

**CENTRAL OREGON COMMUNITY COLLEGE**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2014**

**CENTRAL OREGON COMMUNITY COLLEGE**

**OFFICIALS**

**JUNE 30, 2014**

*CHAIRPERSON*

Bruce Abernethy  
Zone 6

*BOARD MEMBERS*

Joe Krenowicz  
Zone 1

Charley Miller  
Zone 5

Laura Cooper  
Zone 2

David Ford  
Zone 4

Anthony Dorsch  
Zone 3

Vicki Ricks  
Zone 7

*PRESIDENT*

James E. Middleton

*CHIEF FINANCIAL OFFICER*

Kevin Kimball

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**CENTRAL OREGON**  
community college

# **KERKOCCH KATTER & NELSON, LLP**

*Certified Public Accountants*

45 NW Hawthorne Avenue • Bend, Oregon 97701 • Phone (541) 382-3468 • Fax (541) 382-0533

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## **INDEPENDENT AUDITORS' REPORT**

Board of Officials  
Central Oregon Community College  
Bend, Oregon

### ***Report on the financial Statements***

We have audited the accompanying financial statements of Central Oregon Community College and Central Oregon Community College Foundation, its discretely presented component unit as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Central Oregon Community College's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Central Oregon Community College and Central Oregon Community College Foundation as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information starting on page 3 and 32 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management discussion and analysis in accordance auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### ***Other Reporting Required by Government Auditing Standards and Other Information***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2014, on our consideration of Central Oregon Community College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Central Oregon Community College's basic financial statements as a whole. The Other Supplemental Information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements. The Other Supplemental Information and Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and directly relate to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion, is fairly stated in all material respects when considered in relation to the financial statements taken as a whole.

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued a report titled "Independent Auditors' Report Required by State Regulations" dated October 31, 2014, which is also a required part of the financial statements. The purpose of the report is to address specific matters required by the State of Oregon.

Kerkoch Katter & Nelson, LLP  
Certified Public Accountants



By: Stuart D. Katter – a partner  
October 31, 2014



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **Management's Discussion and Analysis**

This section of Central Oregon Community College District (the College) Annual Financial Report presents management's discussion and analysis (MD&A) of the College's financial activities during the fiscal year ended June 30, 2014. 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 in November 1999. The College was required to adopt this standard for 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*.

## **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 is an indicator of the improvement or deterioration of the College's financial health. Assets and liabilities are generally measured using current values; capital assets are stated at historical cost, less an allowance for depreciation.
- ❖ *The Statement of Revenues, Expenses, and Changes in Net Position* presents the revenues earned and the expenses incurred during the year. Revenues and expenses are generally reported using the accrual basis of accounting, or as soon as the underlying event giving rise to the change occurs, regardless of when cash is exchanged. Thus, revenues and expenses are reported in this statement for some items that will affect cash flows in future fiscal periods. Utilization of long-term capital assets is reported in the financial statements as depreciation expense, which amortizes the cost of assets over their estimated useful lives. Revenues and expenses are reported as either operating or non-operating. The primary sources of operating revenues include tuition, fees, and grants. State appropriations and property taxes are classified as non-operating revenues. Because of the College's dependency on state aid and property tax revenue, this statement presents an operating loss although the overall net position remains positive.

- ❖ *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* provide 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 at June 30, 2014 consists of assets of \$164.6 million, liabilities of \$86.6 million and net position of \$78.0 million, an increase of \$2.5 million, 3.4 percent from the prior year.
- Student enrollment decreased by -8.9 percent from the prior year. This enrollment decline represents the second year of decline since the peak enrollment year of 2012. The decline in enrollment resulted in reduced tuition and fee revenues of -\$688 thousand, -4.7 percent, net of increases in tuition and fee rates. Declining enrollment also had a negative impact on auxiliary enterprises revenue in the form of reduced bookstore revenue of -\$434 thousand, -10.7 percent, net of the increase of \$170 thousand in the residence hall revenue. This decrease in enrollment could also have a negative impact on the State's level of student reimbursement support to the College in future years.
- Property tax revenues for operations increased \$453 thousand, 3.6 percent, due to improving property values and the impacts of voter approved Measure 5 and Measure 50. Measure 5 limits the maximum allowable tax of \$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 property tax growth to 3 percent of assessed value. The total property taxes received of \$15.3 million by the college district includes taxes for the annual debt service of the voter approved general obligation bonds issued in June 2010.
- The State Aid for student reimbursement increased due to the State's deferral of the biennium's 8th quarter community college support fund payment for 2012-13 received in 2013-14. 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, however, 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 is illustrated below.

Fiscal Year	Number of State Aid Payments		Amount (in thousands, 000's)	
	Basic Financial Statements	General Fund	Basic Financial Statements	General Fund
2009-10	5	4	\$ 5,577	\$ 4,200
2010-11	3	4	\$ 2,964	\$ 4,496
2011-12	5	4	\$ 6,865	\$ 5,333
2012-13	3	4	\$ 3,545	\$ 4,819
2013-14	5	4	\$ 8,013	\$ 6,739

## Analysis of the Statement of Net Position

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

### Statement of Net Position

<i>In thousands of dollars (000's)</i>	<u>2014</u>	<u>2013</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Assets</b>				
Current assets	\$ 56,347	\$ 43,891	\$ 12,456	28.4%
Capital assets, net of depreciation	97,980	87,023	10,957	12.6%
Other noncurrent assets	10,333	10,620	(287)	-2.7%
<b>Total Assets</b>	<u>\$ 164,660</u>	<u>\$ 141,534</u>	<u>\$ 23,126</u>	<u>16.3%</u>
<b>Liabilities</b>				
Current liabilities	9,469	8,375	1,094	13.1%
Noncurrent liabilities	77,149	57,685	19,464	33.7%
<b>Total Liabilities</b>	<u>86,618</u>	<u>66,060</u>	<u>20,558</u>	<u>31.1%</u>
<b>Net Position</b>				
Investment in capital assets, net of related debt	46,323	43,836	2,487	5.7%
Restricted	9,184	10,605	(1,421)	-13.4%
Unrestricted	22,535	21,033	1,502	7.1%
<b>Total Net Position</b>	<u>78,042</u>	<u>75,474</u>	<u>2,568</u>	<u>3.4%</u>
<b>Total liabilities and net position</b>	<u>\$ 164,660</u>	<u>\$ 141,534</u>	<u>\$ 23,126</u>	<u>16.3%</u>

Current assets consist of pooled cash and investments, accounts receivable, and inventory. Cash and investments increased \$13.5 million primarily due to the proceeds from the \$20.9 million in full faith and credit bonds issued in 2014 for construction of a new residence hall, net of associated construction costs. Property taxes receivable decreased -\$132 thousand and net accounts receivable decreased -\$912 thousand due to the decline in student receivables. Capital assets consist of land, buildings, equipment, construction in progress, and land improvements net of accumulated depreciation. Capital assets net of depreciation are \$10.9 million, 12.6% higher than the prior year due to new building construction. Other noncurrent assets include pension prepayment assets and the beneficial interest in a perpetual trust.

Current liabilities consist of accounts payable, interest payable, unearned revenue related to student enrollment, accrued expenses, and the current portion of long-term debt. Current liabilities increased \$1.0 million, 13% from the prior year from increases in accounts payable of \$1.1 million, \$174 thousand in interest payable, and \$123 thousand in the current portion of long-term debt, net of decline of -\$395 thousand in student prepayments. Included in the noncurrent liabilities are long-term obligations in the form of full faith & credit bonds, pension obligation bonds, general obligation bonds, capital leases, and other post-employment benefits (OPEB). The increase in noncurrent liabilities of \$19.4 million, 33.7 percent, is due to the \$20.9 million of full faith & credit bonds issued in 2014 for construction of a new residence hall (net of current portion of long-term debt) and increase in other post-employment benefits (OPEB) liability of \$173 thousand.

Net position is the difference between total assets and total liabilities. The College reports investment in capital assets (e.g., land, buildings, and major equipment) at historical cost less any debt used to acquire those assets. The College has \$46.3 million, 59.3 percent of total net position invested in capital assets, \$9.1 million, 11.7 percent is restricted primarily for construction, leaving \$22.5 million, 28.8 percent unrestricted.

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

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

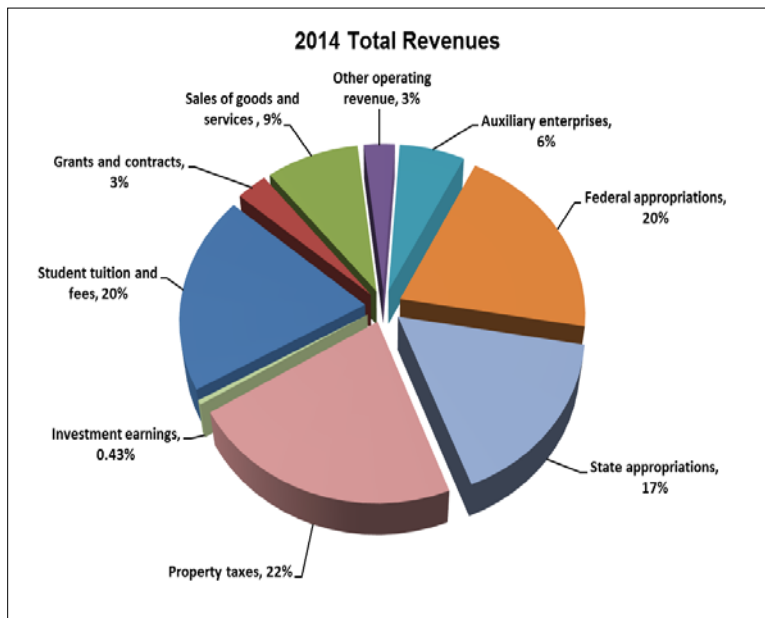
<i>In thousands of dollars (000's)</i>	2014	2013	\$ Change	% Change
<b>Operating Revenue</b>				
Student tuition and fees	\$ 13,853	\$ 14,541	\$ (688)	-4.7%
Grants and contracts	2,090	2,038	52	2.6%
Sales of goods and services	6,283	7,383	(1,100)	-14.9%
Other operating revenue	2,089	1,285	804	62.6%
Auxiliary enterprises	4,419	4,682	(263)	-5.6%
Total operating revenues	28,734	29,929	(1,195)	-4.0%
<b>Non-Operating Revenues</b>				
Federal appropriations	14,349	16,750	(2,401)	-14.3%
State appropriations	11,674	5,473	6,201	113.3%
Property Taxes	15,535	15,039	496	3.3%
Investment earnings	303	289	14	4.8%
Total non-operating revenues	41,861	37,551	4,310	11.5%
Total Revenues	70,595	67,480	3,115	4.6%
<b>Operating Expenses</b>				
Instruction	23,809	22,593	1,216	5.4%
Instructional support services	2,847	2,845	2	0.1%
Student services	15,612	17,853	(2,241)	-12.6%
College support services	4,788	6,352	(1,564)	-24.6%
Plant operations and maintenance	7,989	6,441	1,548	24.0%
Information and technology services	3,358	2,998	360	12.0%
Depreciation	3,142	2,941	201	6.8%
Auxiliary enterprises	3,828	4,228	(400)	-9.5%
Total operating expenses	65,373	66,251	(878)	-1.3%
<b>Nonoperating expenses</b>				
Interest expense	2,654	2,466	188	7.6%
Total non-operating expenses	2,654	2,466	188	7.6%
Total Expenses	68,027	68,717	(690)	-1.0%
Increase in net position	2,568	(1,237)	3,805	307.6%
Net position - beginning of year	75,474	76,711	(1,237)	-1.6%
Net position - end of year	\$ 78,042	\$ 75,474	\$ 2,568	3.4%

## **Revenues**

*Operating revenues* decreased by -\$1.1 million, -4.0 percent from the prior fiscal year. Tuition and fees revenue from credit classes decreased -\$688 thousand, -4.7 percent and sales of goods and services decreased -\$1.1 million, -14.9 percent from declines in program revenue from continuing education and contracted credit classes are the result of the -8.9 percent annual enrollment decline, net of increases in tuition and fee rates. The auxiliary enterprises revenue declined -\$236 thousand, -5.6 percent reflecting the decrease in bookstore revenue of -\$434 thousand, 10.8 percent, net of the increase of \$171 thousand, 25.9 percent in residence hall revenue.

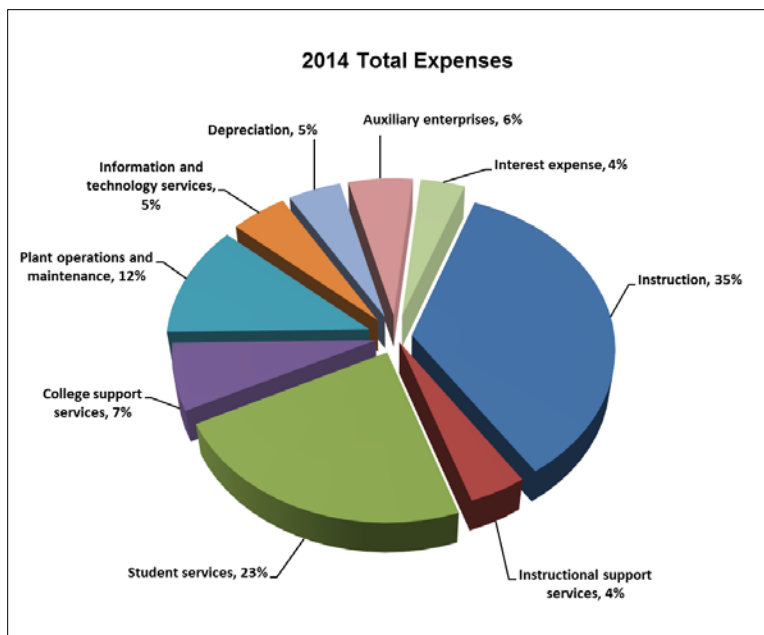
*Non-operating revenues* increased \$4.3 million, 11.5 percent from prior year. Federal appropriations declined -\$2.4 million, -14.3 percent primarily due to lower levels of federal financial aid. State appropriations increased \$6.2 million, 113.3 percent, due to the \$1.5 million increase in matching State bond proceeds received for construction, \$117 thousand in additional state grants, \$184 thousand in increased state financial aid, \$1.9 million increase in FTE reimbursement, and \$2.5 million increase in state payments due to the timing of the deferred 8th quarter payment. Property tax revenue increased \$496 thousand, 3.3 percent due to improving property values and new construction. Total investment earnings increased \$14 thousand, 4.8 percent from improving investment yields and increase in bond proceeds from the \$20.9 million full faith and credit bonds issue in April for new residence hall.

