # 84.007 – Federal Supplemental Educational Opportunity Grants
 - CFDA # 84.033 – Federal Work-Study Program
 - CFDA # 84.063 – Federal Pell Grant Program
 - U.S. Department of Education, Education Stabilization Fund, comprising:
 - CFDA # 84.425E – HEERF Student Aid Portion
 - CFDA # 84.425F – HEERF Institutional Aid Portion
 - CFDA # 84.425M – HEERF Strengthening Institutions Program
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. The College was determined to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

None

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

CENTRAL OREGON COMMUNITY COLLEGE

STATUS OF PRIOR YEAR (2022) FINDINGS
YEAR ENDED JUNE 30, 2023

No prior year findings.

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal ALN Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
Department of Education				
Student Financial Assistance direct programs:				
Federal Supplemental Educational Opportunity Grants	84.007	N/A	\$ 204,991	\$
Federal Work-Study Program	84.033	N/A	66,713	
Federal Pell Grant Program	84.063	N/A	4,622,274	
Subtotal Student Financial Assistance Cluster			4,893,978	
Passed through the Oregon Department of Education:				
Adult Education - Basic Grants to States	84.002	21-112E	273,400	
Passed through Better Together Central Oregon:				
High School Equivalency Program	84.141A	2223BTHEP	60,910	
Child Care Access Means Parents in School	84.335A	N/A	67,160	
COVID-19 Education Stabilization Fund HEERF Student Aid Portion	84.425E	N/A	31,850	
COVID-19 Education Stabilization Fund HEERF Institutional Aid Portion	84.425F	N/A	3,183,598	
COVID-19 Education Stabilization Fund HEERF Strengthening Institutions Program	84.425M	N/A	592,695	
Subtotal Education Stabilization Fund			3,808,143	
Total Department of Education			9,103,591	
National Science Foundation				
STEM Education	47.076	N/A	126,807	
Small Business Administration				
Passed through Lane Community College:				
Small Business Development Centers	59.037	SBA-2023-141	35,000	
Department of the Treasury				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	115,065	
Department of Labor				
Strengthening Community Colleges Training Grant	17.261	N/A	58,415	
Department of Health and Human Services				
Passed through Oregon Health & Science University				
Rural Health Outreach and Rural Network Development Program	93.912	1 TR1RH45926-01-00	17,971	
Department of Defense				
Language Grant Program	12.900	N/A	49,964	
Total Federal assistance			\$ 9,506,813	\$ -

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2023

Note A - Basis of Presentation

The accompanying schedule of federal awards (the Schedule) includes the federal award activity of Central Oregon Community College (the College) under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 United States Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the College it is not intended to and does not present the financial position, change in net assets or cash flows of the College.

Note B - Summary of Significant Accounting Policies

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

Note C - Indirect Cost Rate

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

Note D - Federal Loan Programs

In addition to direct financial assistance, federal guaranteed loans in the amount of \$5,677,836 were administered during the year ended June 30, 2023.