The following graph illustrates the total revenue sources for the College for the 2014 fiscal year. Federal appropriations now represent 20 percent of College revenues compared to 25 percent last year. State appropriations increased from 8 percent to 17 percent. Student tuition and fees decreased from 22 percent to 20 percent. Property taxes and all other revenue categories remained relatively flat as a percentage of total revenues.



**Expenses**

*Operating expenses* consist of salaries and benefits, materials and services, utilities, grants and scholarships, and depreciation. Total operating expenses decreased -\$878 thousand, -1.3 percent due primarily to decreases in student services and college support activities, net of increases to instruction and plant operations and maintenance costs. Decreases of -\$2.2 million, -12.6 percent in student service and -\$1.5 million, -24.6 percent in college support services reflects the impacts of declining enrollment on financial aid and student support services. Plant operations and maintenance increased \$1.5 million, 24 percent from purchases of furniture and equipment for new buildings and remodels and increases in utilities, custodial, and buildings and grounds maintenance costs related to new facilities. Instruction increased \$1.2 million, 5.4 percent, due primarily to rising labor costs. Instruction labor costs included increases of 3 percent cost of living salary increase, 4 percent increase in health insurance rates, and 2 percent increase in staffing levels. *Nonoperating expenses* increased \$188 thousand, 7.6 percent, in the form of long-term interest expense. The following graph illustrates the total expenditures for the College for the 2014 fiscal year.



### **Analysis of the Statement of Cash Flows**

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

#### Statement of Cash Flows

<i>In thousands of dollars (000's)</i>	2014	2013	\$ Change	% Change
Cash Flows From Operating Activities	\$ (31,698)	\$ (35,395)	\$ 3,697	-10%
Cash Flows From Noncapital Financing Activities	41,215	36,939	4,276	12%
Cash Flows From Capital Financing Activities	3,747	(8,071)	11,818	-146%
Cash Flows From Investing Activities	303	289	14	5%
Net Increase (Decrease) in Cash and Investments	13,567	(6,238)	19,805	-317%
Cash and Pooled Investments - beginning of year	37,085	43,323	(6,238)	-14%
Cash and Pooled Investments - end of year	<u>\$ 50,652</u>	<u>\$ 37,085</u>	<u>\$ 13,567</u>	<u>37%</u>

The end of year net cash and pooled investment balance of \$50.6 million increased \$13.5 million, 37 percent from prior year. The largest sources of cash from operating activities were student tuition and fees, auxiliary enterprises, and grants and contracts. Major uses of operating cash were payments for employees, facilities, and materials and supplies. Current accounting standards now require that cash payments from property taxes of \$15.6 million, state appropriations of \$11.6 million, and federal appropriations of \$14.3 million be classified as noncapital financing activities even though colleges budget these revenues for operations. Other noncapital components include long-term debt service payments of \$911 thousand, change in other post-employment benefits payable of \$172 thousand, and changes in pension prepayment of \$313 thousand.

The major use of cash from capital financing activities reflect the capital related long-term debt service payments of \$3.5 million, equipment and building construction payments of \$14.0 million, and cash proceeds from capital related long-term debt of \$21.4 million issued in 2014.

### **General Fund Budgetary Highlights**

The general fund is the College's primary operating fund. It accounts for all the financial operations of the College except those required to be accounted for in another fund. The general fund's actual ending fund balance totaled \$5.5 million, an increase of \$65 thousand over the beginning balance. The \$2.1 million positive variance over budget is the product of a larger beginning fund balance combined with expenditure savings, net of reduced revenues. Total revenue decreased -\$1.4 million, -3.6 percent reflecting the decreases in tuition and fees and reduced scheduled inter-fund transfers, net of increases in property taxes and State appropriations. Expenditures savings of \$3.5 million, 8.2 percent are from lower than budgeted labor costs and spending in all functional areas including the operating contingency.

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

<i>In thousands of dollars (000's)</i>	<u>Budget</u>	<u>Actual</u>	<u>\$ Variance</u>	<u>% Variance</u>
Revenue				
<i>Local:</i>				
Property Taxes	\$ 12,685	\$ 12,915	\$ 230	1.8%
Tuition and fees	19,723	19,036	(687)	-3.5%
Investment earnings	5	2	(3)	-60.0%
Other operating revenue	70	8	(62)	-88.6%
<i>Intergovernmental:</i>				
State appropriations	6,291	6,740	449	7.1%
Federal appropriations	-	69	69	100.0%
<i>Transfers form other funds:</i>	1,745	305	(1,440)	-82.5%
Total Revenue	<u>40,519</u>	<u>39,075</u>	<u>(1,444)</u>	<u>-3.6%</u>
Expenditures				
Instruction	19,596	18,692	904	4.6%
Instructional support services	3,026	2,731	295	9.7%
Student services	4,612	4,096	516	11.2%
College support services	5,095	4,770	325	6.4%
Plant operations and maintenance	5,037	4,564	473	9.4%
Information and technology services	4,073	3,881	192	4.7%
Financial aid	277	276	1	0.4%
Operating Contingency	800	-	800	100.0%
Total Expenditures	<u>42,516</u>	<u>39,010</u>	<u>3,506</u>	<u>8.2%</u>
Beginning fund balance	<u>5,400</u>	<u>5,446</u>	<u>46</u>	<u>0.9%</u>
Ending fund balance	<u>\$ 3,403</u>	<u>\$ 5,511</u>	<u>\$ 2,108</u>	<u>61.9%</u>

### **Capital Assets**

The College records all capital assets at historical cost with associated accumulated depreciation. The College added \$14.1 million, 13 percent in capital assets before depreciation this fiscal year. The majority of the increase is in construction work in process reflecting unfinished building construction. The comparative Summary of Capital Assets presented below identifies the capital assets by categories and amounts.



Summary of Capital Assets				
	2014	2013	\$ Change	% Change
Land and land improvements	\$ 10,037,588	\$ 9,744,570	\$ 293,018	3%
Construction work in progress	15,387,791	3,234,759	12,153,032	376%
Buildings	92,353,304	91,125,595	1,227,709	1%
Equipment/library books/art	8,943,009	8,518,211	424,798	5%
Change in Capital Assets	126,721,692	112,623,135	14,098,557	13%
Accumulated depreciation	(28,741,801)	(25,599,332)	(3,142,469)	12%
Net Capital Assets	<u>\$ 97,979,891</u>	<u>\$ 87,023,803</u>	<u>\$ 10,956,088</u>	<u>13%</u>

### **Debt Administration**

As of June 30, 2014, the College had \$78.1 million in outstanding long-term debt, an increase of \$19.4 million from prior year. The increase reflects the \$20.9 million in full faith and credit obligations and unamortized premium issued in April of 2014 for construction of new residence hall, net of long-term debt principal payments. The Oregon Revised Statutes limits bonded indebtedness to 1.5 percent of real market value of property within the college district for the outstanding principal amount of general obligation bonds. The College may levy property taxes in the amount required to pay annual debt service of general obligation bonds. The College has an underlying credit rating of AA- issued by Standard & Poor's. The following table summarizes the long-term debt by type of debt instrument and amount.

#### Outstanding Long-Term Debt as of June 30, 2014

Full Faith & Credit bonds	\$ 27,694,656
Pension Obligation bonds	8,957,913
General Obligation bonds	41,298,485
Capital Lease	182,455
	<u>\$ 78,133,509</u>

### **Economic Factors and Next Year's Budget**

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

The State of Oregon has recovered from one of the deepest and far-reaching recessions of the past several decades, however, employment growth has continued to remain stagnant. The impacts of a slowly recovering housing sector, tight lending requirements and high levels of unemployment continues to hit Oregon particularly hard as individual and corporate income taxes represent the largest source of revenue for the State's general fund budget. As part of the State's 2013-2015 biennial budget process, the appropriation amount for the community college support fund increased from \$396 million to \$465 million, an increase of \$69 million, 17 percent. The State of Oregon is continuing the process of restructuring its public education system. The new structure has replaced the historic model with an Oregon Education Investment Board and Chief Education Officer.

This evolving structure combined with expected changes to the State's funding formula used to distribute the support fund to Oregon's 17 community colleges will affect the amount the College receives which now represents 19 percent of the College's current budget.

Property tax revenue represents the third largest source of revenue for general operations. The financial health, economic vitality, and population growth of the college district impacts property values and ensuing property taxes. The college district, like most areas throughout the country, is slowly recovering from the huge declines in property values, reduced levels of new construction, and slowing population growth from inward migration. Property tax revenue for the current year operations is projected to increase to \$13.7 million, an increase of \$800 thousand from fiscal year 2014 and is anticipated to continue to improve slowly for the next few years.

The College experienced unprecedented student enrollment growth during the period of 2008 – 2012, with credit enrollment growing 110 percent. Large numbers of individuals returned to college due to job losses and high levels of unemployment. The -8.9 percent enrollment decline for fiscal year 2014 was the second year of enrollment decline since reaching the peak enrollment year of 2012. This enrollment decline is expected to continue for fiscal year 2015. Colleges and universities throughout the state and nationally are experiencing declines in student enrollment as current students cycle-out and as the economy and employment opportunities improve over the next few years.

### **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, 97701.

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**CENTRAL OREGON COMMUNITY COLLEGE**

**STATEMENT OF NET POSITION**

**JUNE 30, 2014**

	<i>College</i>	<i>Foundation (Component Unit)</i>
<b>ASSETS</b>		
<b>Current Assets</b>		
Pooled cash and investments	\$ 50,652,075	\$ 17,626,991
Cash with county treasurers	105,952	
Property taxes receivable	690,032	
Accounts receivable	4,761,142	541,447
Allowance for uncollectible accounts	(398,338)	
Prepays and advances	2,151	
Student loans receivable	2,696	
Inventory	532,024	
<b>Total current assets</b>	56,347,734	18,168,438
<b>Noncurrent Assets</b>		
Beneficial interest in perpetual trust	1,375,304	1,087,929
Pension prepayment	8,957,913	
Capital assets - net of accumulated depreciation	97,979,891	3,300
<b>Total noncurrent assets</b>	108,313,108	1,091,229
<b>Total assets</b>	\$ 164,660,842	\$ 19,259,667
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 3,589,100	\$ 198,591
Interest payable	267,319	
Accrued expenses	617,900	
Unearned revenue	3,119,776	
Current portion of bonds and notes payable	1,875,157	
<b>Total current liabilities</b>	9,469,252	198,591
<b>Noncurrent Liabilities</b>		
Other post employment benefits payable	891,012	
Bonds and notes payable - net of current portion	76,258,352	
<b>Total noncurrent liabilities</b>	77,149,364	
<b>Total liabilities</b>	86,618,616	198,591
<b>NET POSITION</b>		
<b>Invested in capital assets - net of related debt</b>	46,323,302	3,300
<b>Restricted for:</b>		
Capital projects	7,307,445	
Permanent non-expendable endowment	1,549,733	7,235,748
Donor intent		9,985,294
Debt service	326,808	
<b>Unrestricted</b>	22,534,938	1,836,734
<b>Total net position</b>	78,042,226	19,061,076
<b>Total liabilities and net position</b>	\$ 164,660,842	\$ 19,259,667

The accompanying notes are an integral part  
of these financial statements



**CENTRAL OREGON**  
community college

**CENTRAL OREGON COMMUNITY COLLEGE**

**STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION**

**YEAR ENDED JUNE 30, 2014**

	<i>College</i>	<i>Foundation (Component Unit)</i>
<b>OPERATING REVENUE</b>		
Tuition and fees	\$ 13,853,358	\$
Operating gifts, grants and contracts	2,089,991	1,207,862
Sales and other services	6,282,491	
Other operating revenue	2,089,843	8,796
Auxiliary Enterprises		
College Bookstore	3,589,918	
Residence Hall	829,386	
<b>Total operating revenue</b>	<b>28,734,987</b>	<b>1,216,658</b>
<b>OPERATING EXPENSES</b>		
Instruction	23,808,810	
Instructional support	2,846,548	
Student services - net of scholarship allowances in the amount of \$5,183,075	15,612,001	
College support services	4,788,563	1,679,781
Plant operations and maintenance	7,988,888	
Information technology services	3,357,584	
Depreciation	3,142,469	
Auxiliary Enterprises		
College Bookstore	3,264,022	
Residence Hall	564,296	
<b>Total operating expenses</b>	<b>65,373,181</b>	<b>1,679,781</b>
<b>Operating loss</b>	<b>(36,638,194)</b>	<b>(463,123)</b>
<b>NON OPERATING REVENUE (EXPENSES)</b>		
Federal appropriations	14,348,804	
State appropriations	11,673,867	
Property taxes	15,534,560	
Investment earnings	302,857	2,640,242
Interest expense	(2,654,147)	
<b>Net nonoperating revenue</b>	<b>39,205,941</b>	<b>2,640,242</b>
<b>Increase in net position</b>	<b>2,567,747</b>	<b>2,177,119</b>
<b>Net position - beginning of year</b>	<b>75,474,479</b>	<b>16,883,957</b>
<b>Net position - end of year</b>	<b>\$ 78,042,226</b>	<b>\$ 19,061,076</b>

The accompanying notes are an integral part  
of these financial statements



**CENTRAL OREGON**  
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**CENTRAL OREGON COMMUNITY COLLEGE**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED JUNE 30, 2014**

	<i>College</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from customers	\$ 29,602,982
Cash payments for goods and services	(28,578,475)
Cash payments to employees	(32,723,108)
<b>Net cash used by operating activities</b>	<b>(31,698,601)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Cash received from federal appropriation	14,348,804
Cash received from state appropriation	11,673,866
Cash received from property taxes	15,644,983
Change in beneficial interest in perpetual trust	(26,137)
Change in pension prepayment	313,004
Change in other post employment benefits payable	172,512
Principal paid on long-term debt	(313,004)
Interest paid on long-term debt	(598,538)
<b>Net cash provided by noncapital financing activities</b>	<b>41,215,490</b>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</b>	
Acquisition of buildings, improvements and equipment	(14,098,557)
Proceeds on capital-related long-term debt	21,419,656
Principal paid on capital-related long-term debt	(1,441,157)
Interest paid on capital-related long-term debt	(2,132,452)
<b>Net cash used by capital financing activities</b>	<b>3,747,490</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Investment income	302,857
<b>Net cash provided by investing activities</b>	<b>302,857</b>
<b>Net decrease in cash and pooled investments</b>	<b>13,567,236</b>
<b>Cash and pooled investments - beginning of year</b>	<b>37,084,839</b>
<b>Cash and pooled investments - end of year</b>	<b>\$ 50,652,075</b>
<b>Reconciliation of operating loss to net cash provided (used) by operating activities:</b>	
Operating loss	\$ (36,638,194)
Adjustments to reconcile operating loss to net cash provided by (used) by operating activities:	
Depreciation	3,142,469
(Increase) decrease in:	
Receivables	913,234
Prepaid expenses	(1,059)
Inventory	87,990
Increase (decrease) in:	
Accounts payable	1,156,814
Accrued expenses	35,242
Unearned revenue	(395,097)
<b>Net cash used by operating activities</b>	<b>\$ (31,698,601)</b>

The accompanying notes are an integral part  
of these financial statements



**CENTRAL OREGON**  
community college

# CENTRAL OREGON COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### *The College*

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

The accompanying financial statements present the College and its component unit (COCC Foundation), an entity whose primary purpose is for the financial benefit of the College.

The financial statements of the College have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, and Statement No. 35, *Basic Financial Statements and Management’s Discussion and Analysis of Public College and Universities*, issued in June and November, 1999.

The College applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its enterprise funds provided they do not conflict with or contradict GASB pronouncements. The College has elected not to apply FASB pronouncements issued after November 30, 1989 to its business-type activities or enterprise funds.

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

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

**CENTRAL OREGON COMMUNITY COLLEGE**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Investments*

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

The College's investments as of June 30, 2014, consist of certificates of deposit and deposits in the State of Oregon Local Government Investment Pool, which is managed and monitored by the Oregon State Treasurer, U.S. Treasury obligations, its agencies and instrumentalities. Investments are recorded at cost, which approximates market value. The fair value of the position of the pool approximates the fair value of pool shares.

*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.

*Pooled cash and investments*

Cash and cash equivalents include amounts in demand deposits as well as short-term investments. Cash is stated at cost. Investments are stated at cost, which approximates fair value.

*Restricted Assets*

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

*Receivables and Payables*

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

Accounts receivable are recognized as revenue when earned, including services provided but not billed. Receivables are stated net of an allowance for uncollectible accounts.

**CENTRAL OREGON COMMUNITY COLLEGE**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Deferred Inflows/Outflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. There were no significant deferred outflows.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. There were no significant deferred inflows.

*Capital Assets*

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

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

<i>Assets</i>	<i>Years</i>
Buildings and improvements	40
Improvements other than buildings	15-20
Machinery and equipment	3-15

A prorated amount of depreciation is taken in the year the assets are acquired or retired. Gains or losses from sales or retirements of capital assets are included in operations of the current period.

*Compensated Leave*

Accumulated vacation leave is recorded in the fund obligated for such benefits. Compensated leave is recorded as an expense and liability as benefits accrue to the employee. Sick pay does not vest and is recognized in all funds when leave is taken.

*Use of Estimates*

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

# CENTRAL OREGON COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### *Federal Financial Assistance Program*

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 the Single Audit Act, the U.S. Office of Management and Budget Circular A-133, Audit of States, Local Governments and Non-Profit Organizations, and the Compliance Supplement.

#### *Scholarship Allowances*

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

### **NOTE 2 - BUDGET COMPLIANCE**

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

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

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

In accordance with state law, all appropriations terminate on June 30. Goods and services delivered during the ensuing year must be charged against the ensuing year's appropriations. Consequently, encumbrances are not reported in the financial statements.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

**NOTE 2 - BUDGET COMPLIANCE (CONTINUED)**

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

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

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

**NOTE 3 – POOLED CASH AND INVESTMENTS**

The College's investment of cash funds is regulated by Oregon Revised Statutes. Under these guidelines, cash funds may be invested in bank accounts, general obligation issues of the United States, its agencies, and certain states, commercial paper and certain guaranteed investments issued by banks. The College invested in authorized investments during the year. The investments are carried at cost, which approximates market value at June 30, 2014.

Cash and investments at June 30, 2014 consist of the following:

	<u>Security</u>	
Cash and cash equivalents		
Petty cash	N/A	\$ 11,331
Demand deposits	FDIC & Collateral	<u>1,867,153</u>
		<u>1,878,484</u>
Investments		
Certificate of Deposit		6,000,000
Oregon State Treasurer's Investment Pool	N/A	<u>42,773,591</u>
		<u>\$ 50,652,075</u>

**CENTRAL OREGON COMMUNITY COLLEGE**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

**NOTE 3 – POOLED CASH AND INVESTMENTS (CONTINUED)**

*Deposits with Financial Institutions*

The College's deposits with financial institutions are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). The College's policy, in compliance with State Statutes, requires that deposits be covered by the Federal Deposit Insurance Corporation (FDIC) and deposited in a qualified depository for public funds. Certain financial institutions have pledged they will cover deposits of public funds in any one of the group's banks. The banks that have joined this group have been identified by the State Treasurer. The College only deposits funds in banks that have been approved by the Office of the State Treasurer. At June 30, 2014, the carrying amount of the College's deposits in financial institutions was \$1,867,153 and the balance per the bank statements was \$2,815,479. Of this amount, \$250,000 was covered by FDIC, and \$1,617,153 was collateralized by securities held by financial institutions acting as agents of the College.

*Interest Rate Risk*

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

*Credit Risk*

Oregon Revised Statutes limit investments in commercial paper and corporate bonds to those rated at least A-1 and AA respectively by a nationally recognized rating agency. The College investment policy does not further limit its investment choices. At June 30, 2014, 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, 2014.



# CENTRAL OREGON COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

### **NOTE 4 - PROPERTY TAXES**

On November 6, 1990, Oregon voters approved Measure 5, a state constitutional limit on property taxes for schools and non-school governmental entities. Under the provisions of the limitation, tax revenues are separated into those for the public school system, including community colleges and education service Colleges, and those for local government entities other than the public school system. The limitation specifies \$5 is the maximum allowable tax for each \$1,000 of real property market value assessed on property by all public school systems, including community colleges and education service districts, effective with the 1991-92 fiscal years.

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

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

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

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

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

**CENTRAL OREGON COMMUNITY COLLEGE**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

**NOTE 4 - PROPERTY TAXES (CONTINUED)**

The Deschutes County assessor allocates property tax levies to the other counties included in the College's boundaries. The levy for the year ended June 30, 2014, by county, is as follows:

Deschutes County	\$ 13,421,376
Jefferson County	1,032,985
Crook County	1,144,859
Klamath County	240,956
Lake County	113,928
Wasco County	<u>6,227</u>
Total	<u>\$ 15,960,331</u>

**NOTE 5 - RECEIVABLES**

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

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

**NOTE 6 - CAPITAL ASSETS**

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

	<i>Balance</i> <i>July 1, 2013</i>	<i>Increases</i>	<i>Decreases</i>	<i>Balance</i> <i>June 30, 2014</i>
Capital Assets				
Land and improvements	\$ 9,744,570	\$ 293,018	\$	\$ 10,037,588
Construction in progress	3,234,759	13,972,073	(1,819,041)	15,387,791
Buildings	91,125,595	1,227,709		92,353,304
Equipment	<u>8,518,211</u>	<u>424,798</u>		<u>8,943,009</u>
	112,623,135	15,917,598	(1,819,041)	126,721,692
Accumulated depreciation	<u>(25,599,332)</u>	<u>(3,142,469)</u>		<u>(28,741,801)</u>
	<u>\$ 87,023,803</u>	<u>\$ 12,775,129</u>	<u>\$ (1,819,041)</u>	<u>\$ 97,979,891</u>

**CENTRAL OREGON COMMUNITY COLLEGE**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

**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, 2014:

***General and Special Obligation Bond Issues***

***Full Faith and Credit Obligations***

November 1, 1996 Issue, original issue was \$900,000, interest rate of 4.0 to 5.9 percent payable semiannually, principal paid annually.	\$ 210,000
October 1, 1997 Issue, original issue was \$2,000,000, interest rate of 4.05 to 5.9 percent payable semiannually, principal paid annually.	590,000
May 1, 2001 Issue, original issue was \$7,365,000, interest rate of 4.7 to 5.3 percent payable semiannually, principal paid annually.	5,475,000
April 16, 2014, original issue was \$20,965,000 interest rate of 4.0 to 5.0 percent payable semiannually, principal paid annually; including unamortized premium of \$454,656.	21,419,656

***General Obligation Bonds***

June 17, 2010 Issue, original issue was \$41,580,000 interest rate of 2.0 to 4.75 percent payable semiannually, principal paid annually; including unamortized premium of \$2,713,485	41,298,485
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***Pension Obligation Bonds***

April 23, 2003 Issue, original Issue was \$11,535,638, interest rate of 2.04 to 6.25 percent payable semiannually, principal paid annually.	<u>8,957,913</u>
	<u>\$ 77,951,054</u>

**CENTRAL OREGON COMMUNITY COLLEGE**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

The following changes in general long-term debt occurred for the year ended June 30, 2014.

	<i>Balance July 1, 2013</i>	<i>Additions</i>	<i>Reductions</i>	<i>Balance June 30, 2014</i>
General and special obligation bonds	\$ 58,479,916	\$ 21,419,656	\$ 1,948,518	\$ 77,951,054
Capital lease	238,612		56,157	182,455
<i>Totals</i>	<u>\$ 58,718,528</u>	<u>\$ 21,419,656</u>	<u>\$ 2,004,675</u>	<u>\$ 78,133,509</u>

<i>Principal</i>					
<i>Issue</i>	<i>Beginning Balance July 1, 2013</i>	<i>Issued</i>	<i>Matured</i>	<i>Paid</i>	<i>Ending Balance June 30, 2014</i>
November 1, 1996	\$ 275,000	\$	\$ 65,000	\$ 65,000	\$ 210,000
October 1, 1997	720,000		130,000	130,000	590,000
May 1, 2001	5,680,000		205,000	205,000	5,475,000
April 23, 2003	9,270,917		313,004	313,004	8,957,913
June 17, 2010	39,570,000		985,000	985,000	38,585,000
April 16, 2014		20,965,000			20,965,000
	<u>\$ 55,515,917</u>	<u>\$ 20,965,000</u>	<u>\$ 1,698,004</u>	<u>\$ 1,698,004</u>	<u>\$ 74,782,913</u>

<i>Interest</i>				
<i>Issue</i>	<i>Outstanding Issued</i>	<i>Matured</i>	<i>Paid</i>	<i>Outstanding June 30, 2014</i>
November 1, 1996	\$	\$ 14,308	\$ 14,308	\$
October 1, 1997		33,405	33,405	
May 1, 2001		286,785	286,785	
April 23, 2003		598,538	598,538	
June 17, 2010		1,789,288	1,789,288	
	<u>\$</u>	<u>\$ 2,722,324</u>	<u>\$ 2,722,324</u>	<u>\$</u>

**CENTRAL OREGON COMMUNITY COLLEGE**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

<u>Year</u>	<i>Future Principal and Interest Requirements April 23, 2003</i>		<i>Future Principal and Interest Requirements November 1, 1996 Issue</i>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014-15	\$ 316,731	\$ 644,811	\$ 65,000	\$ 10,473
2015-16	316,166	690,376	70,000	6,490
2016-17	315,936	740,606	75,000	2,213
2017-18	315,884	795,658		
2018-19	313,470	853,072		
Years Thereafter	<u>7,379,726</u>	<u>5,042,218</u>		
<b>Totals</b>	<b><u>\$ 8,957,913</u></b>	<b><u>\$ 8,766,741</u></b>	<b><u>\$ 210,000</u></b>	<b><u>\$ 19,176</u></b>

<u>Year</u>	<i>Future Principal and Interest Requirements May 1, 2001 Issue</i>		<i>Future Principal and Interest Requirements October 1, 1997 Issue</i>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014-15	\$ 210,000	\$ 276,945	\$ 135,000	\$ 26,648
2015-16	220,000	266,760	145,000	19,508
2016-17	235,000	256,090	150,000	11,985
2017-18	245,000	244,340	160,000	4,079
2018-19	255,000	232,090		
Years Thereafter	<u>4,310,000</u>	<u>1,546,785</u>		
<b>Totals</b>	<b><u>\$ 5,475,000</u></b>	<b><u>\$ 2,823,010</u></b>	<b><u>\$ 590,000</u></b>	<b><u>\$ 62,220</u></b>

<u>Year</u>	<i>Future Principal and Interest Requirements June 17, 2010 Issue</i>		<i>Future Principal and Interest Requirements April 16, 2014 Issue</i>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014-15	\$ 1,090,000	\$ 1,769,625	\$	\$ 980,986
2015-16	1,205,000	1,739,950	390,000	871,988
2016-17	1,335,000	1,699,800	405,000	856,387
2017-18	1,475,000	1,650,250	420,000	840,188
2018-19	1,625,000	1,593,250	435,000	823,387
Years Thereafter	<u>31,855,000</u>	<u>10,602,600</u>	<u>19,315,000</u>	<u>12,283,625</u>
<b>Totals</b>	<b><u>\$ 38,585,000</u></b>	<b><u>\$ 19,055,475</u></b>	<b><u>\$ 20,965,000</u></b>	<b><u>\$ 16,656,561</u></b>

**CENTRAL OREGON COMMUNITY COLLEGE**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

The District has entered into a contract with Citimortgage, Inc.

for \$238,612. Payments are \$16,206 a quarter at 3.98 percent.

\$ 182,455

Future maturities of the note payable are as follows:

Year ended June 30, 2015

\$ 58,426

2016

60,786

2017

63,243

2018

2019

\$ 182,455

**NOTE 8 - PARTICIPATION IN PUBLIC EMPLOYEES RETIREMENT SYSTEM**

*Plan Description*

The College is a participating employer in the Oregon Public Employees Retirement System (PERS), an agent multiple-employer public employee retirement system, established under Oregon Revised Statutes 238.600 that acts as a common investment and administrative agent for public employers in the State of Oregon. PERS provides defined benefit and defined contribution pension plans that provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. All College employees are eligible to participate in PERS after six months of employment. Benefits are established by state statute. PERS is a component unit of the State of Oregon and issues a comprehensive annual financial report which may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700 or by calling (503) 598-7377.

*Funding Policy*

For the fiscal year ended June 30, 2014, the College was required by the rules applicable to PERS to contribute 11.52% of Tier One and Tier Two employees' salaries to PERS. Employees entering the system subsequent to August 2003 are covered under the Oregon Public Service Retirement Plan (OPSRP). The effective rate for OPSRP employees is 9.62%. The contribution rate is determined based on actuarial valuations, which are performed by PERS periodically. Covered employees are required by state statute to contribute 6% of their annual salary to the system, but the employer is allowed to pay any or all of the employees' contribution in addition to the required employers' contribution. The College has elected to contribute the 6% "pick-up" of the employees' contribution in lieu of a 6% pay increase.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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

*Annual Pension Cost*

For fiscal year ended June 30, 2014, the College's annual pension cost for PERS was equal to the College's required and actual contributions, and consisted of \$3,529,588 for the College's required share. Employer contributions are calculated in conformance with the provision of GASB Statement 27 as a percentage of covered payroll. Therefore, the contributions transmitted to PERS are equal to the Annual Required Contributions (ARC) and there is no Net Pension Obligation (NPO) necessary to amortize any unmade contributions.

The actuarial assumptions include a rate of return on investment of present and future assets 8.0% per year net of investment and administrative expenses, projected salary increases of 3.75% excluding merit and longevity increases and future interest credits of 8.25% for Tier One and 8.0% for Tier Two employees. Investment return and projected salary increases include an inflation component of 2.75%.

The actuarial value of PERS assets are at fair value on the valuation date less a reserve equal to a prorated portion of the investment gains (losses) over the four-year period ending on the valuation date. The unfunded actuarial liability as of December 31, 2011, valuation is amortized on a level percentage of covered payroll on a closed fixed term method over a 20-year period through December 31, 2031.

*Three-Year Trend Information*

<i>Fiscal Year Ended</i>	<i>Annual Pension Cost (APC)</i>	<i>Percentage of APC Contributed</i>	<i>Pension Prepayment</i>
6/30/2012	2,754,699	100%	\$ 9,581,315
6/30/2013	3,283,307	100	9,270,917
6/30/2014	3,529,588	100	8,957,913

AVA: Actuarial Value of Assets

AAL: Actuarial Accrued Liability

UAAL: Unfunded Actuarial Accrued Liability

**NOTE 9 - RISK MANAGEMENT**

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To reduce the risk of incurring material losses related to the above, the College pays annual insurance premiums to a commercial supplier. Limitations on claims are as follows: general liability of \$20,000,000; excess liability of \$20,000,000 and property coverage of \$100,000,000. The College also carries commercial insurance for workers' compensation and employee health and accident insurance. Settled claims from those risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**CENTRAL OREGON COMMUNITY COLLEGE**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

**NOTE 10 - ORGANIZATION**

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

**NOTE 11 - BENEFICIAL INTEREST IN PERPETUAL TRUST**

The College is a beneficiary of an irrevocable trust created by a donor, the assets of which are not in the possession of the College. The College has an irrevocable right to receive the income from the trust's assets in perpetuity. Net interest income is paid annually to the College to be used for educational purposes. Effective the first business day of January 2001, the College shall receive an amount equal to the greater of five percent of the net fair value of the Trust assets or 85 percent of the net income of the Trust. Gains or losses related to the beneficial interests are reported as a net gain (loss) on perpetual trust, in the non-expendable trust fund, based on explicit donor stipulations. The fair value at June 30, 2014 of the beneficial interests was \$1,375,932.

**NOTE 12 – COMMITMENTS AND CONTINGENCIES**

*Grant Audit*

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

**NOTE 13 – COMPONENT UNITS**

The discretely presented component unit is reported in a separate column in the government-wide statements to emphasize that it is legally separate from the primary government. The Central Oregon Community College Foundation is a separate non-profit organization established in 1955 to provide grants, loans, and endowments for the education of the students of Central Oregon Community College. The Foundations primary transaction with the College was \$1,104,345 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 97701.



**CENTRAL OREGON COMMUNITY COLLEGE**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

**NOTE 14 - POST-EMPLOYMENT BENEFITS**

**Stipend Benefits**

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

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

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

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

Annual required contribution	\$ 98,001
Interest	1,144
Benefits paid	<u>(99,145)</u>
Increase in net pension obligation	-
NPO (Asset) at beginning of year	<u>551,450</u>
NPO (Asset) at end of year	<u>\$ 551,450</u>

Actuarial methods and assumptions – The annual required contribution (ARC) for the current year was determined as part of the July 1, 2012 actuarial valuation using the Normal Cost (the value of benefits expected to be earned in the year) plus an amortization of the unfunded liability. The amortization period is 6 years. The actuarial assumptions included (a) a rate of return on investment of present and future assets of 4% compounded annually; (b) no future increase in benefit payable from this program; and (c) no post-retirement benefit increases and an inflation rate of 3%. Assets of the Reserve Fund for these programs are valued at cost which approximates fair value.

**CENTRAL OREGON COMMUNITY COLLEGE**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

**NOTE 14 - POST-EMPLOYMENT BENEFITS (CONTINUED)**

**Stipend Benefits - Continued**

Funding status and funding progress – As of July 1, 2012, the plan was 216% funded. The actuarial accrued liability for benefits was \$476,257, and the actuarial value of assets was \$1,027,707, resulting in an unfunded actuarial accrued liability (UAAL) of \$0.

**Post-Employment Health Insurance Benefits**

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

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

The College did not establish an irrevocable trust (or equivalent arrangement) to account for the plan.

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

Annual pension cost and net pension obligation – The College's annual other post-employment benefit cost (OPEB) is calculated based on the annual required contribution of the employer (ARC), and amount actuarially determined in accordance within the parameter of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the OPEB obligation at the end of the year:

Annual required contribution	\$ 367,935
Contributions made	<u>(195,423)</u>
Increase in net pension obligation	172,512
OPEB at beginning of year	<u>718,500</u>
OPEB at end of year	<u>\$ 891,012</u>
Percentage of APC contributed	<u>53%</u>

**CENTRAL OREGON COMMUNITY COLLEGE**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

**NOTE 14 - POST-EMPLOYMENT BENEFITS (CONTINUED)**

**Post-Employment Health Insurance Benefits – Continued**

Actuarial methods and assumptions – The annual required contribution (ARC) for the current year was determined as part of the July 1, 2012 actuarial valuation using the Normal Cost (the value of benefits expected to be earned in the year) plus an amortization of the unfunded liability. The amortization period is 30 years. The actuarial assumptions included (a) a rate of return on investment of present and future assets of 4% compounded annually; (b) no future increase in benefit payable from this program; and (c) no post-retirement benefit increases and an inflation rate of 3%.

Funding status and funding progress – As of July 1, 2012, the plan was 0% funded. The actuarial accrued liability for benefits was \$2,519,455, and the actuarial value of assets was \$0, resulting in a unfunded actuarial accrued liability (UAAL) of \$2,519,455. The covered payroll (annual payroll of active employees covered by the plan) was \$24,309,987, and the ratio of the UAAL to the covered payroll was 10.4%.

**NOTE 15 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through October 31, 2014, which is the date the financial statements were issued.



**CENTRAL OREGON**  
community college

## **GENERAL FUND**

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

**CENTRAL OREGON COMMUNITY COLLEGE**

**COMPARATIVE SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE  
GENERAL FUND  
BUDGETARY BASIS**

**JUNE 30, 2014 AND 2013**

	<i>2014</i>	<i>2013</i>
<b>ASSETS</b>		
Pooled cash and investments	\$ 3,570,248	\$ 1,316,379
Cash with county treasurers	87,440	70,758
Property taxes receivable	574,602	690,217
Accounts receivable	4,209,514	6,427,628
Allowance for doubtful accounts	(398,338)	(449,190)
Prepays	2,151	1,092
<i>Total assets</i>	\$ 8,045,617	\$ 8,056,884
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 1,491,242	\$ 1,499,329
Accrued compensated leave	617,900	582,658
Deferred revenue	425,672	528,801
<i>Total liabilities</i>	2,534,814	2,610,788
 <b>Fund balance:</b>		
Unreserved - undesignated	5,510,803	5,446,096
<i>Total fund balance</i>	5,510,803	5,446,096
<i>Total liabilities</i>		
<i>and fund balance</i>	\$ 8,045,617	\$ 8,056,884

**CENTRAL OREGON COMMUNITY COLLEGE**

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

**YEAR ENDED JUNE 30, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
<b>Revenue</b>				
<b>Local:</b>				
Property taxes	\$ 12,685,000	\$ 12,685,000	\$ 12,914,696	\$ 229,696
Tuition and fees	19,723,000	19,723,000	19,036,433	(686,567)
Interest	5,000	5,000	2,452	(2,548)
Other	70,000	70,000	7,726	(62,274)
<b>Intergovernmental:</b>				
State	6,291,000	6,291,000	6,739,794	448,794
Federal			68,749	68,749
<b>Transfer from other funds</b>	<u>1,745,000</u>	<u>1,745,000</u>	<u>305,000</u>	<u>(1,440,000)</u>
<i>Total revenue</i>	40,519,000	40,519,000	39,074,850	(1,444,150)
<b>Beginning fund balance</b>	<u>5,400,000</u>	<u>5,400,000</u>	<u>5,446,096</u>	<u>46,096</u>
<i>Total available for appropriation</i>	<u>\$ 45,919,000</u>	<u>\$ 45,919,000</u>	<u>\$ 44,520,946</u>	<u>\$ (1,398,054)</u>
<b>Expenditures</b>				
<b>Instruction:</b>				
Humanities office	\$ 64,069	\$ 64,069	\$ 66,913	\$ (2,844)
Writing-literature	1,848,350	1,848,350	1,740,477	107,873
Foreign languages	454,724	450,295	376,677	73,618
Speech	456,180	456,180	461,200	(5,020)
Social science	73,036	73,036	60,188	12,848
Music	329,770	329,770	346,732	(16,962)
Art	535,989	535,989	546,616	(10,627)
Theater arts	51,806	51,806	49,093	2,713
Fine arts office	82,277	82,277	79,097	3,180
Business administration	684,359	684,359	688,496	(4,137)
Business administration office	59,545	59,545	58,276	1,269
Hospitality, tourism & recreation	6,690	6,690	11,375	(4,685)
Journalism	8,328	8,328	6,093	2,235
World languages and cultures office	19,383	19,383	31,358	(11,975)
Philosophy	16,762	16,762	12,988	3,774
Addiction studies	121,484	121,484	107,198	14,286
Anthropology	164,909	169,338	177,360	(8,022)
Criminal justice	168,538	168,538	189,079	(20,541)
Economics	133,946	133,946	110,625	23,321
Education	227,068	227,068	240,100	(13,032)
Geography	112,920	112,920	122,842	(9,922)
History	251,459	251,459	194,313	57,146
Human development	220,947	220,947	171,374	49,573
Political science	26,620	26,620	22,117	4,503
Psychology	395,710	395,710	349,156	46,554
Sociology	203,395	203,395	193,097	10,298
Oregon leadership institute	68,636	68,636	60,413	8,223

Continued on page 34

**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, 2014**

Continued from page 33

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
<b>Expenditures - continued</b>				
<i>Instruction - continued</i>				
Regional services & R.C. operations	\$ 319,609	\$ 319,609	\$ 261,550	\$ 58,059
Regional services & Madras Campus	175,296	175,296	153,330	21,966
Regional services & Prineville Campus	175,016	175,016	159,159	15,857
Engineering & engineering tech.	92,433	92,433	91,909	524
Science office	80,883	80,883	79,942	941
Mathematics	1,778,771	1,778,771	1,673,867	104,904
Biological science	1,197,393	1,197,393	1,179,825	17,568
Chemistry	416,671	416,671	384,478	32,193
Physics	146,415	146,415	163,428	(17,013)
Geology	129,228	129,228	120,545	8,683
Nursing	985,803	985,803	979,425	6,378
HHP office	158,271	158,271	162,286	(4,015)
Health and human performance	982,453	982,453	995,445	(12,992)
Math office	65,767	65,767	61,962	3,805
Allied health	69,104	69,104	19,951	49,153
Computer information systems	1,092,179	1,092,179	976,479	115,700
Licensed massage therapy	230,434	230,434	254,847	(24,413)
Emergency medical service	377,673	377,673	289,967	87,706
Dental assisting	248,064	248,064	252,781	(4,717)
Medical assisting	119,781	119,781	110,988	8,793
Dietary management	12,977	12,977		12,977
Allied health office	13,970	13,970	16,991	(3,021)
Pharmacy technician	34,447	34,447	101,093	(66,646)
Veterinary technician	124,969	124,969	137,131	(12,162)
CIS Office	52,757	52,757	43,527	9,230
Nursing office	62,366	62,366	56,820	5,546
HHP: Health classes	28,553	28,553	40,517	(11,964)
HHP: Recreation (O.R.L.T.)	179,993	179,993	169,279	10,714
Ponderosa office	66,139	66,139	61,839	4,300
Forestry technology	426,578	426,578	418,976	7,602
Automotive	373,713	373,713	372,180	1,533
Health information technology	273,103	273,103	262,896	10,207
Manufacturing processes	418,062	418,062	338,073	79,989
Apprenticeship	10,007	10,007	17,854	(7,847)

Continued on page 35



**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, 2014**

Continued from page 34

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
<b>Expenditures - continued</b>				
<i><b>Instruction - continued</b></i>				
Wildland fire management	\$ 73,708	\$ 73,708	\$ 62,987	\$ 10,721
Structural fire science	146,422	146,422	138,024	8,398
Geographical information systems	155,249	155,249	146,006	9,243
Aviation program	204,785	204,785	235,376	(30,591)
Military science	1,200	1,200	1,115	85
Regional credit instruction - Madras	71,968	71,968	87,188	(15,220)
Regional credit instruction - Prineville	54,623	54,623	53,261	1,362
Regional credit instruction - Redmond	265,208	265,208	190,932	74,276
Library skills	73,595	73,595	49,839	23,756
Instruction transfers	844,199	844,199	844,240	(41)
<i>Total instruction</i>	19,596,735	19,596,735	18,691,561	905,174
 <i><b>Instructional support:</b></i>				
Office of the Vice President of instruction	383,494	383,494	371,567	11,927
Library	1,128,571	1,128,571	1,000,435	128,136
Catalog and class schedule	28,618	28,618	36,373	(7,755)
Commencement & convocation	21,867	21,867	34,407	(12,540)
Tutoring and testing	488,974	488,974	508,790	(19,816)
Academic computing support	313,690	313,690	263,942	49,748
Instructional deans	584,068	584,068	438,832	145,236
Instructional support transfers	77,000	77,000	77,000	
<i>Total instructional support</i>	3,026,282	3,026,282	2,731,346	294,936
 <i><b>Student services:</b></i>				
Admissions	1,064,985	1,064,985	920,324	144,661
Counseling center	72,862	72,862	60,935	11,927
Student life	340,516	338,016	316,685	21,331
Financial aid	691,865	691,865	592,400	99,465
Career services and job placement	120,184	120,184	111,624	8,560
Student outreach and contact	271,385	271,385	158,964	112,421

Continued on page 36

**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, 2014**

Continued from page 35

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
<b>Expenditures - continued</b>				
<b><i>Student services - continued</i></b>				
Multicultural activities	\$ 188,266	\$ 188,266	\$ 153,560	\$ 34,706
Club sports	226,498	226,498	237,120	(10,622)
Enrollment cashiering	74,904	74,904	69,393	5,511
Disability services	238,040	238,040	277,877	(39,837)
Office of the Dean of student & enrollment services	432,057	432,057	397,385	34,672
Advising	666,073	666,073	577,397	88,676
Placement testing	96,898	96,898	89,274	7,624
Student retention	117,579	120,079	123,215	(3,136)
Student service transfers	9,585	9,585	9,585	
<i>Total student services</i>	<u>4,611,697</u>	<u>4,611,697</u>	<u>4,095,738</u>	<u>515,959</u>
<b><i>College support services:</i></b>				
Governing board	90,518	90,518	75,758	14,760
President's office	353,973	353,973	371,019	(17,046)
Fiscal services	644,451	644,451	617,303	27,148
Campus safety and security	621,054	621,054	574,749	46,305
Human resources	525,295	525,295	520,168	5,127
Mail services	262,876	262,876	174,374	88,502
College relations	661,589	661,589	621,071	40,518
Chief Financial Officer	487,956	487,956	454,959	32,997
Legal and audit services	65,000	65,000	65,232	(232)
Elections	25,000	25,000	(20)	25,020
General institutional support	390,000	390,000	393,985	(3,985)
Liability and other insurance	75,000	75,000	76,845	(1,845)
Institutional research/grant office	301,562	301,562	254,211	47,351
Vice President for Administration	323,019	323,019	298,547	24,472
Organizational development	5,813	5,813	10,647	(4,834)
College support transfers	261,590	261,590	261,590	
<i>Total college support services</i>	<u>5,094,696</u>	<u>5,094,696</u>	<u>4,770,438</u>	<u>324,258</u>

Continued on page 37

**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, 2014**

Continued from page 36

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
<b>Expenditures - continued</b>				
<i><b>Plant operations and maintenance:</b></i>				
Custodial services	\$ 1,230,362	\$ 1,230,362	\$ 1,104,558	\$ 125,804
Utilities	998,007	998,007	819,343	178,664
Fire and boiler insurance	115,446	115,446	107,673	7,773
Maintenance of grounds	372,465	372,465	375,262	(2,797)
Maintenance of buildings	795,336	795,336	742,046	53,290
Plant administration	299,302	299,302	270,997	28,305
Redmond campus infrastructure	279,898	279,898	183,601	96,297
Campus shuttle	112,114	112,114	91,603	20,511
Madras campus infrastructure	47,000	47,000	58,343	(11,343)
Prineville campus infrastructure	53,053	53,053	65,807	(12,754)
Plant operations transfers	734,419	734,419	744,955	(10,536)
 <i>Total plant operations and maintenance</i>	 5,037,402	 5,037,402	 4,564,188	 473,214
 <i><b>Information technology services:</b></i>				
Information technology services	959,693	959,693	913,249	46,444
Management information systems	668,023	668,023	596,391	71,632
User services	780,638	780,638	705,149	75,489
Enterprise computing services	425,871	425,871	442,046	(16,175)
Network/Telecom & media services	554,881	554,881	545,537	9,344
Web development	95,081	95,081	91,294	3,787
Regional IT services - Prineville	64,675	64,675	63,918	757
Information technology transfers	523,657	523,657	523,657	
 <i>Total information technology services</i>	 4,072,519	 4,072,519	 3,881,241	 191,278
 <i><b>Financial aid transactions:</b></i>				
Other financial aid	276,507	276,507	275,631	876
 Operating contingency	 800,000	 800,000	 	 800,000
 <i>Total expenditures</i>	 \$ 42,515,838	 \$ 42,515,838	 \$ 39,010,143	 \$ 3,505,695

Continued on page 38

**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, 2014**

Continued from page 37

<b>General Fund Summary</b>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
<b>Total revenue</b>	\$ 40,519,000	\$ 40,519,000	\$ 39,074,850	\$ (1,444,150)
<b>Beginning fund balance</b>	<u>5,400,000</u>	<u>5,400,000</u>	<u>5,446,096</u>	<u>46,096</u>
<i>Total available for appropriations</i>	<u>45,919,000</u>	<u>45,919,000</u>	<u>44,520,946</u>	<u>(1,398,054)</u>
<b>Expenditures:</b>				
Instruction	19,596,735	19,596,735	18,691,561	905,174
Instructional support	3,026,282	3,026,282	2,731,346	294,936
Student services	4,611,697	4,611,697	4,095,738	515,959
College support services	5,094,696	5,094,696	4,770,438	324,258
Plant operations and maintenance	5,037,402	5,037,402	4,564,188	473,214
Information technology service	4,072,519	4,072,519	3,881,241	191,278
Financial aid	276,507	276,507	275,631	876
Operating contingency	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>
<i>Total expenditures</i>	<u>42,515,838</u>	<u>42,515,838</u>	<u>39,010,143</u>	<u>3,505,695</u>
<b>Ending fund balance</b>	<u>\$ 3,403,162</u>	<u>\$ 3,403,162</u>	<u>\$ 5,510,803</u>	<u>\$ 2,107,641</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, 2014  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)**

	<i>Contracts and</i>		
	<i>Grants</i>	<i>Auxiliary</i>	<i>Reserve</i>
<b>ASSETS</b>			
Pooled cash and investments	\$	\$ 12,624,667	\$ 2,517,999
Accounts receivable	338,755	116,562	
Student loans receivable			
<i>Total assets</i>	\$ 338,755	\$ 12,741,229	\$ 2,517,999
<b>LIABILITIES AND FUND EQUITY</b>			
<b><i>Liabilities:</i></b>			
Deficit in pooled cash and investments	\$ 6,525	\$	\$
Accounts payable	5,127	293,877	
Deferred revenue		3,116,705	
<i>Total liabilities</i>	11,652	3,410,582	
<b><i>Fund equity:</i></b>			
Fund balance			
Reserved			
Retiree benefits			1,286,452
PERS Reserve			1,231,547
Unreserved - undesignated	327,103	9,330,647	
<i>Total fund balance</i>	327,103	9,330,647	2,517,999
<i>Total liabilities and fund equity</i>	\$ 338,755	\$ 12,741,229	\$ 2,517,999

<i>Financial</i>	<i>Totals</i>	
<u>Aid</u>	<u>2014</u>	<u>2013</u>
\$ 436,484	\$ 15,579,150	\$ 15,695,949
46,059	501,376	419,276
<u>2,696</u>	<u>2,696</u>	<u>3,496</u>
<u>\$ 485,239</u>	<u>\$ 16,083,222</u>	<u>\$ 16,118,721</u>

\$ 45,563	\$ 6,525	\$ 229,292
<u>45,563</u>	<u>344,567</u>	<u>229,292</u>
	<u>3,116,705</u>	<u>3,510,542</u>
<u>45,563</u>	<u>3,467,797</u>	<u>3,739,834</u>

	1,286,452	1,286,452
	1,231,547	1,627,007
<u>439,676</u>	<u>10,097,426</u>	<u>9,465,428</u>
<u>439,676</u>	<u>12,615,425</u>	<u>12,378,887</u>
<u>\$ 485,239</u>	<u>\$ 16,083,222</u>	<u>\$ 16,118,721</u>

**CENTRAL OREGON COMMUNITY COLLEGE**

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

**JUNE 30, 2014  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)**

	<i>Grants and Contracts</i>	<i>Auxiliary</i>	<i>Reserve</i>
<b>Revenue</b>			
<b>Local:</b>			
Charges for services	\$ 23,476	\$ 4,747,960	\$
Interest		193,851	3,685
Grants	534,768		
Other		2,098,059	
<b>Intergovernmental:</b>			
State	205,846		
Federal	431,743		
	<u>1,195,833</u>	<u>7,039,870</u>	<u>3,685</u>
<i>Total revenue</i>			
<b>Expenditures</b>			
<b>Current:</b>			
Instruction	936,533	4,951,002	
Instructional support	16,323	257,231	
Student services	33,764	432,643	
College support services	173,896	1,308,477	99,145
Financial aid			
Capital outlay	23,274	282,520	
	<u>1,183,790</u>	<u>7,231,873</u>	<u>99,145</u>
<i>Total expenditures</i>			
Excess of revenue over (under) expenditures	<u>12,043</u>	<u>(192,003)</u>	<u>(95,460)</u>
Other financing sources (uses)			
Transfers in	47,680	1,935,519	
Transfers out		(1,240,248)	(300,000)
	<u>47,680</u>	<u>695,271</u>	<u>(300,000)</u>
<i>Total other financing     sources (uses)</i>			
Excess of revenue and other sources over (under) expenditures and other uses	<u>59,723</u>	<u>503,268</u>	<u>(395,460)</u>
<b>FUND BALANCE - beginning of year</b>	<u>267,380</u>	<u>8,827,379</u>	<u>2,913,459</u>
<b>FUND BALANCE - end of year</b>	<u>\$ 327,103</u>	<u>\$ 9,330,647</u>	<u>\$ 2,517,999</u>



<i>Financial Aid</i>	<i>Totals</i>	
	<i>2014</i>	<i>2013</i>
\$	\$	\$
	4,771,436	5,883,445
26,132	223,668	117,615
946,291	1,481,059	1,430,014
56,015	2,154,074	1,135,212
1,258,954	1,464,800	1,163,823
<u>13,848,312</u>	<u>14,280,055</u>	<u>16,645,867</u>
<u>16,135,704</u>	<u>24,375,092</u>	<u>26,375,976</u>
	5,887,535	5,503,478
	273,554	228,211
262,657	729,064	673,014
	1,581,518	1,456,111
16,027,650	16,027,650	17,958,934
	<u>305,794</u>	<u>359,926</u>
<u>16,290,307</u>	<u>24,805,115</u>	<u>26,179,674</u>
<u>(154,603)</u>	<u>(430,023)</u>	<u>196,302</u>
223,610	2,206,809	2,051,085
	<u>(1,540,248)</u>	<u>(1,767,122)</u>
<u>223,610</u>	<u>666,561</u>	<u>283,963</u>
69,007	236,538	480,265
<u>370,669</u>	<u>12,378,887</u>	<u>11,898,622</u>
<u>\$ 439,676</u>	<u>\$ 12,615,425</u>	<u>\$ 12,378,887</u>



**CENTRAL OREGON**  
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**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, 2014**

	<i>Sub-Fund</i>	<i>Beginning</i>				<i>Ending</i>
	<u>Number</u>	<u>Balance</u>	<u>Revenue</u>	<u>Expenditures</u>		<u>Balance</u>
ABE Special Projects	31100	\$ 61,752	\$ 258,351	\$ 236,192		\$ 83,911
Carl Perkins	31101	122	99,511	99,633		
SBA Grant	31105		31,150	31,150		
SBA Grant Match	31108		34,680	34,680		
SBA Portable Assistance Project	31109		39,408	39,408		
CASE Grant	31157		122,500	122,500		
OBDD	32226		42,304	42,304		
Grow Oregon Grant	32255	40,833	8,500	4,988		44,345
ABS Pathways Grant	32257		375	375		
ABE Learning Standards	32258		1,891	1,891		
ASA - SALT Membership Program	32259		5,000	5,000		
Oregon Develop Education Work Grp	32261		9,000	4,334		4,666
Community Health Worker Grant	32262		37,702	13,150		24,552
Minority Teacher Pipeline Grant	32263		5,373	4,607		766
Cascade Health Service Support	33332	11,576	32,000	33,503		10,073
ABS - Partnership to End Poverty	33337	5,453				5,453
Rejuvenate Wellness	33339	21,789	(21,789)			
DRCI - Partnership to End Poverty	33340	53,609		9,015		44,594
Auto Tech Electronics & Diagnostics	33341	7,734		7,734		
Veteran - Partnership to End Poverty	33342	38,954		3,019		35,935
Workforce Development CL	33343	10,500		10,500		
Cow Creek Grant	33344		23,000	23,000		
Karen Schroth Fund	33345		12,705	12,705		
Wells Fargo RISE Grant	33346		25,000	9,332		15,668
LMT Research	33347		1,000			1,000
Deer Ridge Correctional Institution	34355		476,157	421,624		54,533
OCF - Middle School Program	34359	2,805	(2,805)			
OCF - Veterinary Technician Program	34360	12,253		11,989		264
OCF - GANAS	34361		2,500	1,157		1,343
		<u>\$ 267,380</u>	<u>\$ 1,243,513</u>	<u>\$ 1,183,790</u>		<u>\$ 327,103</u>

**CENTRAL OREGON COMMUNITY COLLEGE**

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

**YEAR ENDED JUNE 30, 2014**

	<i>Charge for Services</i>	<i>Intergovernmental</i>		<i>Grants and Contracts</i>
		<i>State</i>	<i>Federal</i>	
ABE Special Projects	\$ 22,976	\$	\$ 235,375	\$
Carl Perkins			99,511	
SBA Grant			31,150	
SBA Grant Match				
SBA Portable Assistance Project			39,408	
CASE Grant			122,500	
OBDD		42,304		
Grow Oregon Grant	500	8,000		
ABS Pathways Grant		375		
ABE Learning Standards		1,891		
ASA - SALT Membership Program		5,000		
Oregon Develop Education Work Group		9,000		
Community Health Worker Grant		37,702		
Minority Teacher Pipeline Grant		5,373		
Cascade Health Services Support				32,000
Rejuvenate Wellness				(21,789)
Cow Creek Grant				10,000
Karen Schroth Fund				12,705
Wells Fargo RISE Grant				25,000
LMT Research				1,000
Deer Ridge Correctional Institution		96,201		379,956
OCF - Middle School Program				(2,805)
OCF - GANAS				2,500
	<u>\$ 23,476</u>	<u>\$ 205,846</u>	<u>\$ 527,944</u>	<u>\$ 438,567</u>

<i>Transfers</i>	
<u><i>In</i></u>	<u><i>Total</i></u>
\$	\$ 258,351
	99,511
	31,150
34,680	34,680
	39,408
	122,500
	42,304
	8,500
	375
	1,891
	5,000
	9,000
	37,702
	5,373
	32,000
	(21,789)
13,000	23,000
	12,705
	25,000
	1,000
	476,157
	(2,805)
	2,500
\$ 47,680	\$ 1,243,513

**CENTRAL OREGON COMMUNITY COLLEGE**

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

**YEAR ENDED JUNE 30, 2014**

	<u>Salaries</u>	<u>Payroll Assessments</u>	<u>Materials and Services</u>
ABE Special Projects	\$ 145,705	\$ 68,343	\$ 22,144
Carl Perkins	53,594	8,145	30,866
SBA Grant	20,268	9,982	900
SBA Grant Match	21,763	12,917	
SBA Portable Assistance Project	26,459	8,437	4,512
CASE Grant	71,700	36,322	14,478
OBDD	28,344	13,960	
Grow Oregon Grant	266	83	4,639
ABS Pathways Grant			375
ABE Learning Standards	193	15	1,683
ASA - SALT Membership Program			5,000
Oregon Develop Education Work Group			4,334
Community Health Worker Grant			13,150
Minority Teacher Pipeline Grant	3,874	733	
Cascade Health Services Support	19,142	14,361	
DRCI - Partnership to End Poverty	7,434	1,530	51
Auto Tech Electronics & Diagnostics			1,978
Veteran - Partnership to End Poverty	2,790	229	
Workforce Development CL			10,500
Cow Creek Grant	10,840	2,039	10,121
Karen Schroth Fund			2,215
Wells Fargo RISE Grant	6,460	1,364	1,508
Deer Ridge Correctional Institution	242,097	123,043	56,484
OCF - Veterinary Technician Program	8,500	2,331	1,158
OCF - GANAS	455	2	700
	<u>\$ 669,884</u>	<u>\$ 303,836</u>	<u>\$ 186,796</u>

<u>Capital Outlay</u>	<u>Transfers Out</u>	<u>Total</u>
\$	\$	\$
		236,192
7,028		99,633
		31,150
		34,680
		39,408
		122,500
		42,304
		4,988
		375
		1,891
		5,000
		4,334
		13,150
		4,607
		33,503
		9,015
5,756		7,734
		3,019
		10,500
		23,000
10,490		12,705
		9,332
		421,624
		11,989
		1,157
<hr/>	<hr/>	<hr/>
\$ 23,274	\$	\$ 1,183,790



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**CENTRAL OREGON COMMUNITY COLLEGE**

**SCHEDULE OF REVENUES EXPENDITURES, AND CHANGES  
IN FUND BALANCE – ACTUAL AND BUDGET  
GRANTS AND CONTRACTS FUND  
BUDGETARY BASIS**

**YEAR ENDED JUNE 30, 2014**

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
<b>Revenue</b>				
<b>Local:</b>				
Charges for services	\$ 40,000	\$ 40,000	\$ 23,476	\$ (16,524)
Grants and contracts	1,143,720	1,143,720	534,768	(608,952)
<b>Intergovernmental:</b>				
State	119,112	119,112	205,846	86,734
Federal	580,131	580,131	431,743	(148,388)
Transfers from other funds	34,639	34,639	47,680	13,041
<b>Total revenue</b>	1,917,602	1,917,602	1,243,513	(674,089)
<b>Beginning fund balance</b>	172,100	172,100	267,380	95,280
<b>Total available     for appropriation</b>	2,089,702	2,089,702	1,510,893	(578,809)
<b>Expenditures</b>				
Federal grants	654,770	654,770	563,563	91,207
State grants	119,112	119,112	118,317	795
Local grants	214,264	214,264	108,808	105,456
Contracts	1,041,720	1,041,720	393,102	648,618
<b>Total expenditures</b>	2,029,866	2,029,866	1,183,790	846,076
<b>Ending fund balance</b>	\$ 59,836	\$ 59,836	\$ 327,103	\$ 267,267

**CENTRAL OREGON COMMUNITY COLLEGE**

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

**YEAR ENDED JUNE 30, 2014**

	<i>Sub-Fund Number</i>	<i>Beginning Balance (Deficit)</i>	<i>Revenues</i>	<i>Expenditures</i>	<i>Ending Balance (Deficit)</i>
Medical leave assistance program	61001	\$ 77,634	\$ 20,468	\$ 32,712	\$ 65,390
Public safety	61003	20,357	35,650	30,026	25,981
Law enforcement testing	61004		690	201	489
MATC industry training account	61005		1,401		1,401
Sustainability fund	61006		5,003	195	4,808
General testing	61511	9,456	7,334	5,298	11,492
Art cards	61512	1,969	2,821		4,790
Auto and industrial fees	61513	18,544	46,491	44,706	20,329
Facilities fees	61514	91,480	17,390	3,463	105,407
Club sports	61516	18,430	69,767	25,381	62,816
College activities	61518	164,857	49,947	38,887	175,917
Classified training	61522	505	6,000	6,476	29
Performing arts	61525	5	14,635	13,594	1,046
Box office activity	61526	2,887	379		3,266
Hybrid vehicle fleet	61527		4,918	2,957	1,961
Special programs - administration	61528	250,699	98,541	159,823	189,417
Vehicles	61531	46,400	49,362	22,161	73,601
Physiology lab	61532	33,830	11,344	7,459	37,715
Library books	61534	56,119	20,234	43,105	33,248
PCA wellness	61535	37,130	1,352	8,243	30,239
Outdoor recreation	61537	8,989	5,539	1,174	13,354
Enrollment services	61546	33,345	46		33,391
Accreditation	61547	19,830	5,027	4,033	20,824
College now	61550	196,354	109,539	69,285	236,608
Salvage sales	61552	26,914	4,660	5,405	26,169
Media activities	61561	15,369	18,336	6,229	27,476
Tutoring/Testing	61574	141,678	108,771	102,622	147,827
GED testing	61575		33,575	33,575	
Institutional advancement	61576	100,088	40,088	70,700	69,476
Student honors recognition	61581	1,261	5,052	4,858	1,455
Allied health lab fees	61586	33,169	19,209	42,252	10,126
Innovation account	61589	478,598	293,471	110,819	661,250
Mazama lab fees	61592	63,783	78,170	48,693	93,260
Tool room deposits	61596	3,745	1,585	642	4,688
Computer lab printers	61597	40,139	24,253	40,564	23,828
Instructional projects	61598	7,205	70,030	41,367	35,868

Continued on page 46

**CENTRAL OREGON COMMUNITY COLLEGE**

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

**YEAR ENDED JUNE 30, 2014**

Continued from page 45

	<i>Sub-Fund Number</i>	<i>Beginning Balance (Deficit)</i>	<i>Revenues</i>	<i>Expenditures</i>	<i>Ending Balance (Deficit)</i>
Oregon International					
education consortium	61599	6,393	6,157	8,548	4,002
Student government	61601	54,766	308,353	334,440	28,679
The Broadside	61602		46,360	45,849	511
Blue Sky	61603	79,252	49,656	32,936	95,972
Food service reserve	61604	26,489	7,176	3,248	30,417
Elevation gratuity fund	61605	18,887	35,349	47,884	6,352
CIS software	61610	8,595	1,287		9,882
Bend area transit program	61611	6,202	52,097	46,195	12,104
Student government clubs	61612	9,344	1,310	5,822	4,832
Student government programs	61613	31,424	3,959	33,966	1,417
Student government reserve	61614	30,051	5,044		35,095
Self-sustaining activities		<u>2,272,172</u>	<u>1,797,826</u>	<u>1,585,793</u>	<u>2,484,205</u>
Summer session	62501	2,801,819	2,161,880	1,855,205	3,108,494
International programs	62558	31,567	8,654	7,439	32,782
SBDC program	62564	111,564	60,572	62,526	109,610
Business development and training	62575	11,748	50,204	55,929	6,023
ABE General Purpose	62576	76,234	566,381	525,644	116,971
Outreach centers	62577	338,056	26,677	78,949	285,784
Culinary program	62601	(37,868)	1,008,466	1,027,409	(56,811)
Culinary facility	62602	(35,886)	219,876	275,366	(91,376)
Veterinarian tech program	62603	4,795	29,136	22,577	11,354
Culinary foundation fund	62604	(420)	18,976	18,976	(420)
EMT practical exam	62610	484	8,550	10,771	(1,737)
Contracted credit classes	63501	100,290	35,250	45,466	90,074
Community & professional education	63502	404,000	1,490,287	1,515,928	378,359
Licensed massage therapy	63572	13,175	9,759	20,236	2,698
Aviation program-simulator fees	63579	354,702	279,431	202,439	431,694
Non-general fund instruction		<u>4,174,260</u>	<u>5,974,099</u>	<u>5,724,860</u>	<u>4,423,499</u>

Continued on page 47

**CENTRAL OREGON COMMUNITY COLLEGE**

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

**YEAR ENDED JUNE 30, 2014**

Continued from page 46

	<i>Sub-Fund Number</i>	<i>Beginning Balance (Deficit)</i>	<i>Revenues</i>	<i>Expenditures</i>	<i>Ending Balance (Deficit)</i>
Foundation billing	64515	\$	\$ 326,317	\$ 326,317	\$
Partnership collaborations	64573	1,345,833	412,379	370,055	1,388,157
Cascade Hall minor maintenance	64574		1,024	708	316
Revolving activities		<u>1,345,833</u>	<u>739,720</u>	<u>697,080</u>	<u>1,388,473</u>
Faculty professional improvement	65521	\$ 227,106	\$ 66,296	\$ 90,404	\$ 202,998
Adjunct faculty professional improvement	65523	51,893	6,074	736	57,231
ABE professional development fund	65524	9,365	5,016		14,381
Admin professional development & sabbatical	65526	76,192	5,056	76,917	4,331
Sabbatical - faculty	65527	257,331	291	86,319	171,303
Unemployment reserve	65542	138,181	162,174	110,026	190,329
Insurance reserve deductible	65543	68,787	35,949	3,451	101,285
Keyes educational enhancement fund	65562	<u>206,259</u>	<u>182,888</u>	<u>96,535</u>	<u>292,612</u>
Contractual and administrative provisions		<u>1,035,114</u>	<u>463,744</u>	<u>464,388</u>	<u>1,034,470</u>
		<u>\$ 8,827,379</u>	<u>\$ 8,975,389</u>	<u>\$ 8,472,121</u>	<u>\$ 9,330,647</u>

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

**YEAR ENDED JUNE 30, 2014**

	<i>Charges</i>			<i>State and</i>		<i>Transfers</i>	<i>Totals</i>
	<i>For</i>	<i>Other</i>	<i>Interest</i>	<i>Local</i>			
	<u><i>Services</i></u>			<u><i>Grants</i></u>	<u><i>In</i></u>		
Medical leave assistance program	\$	\$ 20,371	\$ 97	\$	\$		\$ 20,468
Public safety	35,617		33				35,650
Law enforcement testing		690					690
MATC industry training account		1,400	1				1,401
Sustainability fund			3		5,000		5,003
General testing		7,320	14				7,334
Art cards	775	2,041	5				2,821
Auto and industrial fees	22,795	23,665	31				46,491
Facilities fees		17,256	134				17,390
Club sports		54,714	53		15,000		69,767
College activities		49,716	231				49,947
Classified training					6,000		6,000
Performing arts		14,632	3				14,635
Box office activity		375	4				379
Hybrid vehicle fleet		3,417	1		1,500		4,918
Special programs - administration		98,258	283				98,541
Vehicles		49,274	88				49,362
Physiology lab		11,295	49				11,344
Library books		20,170	64				20,234
PCA wellness		1,305	47				1,352
Outdoor recreation	3,948	1,576	15				5,539
Enrollment services			46				46
Accreditation			27		5,000		5,027
College now	80,595	28,650	294				109,539
Salvage sales		4,624	36				4,660
Media activities		18,295	41				18,336
Tutoring/Testing		108,571	200				108,771
GED testing		6,327			27,248		33,575
Institutional advancement			88		40,000		40,088
Student honors recognition		3,800	2		1,250		5,052
Allied health lab fees	17,104	2,058	47				19,209
Innovation account		47,833	638		245,000		293,471
Mazama lab fees	48,754	29,295	121				78,170
Tool room deposits		1,579	6				1,585
Computer lab printers		24,200	53				24,253
Instructional projects			30		70,000		70,030
Oregon International Education consortium		6,150	7				6,157

Continued on page 49

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

**YEAR ENDED JUNE 30, 2014**

Continued from page 48

	<i>Charges</i>			<i>State and</i>	<i>Transfers</i>	<i>Totals</i>
	<i>For</i>	<i>Other</i>	<i>Interest</i>	<i>Local</i>	<i>In</i>	
	<i>Services</i>			<i>Grants</i>		
Student government	\$	\$ 308,277	\$ 76	\$	\$	\$ 308,353
The Broadside	15,360				31,000	46,360
Blue Sky		49,533	123			49,656
Food service reserve		7,137	39			7,176
Elevation gratuity fund		35,332	17			35,349
CIS Software		1,275	12			1,287
Bend area transit program		31,750	12		20,335	52,097
Student government clubs		1,300	10			1,310
Student government programs		3,940	19			3,959
Student government reserve			44		5,000	5,044
Self-sustaining activities	<u>224,948</u>	<u>1,097,401</u>	<u>3,144</u>		<u>472,333</u>	<u>1,797,826</u>
Summer session	2,155,399		6,481			2,161,880
International programs	8,610		44			8,654
SBDC program activities	5,368	55,051	153			60,572
Business development and training			12		50,192	50,204
ABE general purpose		956	131		565,294	566,381
Outreach centers			426	26,251		26,677
Culinary program	991,168	17,028	270			1,008,466
Culinary facility		219,876				219,876
Veterinarian tech program	27,900		18	1,218		29,136
Culinary foundation fund		18,976				18,976
EMT practical exam		8,550				8,550
Contracted credit classes		35,121	129			35,250
Community and professional education	873,293	127,583	337		489,074	1,490,287
Licensed massage therapy		9,743	16			9,759
Aviation program - simulator fees	<u>261,583</u>	<u>15,736</u>	<u>2,112</u>			<u>279,431</u>
Non-general fund instruction	<u>4,323,321</u>	<u>508,620</u>	<u>10,129</u>	<u>27,469</u>	<u>1,104,560</u>	<u>5,974,099</u>
Foundation billing	199,691				126,626	326,317
Partnership collaborations		233,981	1,746	176,652		412,379
Cascade hall minor maintenance		1,024				1,024
Revolving activities	<u>199,691</u>	<u>235,005</u>	<u>1,746</u>	<u>176,652</u>	<u>126,626</u>	<u>739,720</u>

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

**YEAR ENDED JUNE 30, 2014**

Continued from page 49

	<i>Charges For Services</i>	<i>Other</i>	<i>Interest</i>	<i>State and Local Grants</i>	<i>Transfers In</i>	<i>Totals</i>
Faculty professional improvement	\$	\$	\$ 296	\$	\$ 66,000	\$ 66,296
Adjunct Faculty professional improvement			74		6,000	6,074
ABE professional development funds			16		5,000	5,016
Admin prof development & sabbatical			56		5,000	5,056
Sabbatical-faculty			291			291
Unemployment reserve		11,951	223		150,000	162,174
Insurance reserve deductible		35,834	115			35,949
Keyes educational enhancement fund	<u>                    </u>	<u>5,127</u>	<u>177,761</u>	<u>                    </u>	<u>                    </u>	<u>182,888</u>
Contractual and administrative support	<u>                    </u>	<u>52,912</u>	<u>178,832</u>	<u>                    </u>	<u>232,000</u>	<u>463,744</u>
	<u>\$ 4,747,960</u>	<u>\$ 1,893,938</u>	<u>\$ 193,851</u>	<u>\$ 204,121</u>	<u>\$ 1,935,519</u>	<u>\$ 8,975,389</u>

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

**YEAR ENDED JUNE 30, 2014**

	<u>Salaries</u>	<u>Payroll Assessments</u>	<u>Materials and Services</u>	<u>Capital Outlay</u>	<u>Transfers Out</u>	<u>Totals</u>
Medical Leave Assistance program	\$ 21,970	\$ 10,742	\$	\$	\$	\$ 32,712
Public Safety			26,328	3,698		30,026
Law enforcement testing	200	1				201
Sustainability fund			195			195
General testing	1,172	126	4,000			5,298
Auto and industrial fees	1,569	122	41,515		1,500	44,706
Facilities fees			492	471	2,500	3,463
Club sports	16,765	2,453	6,163			25,381
College activities	3,000	887			35,000	38,887
Classified training			6,476			6,476
Performing arts	10,401	2,442	751			13,594
Hybrid vehicle fleet			2,957			2,957
Special programs - administration	68,946	28,259	2,118		60,500	159,823
Vehicles			22,161			22,161
Physiology lab	999	761	5,699			7,459
Library books			5,639	37,466		43,105
PCA Wellness	2,437	551	5,255			8,243
Outdoor recreation program	200	16	958			1,174
Accreditation			4,033			4,033
College now	20,552	5,884	2,849		40,000	69,285
Salvage sales			5,405			5,405
Media activities			5,244	985		6,229
Tutoring/Testing	38,454	5,630	16,560	14,730	27,248	102,622
GED Testing	19,867	11,256	2,452			33,575
Institutional advancement			70,700			70,700
Student honors recognition			4,858			4,858
Allied health lab fees			19,118	15,634	7,500	42,252
Innovation account	24,948	13,578	46,621	25,672		110,819
Mazama lab fees	4,152	2,933	41,608			48,693
Tool room deposits			642			642
Computer lab printers	4,547	346	23,891	11,780		40,564
Instructional programs	24,434	7,310	8,699	924		41,367
Oregon International education consortium	4,651	1,389	2,508			8,548

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**CENTRAL OREGON COMMUNITY COLLEGE**

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

**YEAR ENDED JUNE 30, 2014**

Continued from page 51

	<u>Salaries</u>	<u>Payroll Assessments</u>	<u>Materials and Services</u>	<u>Capital Outlay</u>	<u>Transfers Out</u>	<u>Totals</u>
Student government	\$ 64,677	\$ 550	\$ 169,275	\$ 18,938	\$ 81,000	\$ 334,440
The Broadside	34,327	435	11,087			45,849
Blue Sky			27,936		5,000	32,936
Food service reserve			2,835	413		3,248
Elevation gratuity fund			47,884			47,884
Bend area transit program			46,195			46,195
Student government clubs			5,822			5,822
Student government programs			<u>33,966</u>			<u>33,966</u>
Self-sustaining activities	<u>368,268</u>	<u>95,671</u>	<u>730,895</u>	<u>130,711</u>	<u>260,248</u>	<u>1,585,793</u>
Summer session	1,002,120	253,930	34,155		565,000	1,855,205
International programs	5,775	464	1,200			7,439
SBDC program activities	30,192	7,050	25,284			62,526
Business development and training	38,395	13,527	2,209	1,798		55,929
ABE general purpose	323,188	195,226	7,230			525,644
Outreach centers			3,949		75,000	78,949
Culinary program	530,546	244,451	224,398	28,014		1,027,409
Culinary facility	111,556	18,692	142,645	2,473		275,366
Veterinarian tech program	970	78	20,329	1,200		22,577
Culinary foundation fund	90	7	17,587	1,292		18,976
EMT practical exam	9,718	558	495			10,771
Contracted credit classes	20,394	5,072			20,000	45,466
Community and professional education	643,943	305,768	542,451	3,766	20,000	1,515,928
Licensed massage therapy	(176)		20,412			20,236
Aviation program - simulator fees	<u>36,513</u>	<u>5,419</u>	<u>16,633</u>	<u>63,874</u>	<u>80,000</u>	<u>202,439</u>
Non-general fund instruction	<u>2,753,224</u>	<u>1,050,242</u>	<u>1,058,977</u>	<u>102,417</u>	<u>760,000</u>	<u>5,724,860</u>
Foundation billing	212,072	114,245				326,317
Partnership collaborations	122,304	71,475	26,276		150,000	370,055
Cascades Hall minor maintenance			<u>708</u>			<u>708</u>
Revolving activities	<u>334,376</u>	<u>185,720</u>	<u>26,984</u>		<u>150,000</u>	<u>697,080</u>

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**CENTRAL OREGON COMMUNITY COLLEGE**

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

**YEAR ENDED JUNE 30, 2014**

Continued from page 52

	<u>Salaries</u>	<u>Payroll Assessments</u>	<u>Materials and Services</u>	<u>Capital Outlay</u>	<u>Transfers Out</u>	<u>Totals</u>
Faculty professional improvement	\$ 20,445	\$ 5,353	\$ 29,606		\$ 35,000	\$ 90,404
Adjunct faculty professional improvement			736			736
Admin professional development & sabbatical	70,862	2,330	3,725			76,917
Sabbatical - faculty	33,061	18,258			35,000	86,319
Unemployment reserve		110,026				110,026
Insurance reserve deductible			653	2,798		3,451
Keyes educational enhancement fund	<u>18,406</u>	<u>7,722</u>	<u>23,814</u>	<u>46,593</u>		<u>96,535</u>
Contractual and administrative provisions	<u>142,774</u>	<u>143,689</u>	<u>58,534</u>	<u>49,391</u>	<u>70,000</u>	<u>464,388</u>
	<u>\$ 3,598,642</u>	<u>\$ 1,475,322</u>	<u>\$ 1,875,390</u>	<u>\$ 282,519</u>	<u>\$ 1,240,248</u>	<u>\$ 8,472,121</u>

**CENTRAL OREGON COMMUNITY COLLEGE**

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

**YEAR ENDED JUNE 30, 2014**

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
<b>Revenue</b>				
<b>Local:</b>				
Charges for services	\$ 5,617,969	\$ 5,617,969	\$ 4,747,960	\$ (870,009)
Interest	108,001	108,001	193,851	85,850
State and local	650,769	650,769	204,121	(446,648)
Other	2,292,461	2,292,461	1,893,938	(398,523)
<b>Transfers from other funds</b>	1,328,235	1,328,235	1,935,519	607,284
<i>Total revenue</i>	9,997,435	9,997,435	8,975,389	(1,022,046)
<b>Beginning fund balance</b>	8,035,782	8,035,782	8,827,379	791,597
<i>Total available         for appropriation</i>	18,033,217	18,033,217	17,802,768	(230,449)
<b>Expenditures</b>				
Self-sustaining activities	2,127,874	2,127,874	1,585,793	542,081
Non-general fund instruction	6,917,690	6,917,690	5,724,860	1,192,830
Revolving activities	774,347	774,347	697,080	77,267
Contractual & administrative provisions	577,616	577,616	464,388	113,228
<i>Total expenditures</i>	10,397,527	10,397,527	8,472,121	1,925,406
<b>Ending fund balance</b>	\$ 7,635,690	\$ 7,635,690	\$ 9,330,647	\$ 1,694,957

**CENTRAL OREGON COMMUNITY COLLEGE**

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

**YEAR ENDED JUNE 30, 2014**

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
<b>Revenue</b>				
<b>Local:</b>				
Interest	\$ 11,740	\$ 11,740	\$ 3,685	\$ (8,055)
Total revenue	11,740	11,740	3,685	(8,055)
<b>Beginning fund balance</b>	2,586,166	2,586,166	2,913,459	327,293
<i>Total available for appropriation</i>	2,597,906	2,597,906	2,917,144	319,238
<b>Expenditures</b>				
Retiree benefits	180,000	180,000	99,145	80,855
PERS reserve	300,000	300,000	300,000	
Total expenditures	480,000	480,000	399,145	80,855
<b>Ending fund balance</b>	\$ 2,117,906	\$ 2,117,906	\$ 2,517,999	\$ 400,093

**CENTRAL OREGON COMMUNITY COLLEGE**

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

**YEAR ENDED JUNE 30, 2014**

	<i>Sub-Fund</i>	<i>Beginning</i>				<i>Ending</i>
	<i>Number</i>	<i>Balance</i>	<i>Revenue</i>	<i>Expenditures</i>		<i>Balance</i>
Perkins	71801	\$ 14,925	\$ 960	\$ 1,455	\$	14,430
College work study	71802		219,314	219,314		
SEOG	71803		259,200	259,200		
Pell	71804		13,466,916	13,466,916		
Veteran's fund	71807	12,404	7,279	3,835		15,848
Federal education loan program	72805		24,162,878	24,162,878		
State need	72807		1,164,849	1,164,849		
Private scholarship award	72808		94,105	94,105		
Foundation	73805		1,059,291	1,059,291		
COCC financial aid program	73809	260,272	61,635	2,415		319,492
Native American trust	75809	83,068	25,765	18,927		89,906
		<u>\$ 370,669</u>	<u>\$ 40,522,192</u>	<u>\$ 40,453,185</u>		<u>\$ 439,676</u>

**CENTRAL OREGON COMMUNITY COLLEGE**

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

**YEAR ENDED JUNE 30, 2014**

	<u>Interest</u>	<u>Grants</u>	<u>Other</u>
Perkins	\$	\$	\$ 960
College work study			26,811
SEOG			
Pell			20,980
Veteran's fund		15	7,264
Federal education loan program			
State need			
Private scholarship award			
Foundation		946,291	
COCC financial aid program		352	
Native American trust		<u>25,765</u>	
	<u>\$ 26,132</u>	<u>\$ 946,291</u>	<u>\$ 56,015</u>

<i>Intergovernmental</i>		<i>Transfers</i>	
<i>State</i>	<i>Federal</i>	<i>In</i>	<i>Total</i>
\$	\$	\$	\$
	143,176	49,327	960
	259,200		219,314
	13,445,936		259,200
			13,466,916
			7,279
	24,162,878		24,162,878
1,164,849			1,164,849
94,105			94,105
		113,000	1,059,291
		61,283	61,635
			25,765
<u>\$ 1,258,954</u>	<u>\$ 38,011,190</u>	<u>\$ 223,610</u>	<u>\$ 40,522,192</u>

**CENTRAL OREGON COMMUNITY COLLEGE**

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

**YEAR ENDED JUNE 30, 2014**

	<i>Materials and Services</i>				
	<i>Personal Service</i>	<i>Administrative Services</i>	<i>Grants and Loans</i>	<i>Transfers Out</i>	<i>Total</i>
Perkins	\$		\$	\$	\$
College work study	192,503	26,811	1,455		219,314
SEOG			259,200		259,200
Pell		20,980	13,445,936		13,466,916
Veteran's fund		3,835			3,835
Federal education loan program			24,162,878		24,162,878
State need			1,164,849		1,164,849
Private scholarship award			94,105		94,105
Foundation			1,059,291		1,059,291
COCC financial aid program			2,415		2,415
Native American trust	2,860	14,867	1,200		18,927
	<u>\$ 195,363</u>	<u>\$ 66,493</u>	<u>\$ 40,191,329</u>	<u>\$ -</u>	<u>\$ 40,453,185</u>



**CENTRAL OREGON COMMUNITY COLLEGE**

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

**YEAR ENDED JUNE 30, 2014**

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
<b>Revenue</b>				
<b>Local:</b>				
Interest	\$ 27,288	\$ 27,288	\$ 26,132	\$ (1,156)
Grants	750,000	750,000	946,291	196,291
Other	51,500	51,500	56,015	4,515
<b>Intergovernmental:</b>				
State	1,150,000	1,150,000	1,258,954	108,954
Federal	20,470,000	20,470,000	13,848,312	(6,621,688)
<b>Transfers from other funds</b>	223,610	223,610	223,610	
<i>Total revenue</i>	22,672,398	22,672,398	16,359,314	(6,313,084)
<b>Beginning fund balance</b>	284,000	284,000	370,669	86,669
<i>Total available         for appropriation</i>	22,956,398	22,956,398	16,729,983	(6,226,415)
<b>Expenditures</b>				
Federal programs	20,563,500	20,263,500	13,949,919	6,313,581
State programs	1,150,000	1,300,000	1,258,954	41,046
Local programs	984,285	1,134,285	1,081,434	52,851
<i>Total expenditures</i>	22,697,785	22,697,785	16,290,307	6,407,478
<b>Ending fund balance</b>	\$ 258,613	\$ 258,613	\$ 439,676	\$ 181,063

## **DEBT SERVICE FUND**

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

**CENTRAL OREGON COMMUNITY COLLEGE**

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

**JUNE 30, 2014 AND 2013**

	<i>2014</i>	<i>2013</i>
<b>ASSETS</b>		
Pooled cash and investments	\$ 276,708	\$ 317,222
Cash with county treasurers	18,512	12,945
Property tax receivable	115,430	132,486
<i>Total assets</i>	\$ 410,650	\$ 462,653
 <b>LIABILITIES AND FUND EQUITY</b>		
<i>Liabilities:</i>		
Deferred revenue	\$ 83,842	\$ 103,954
<i>Total liabilities</i>	83,842	103,954
 <i>Fund equity:</i>		
Fund balance	326,808	358,699
Designated for debt service	326,808	358,699
<i>Total liabilities and fund equity</i>	\$ 410,650	\$ 462,653

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

**YEAR ENDED JUNE 30, 2014**

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
<b>Revenue</b>				
<b>Local:</b>				
Property taxes	\$ 2,659,175	\$ 2,659,175	\$ 2,741,845	\$ 82,670
Assessment	911,543	911,543	911,497	(46)
Interest	160	160	1,981	1,821
Grants and contracts	491,775	491,775	491,224	(551)
<b>Transfers from other funds</b>	310,113	310,113	310,113	
<b>Total revenue</b>	4,372,766	4,372,766	4,456,660	83,894
 <b>Beginning fund balance</b>	 162,308	 162,308	 358,699	 196,391
<b>Total available         for appropriation</b>	4,535,074	4,535,074	4,815,359	280,285
 <b>Expenditures</b>				
<b>Debt service:</b>				
Principal	1,754,163	1,754,163	1,754,162	1
Interest	2,731,027	2,731,027	2,730,989	38
Material and services	3,400	3,400	3,400	
<b>Total expenditures</b>	4,488,590	4,488,590	4,488,551	39
 <b>Ending fund balance</b>	\$ 46,484	\$ 46,484	\$ 326,808	\$ 280,324

## **CAPITAL PROJECTS FUND**

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

**CENTRAL OREGON COMMUNITY COLLEGE**

**COMPARATIVE SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE  
CAPITAL PROJECTS FUND  
BUDGETARY BASIS**

**JUNE 30, 2014 AND 2013**

	<i>2014</i>	<i>2013</i>
<b>ASSETS</b>		
Pooled cash and investments	\$ 20,441,962	\$ 15,472,730
Certificate of deposit	6,000,000	
<i>Total assets</i>	\$ 26,441,962	\$ 15,472,730
 <b>LIABILITIES AND FUND EQUITY</b>		
<i>Liabilities:</i>		
Accounts payable	\$ 1,615,510	\$ 515,927
 <i>Fund equity:</i>		
Fund balance		
Undesignated	24,826,452	14,956,803
<i>Total liabilities and fund equity</i>	\$ 26,441,962	\$ 15,472,730

**CENTRAL OREGON COMMUNITY COLLEGE**

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

**YEAR ENDED JUNE 30, 2014**

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Revenue</b>				
<b>Local</b>				
Interest	\$ 46,500	\$ 46,500	\$ 41,416	\$ (5,084)
Other income	539,200	539,200	279,594	(259,606)
Donations			26,300	26,300
Contracts			117,708	117,708
State grants	5,700,000	5,700,000	2,195,365	(3,504,635)
Bond sale proceeds	22,500,000	22,500,000	21,419,656	(1,080,344)
Transfers from other funds	1,712,468	1,712,468	2,522,023	809,555
	<u>30,498,168</u>	<u>30,498,168</u>	<u>26,602,062</u>	<u>(3,896,106)</u>
<b>Total revenue</b>	30,498,168	30,498,168	26,602,062	(3,896,106)
<b>Beginning fund balance</b>	<u>15,785,477</u>	<u>15,785,477</u>	<u>14,956,803</u>	<u>(828,674)</u>
<b>Total available         for appropriation</b>	<u>46,283,645</u>	<u>46,283,645</u>	<u>41,558,865</u>	<u>(4,724,780)</u>
<b>Expenditures</b>				
<b>Capital outlay</b>				
Personal services	503,633	503,633	380,074	123,559
Materials and services	1,755,000	2,030,000	1,810,152	219,848
Capital Outlay	25,425,000	24,340,000	13,653,610	10,686,390
Transfers out	314,505	1,124,505	888,577	235,928
	<u>27,998,138</u>	<u>27,998,138</u>	<u>16,732,413</u>	<u>11,265,725</u>
<b>Total expenditures</b>	27,998,138	27,998,138	16,732,413	11,265,725
<b>Ending fund balance</b>	<u>\$ 18,285,507</u>	<u>\$ 18,285,507</u>	<u>\$ 24,826,452</u>	<u>\$ 6,540,945</u>

**PROPRIETARY FUNDS**

**ENTERPRISE FUNDS**

**INTERNAL SERVICE FUND**



## **ENTERPRISE FUNDS**

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

**CENTRAL OREGON COMMUNITY COLLEGE**

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

**JUNE 30, 2014  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)**

	<i>Bookstore</i>	<i>Food Service Reserve</i>
<b>ASSETS</b>		
<i>Current assets:</i>		
Pooled cash and investments	\$ 2,534,289	\$ 52,000
Accounts receivable	50,252	
Inventory	532,024	
<i>Total current assets</i>	3,116,565	52,000
 <i>Capital assets</i>		
Buildings and equipment	1,576,763	
Accumulated depreciation	(861,307)	
Net property and equipment	715,456	
<i>Total assets</i>	\$ 3,832,021	\$ 52,000
 <b>LIABILITIES AND FUND EQUITY</b>		
<i>Liabilities:</i>		
Accounts payable	\$ 3,900	\$
 <i>Fund equity:</i>		
Contributed capital	20,000	
Retained earnings - unreserved	3,808,121	52,000
<i>Total fund equity</i>	3,828,121	52,000
<i>Total liabilities and fund equity</i>	\$ 3,832,021	\$ 52,000

<i>Residence Hall</i>	<i>Totals</i>	
	<i>2014</i>	<i>2013</i>
\$ 1,247,264	\$ 3,833,553	\$ 3,288,101
	50,252	151,432
	<u>532,024</u>	<u>620,014</u>
<u>1,247,264</u>	<u>4,415,829</u>	<u>4,059,547</u>
591,871	2,168,634	2,168,634
<u>(545,412)</u>	<u>(1,406,719)</u>	<u>(1,341,424)</u>
<u>46,459</u>	<u>761,915</u>	<u>827,210</u>
<u>\$ 1,293,723</u>	<u>\$ 5,177,744</u>	<u>\$ 4,886,757</u>
\$ 14	\$ 3,914	\$ 12,820
	20,000	180,098
<u>1,293,709</u>	<u>5,153,830</u>	<u>4,693,839</u>
<u>1,293,709</u>	<u>5,173,830</u>	<u>4,873,937</u>
<u>\$ 1,293,723</u>	<u>\$ 5,177,744</u>	<u>\$ 4,886,757</u>

**CENTRAL OREGON COMMUNITY COLLEGE**

**COMBINING STATEMENT OF REVENUE, EXPENSES, AND  
CHANGES IN FUND BALANCE  
ALL ENTERPRISE FUNDS  
BUDGETARY BASIS**

**YEAR ENDED JUNE 30, 2014  
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2013)**

	<i>Bookstore</i>	<i>Food Service Reserve</i>
<b>Operating revenue:</b>		
Charges for services	\$ 3,589,918	\$
<i>Total operating revenue</i>	3,589,918	
<b>Operating expenses:</b>		
Salaries	360,880	
Payroll assessments	191,079	
Materials and services	2,695,208	
Capital outlay	16,855	
Depreciation	58,644	
<i>Total operating expenses</i>	3,322,666	
Operating income (loss)	267,252	
<b>Non-operating revenue (expenses):</b>		
Interest income	3,449	
Operating transfer in		52,000
Operating transfer out	(550,000)	
<i>Total non-operating revenue (expenses)</i>	(546,551)	52,000
Net income (loss)	(279,299)	52,000
<b>Net assets - beginning of year</b>	4,107,420	
<b>Net assets - end of year</b>	\$ 3,828,121	\$ 52,000

<i>Residence Hall</i>	<i>Totals</i>	
	<i>2014</i>	<i>2013</i>
\$ 829,386	\$ 4,419,304	\$ 4,682,378
<u>829,386</u>	<u>4,419,304</u>	<u>4,682,378</u>
113,951	474,831	432,548
73,716	264,795	247,856
368,396	3,063,604	3,528,236
8,233	25,088	19,728
<u>6,651</u>	<u>65,295</u>	<u>65,293</u>
<u>570,947</u>	<u>3,893,613</u>	<u>4,293,661</u>
<u>258,439</u>	<u>525,691</u>	<u>388,717</u>
1,236	4,685	5,892
319,517	371,517	
<u>(52,000)</u>	<u>(602,000)</u>	<u>(600,000)</u>
<u>268,753</u>	<u>(225,798)</u>	<u>(594,108)</u>
527,192	299,893	(205,391)
<u>766,517</u>	<u>4,873,937</u>	<u>5,079,328</u>
<u>\$ 1,293,709</u>	<u>\$ 5,173,830</u>	<u>\$ 4,873,937</u>

**CENTRAL OREGON COMMUNITY COLLEGE**

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

**YEAR ENDED JUNE 30, 2014  
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2013)**

	<i>Bookstore</i>	<i>Food Service Reserve</i>
<b>Cash flows from operating activities:</b>		
Cash received for services	\$ 3,691,098	\$
Cash payments for goods and services	(2,623,439)	
Cash payments to employees	(551,959)	
<i>Net cash flows from operating activities</i>	515,700	
<b>Cash flows from non-capital financing activities</b>	(550,000)	52,000
<b>Cash flows from investing activities:</b>		
Interest earned	3,449	
<i>Net cash flows from investing activities</i>	3,449	
<b>Net increase (decrease) in cash and cash equivalents</b>	(30,851)	52,000
<b>Cash and cash equivalents - beginning of year</b>	2,565,140	
<b>Cash and cash equivalents - end of year</b>	\$ 2,534,289	\$ 52,000
<b>Reconciliation of operating income to net cash flows from operating activities:</b>		
Operating income (loss)	\$ 267,252	\$
Adjustments to reconcile operating income to net cash flows from operating activities		
Depreciation	58,644	
Decrease (increase) in accounts receivable	101,180	
Decrease (increase) in inventory	87,990	
Increase (decrease) in accounts payable	634	
<i>Net cash flows from operating activities</i>	\$ 515,700	\$

<i>Residence</i>	<i>Totals</i>	
	<i>Hall</i>	<i>2014</i>
\$ 829,386	\$ 4,520,484	\$ 4,706,091
(386,169)	(3,009,608)	(3,558,960)
<u>(187,667)</u>	<u>(739,626)</u>	<u>(680,404)</u>
255,550	771,250	466,727
<u>267,517</u>	<u>(230,483)</u>	<u>(600,000)</u>
1,236	4,685	5,892
<u>1,236</u>	<u>4,685</u>	<u>5,892</u>
524,303	545,452	(127,381)
<u>722,961</u>	<u>3,288,101</u>	<u>3,415,482</u>
<u>\$ 1,247,264</u>	<u>\$ 3,833,553</u>	<u>\$ 3,288,101</u>
\$ 258,439	\$ 525,691	\$ 388,717
6,651	65,295	65,293
	101,180	23,713
	87,990	(16,526)
<u>(9,540)</u>	<u>(8,906)</u>	<u>5,530</u>
<u>\$ 255,550</u>	<u>\$ 771,250</u>	<u>\$ 466,727</u>

**CENTRAL OREGON COMMUNITY COLLEGE**

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

**YEAR ENDED JUNE 30, 2014**

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
<b>Revenue</b>				
<b>Local:</b>				
Sales	\$ 6,388,000	\$ 6,388,000	\$ 3,589,918	\$ (2,798,082)
Interest	4,000	4,000	3,449	(551)
<i>Total revenue</i>	6,392,000	6,392,000	3,593,367	(2,798,633)
<b>Beginning available resources</b>	2,980,000	2,980,000	3,333,320	353,320
<i>Total available for appropriation</i>	9,372,000	9,372,000	6,926,687	(2,445,313)
<b>Expenditures</b>				
Personnel services	660,521	660,521	551,959	108,562
Materials and services	5,384,950	4,984,950	2,695,208	2,289,742
Capital outlay	500,000	500,000	16,855	483,145
Transfer to other funds	150,000	550,000	550,000	
<i>Total expenditures</i>	6,695,471	6,695,471	3,814,022	2,881,449
<b>Ending available resources</b>	\$ 2,676,529	\$ 2,676,529	\$ 3,112,665	\$ 436,136

**Analysis of ending available resources**

Current assets	\$ 3,116,565
Less liabilities	(3,900)
	\$ 3,112,665



**CENTRAL OREGON COMMUNITY COLLEGE**

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

**YEAR ENDED JUNE 30, 2014**

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
<b>Revenue</b>				
<b>Local:</b>				
Sales	\$	\$	\$	
Transfer from other funds			52,000	52,000
<i>Total revenue</i>			52,000	52,000
<b>Beginning available resources</b>				
<i>Total available             for appropriation</i>			52,000	52,000
<b>Expenditures</b>				
Personnel services				
Materials and services				
Capital outlay				
Transfer to other funds				
<i>Total expenditures</i>				
<b>Ending available resources</b>			\$ 52,000	\$ 52,000

*Analysis of ending available resources*

Current assets		\$ 52,000	
Less liabilities			
		\$ 52,000	

**CENTRAL OREGON COMMUNITY COLLEGE**

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

**YEAR ENDED JUNE 30, 2014**

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
<b>Revenue</b>				
<b>Local:</b>				
Room and board	\$ 807,206	\$ 807,206	\$ 829,386	\$ 22,180
Interest	2,527	2,527	1,236	(1,291)
Transfer from other funds	<u>                    </u>	<u>                    </u>	<u>319,517</u>	<u>319,517</u>
<i>Total revenue</i>	809,733	809,733	1,150,139	340,406
<b>Beginning available resources</b>	<u>626,347</u>	<u>626,347</u>	<u>713,407</u>	<u>87,060</u>
<i>Total available for appropriation</i>	<u>1,436,080</u>	<u>1,436,080</u>	<u>1,863,546</u>	<u>427,466</u>
<b>Expenditures</b>				
Personnel services	212,125	212,125	187,667	24,458
Materials and services	466,937	466,937	368,396	98,541
Capital outlay	20,000	20,000	8,233	11,767
Transfer to other funds	<u>350,000</u>	<u>350,000</u>	<u>52,000</u>	<u>298,000</u>
<i>Total expenditures</i>	<u>1,049,062</u>	<u>1,049,062</u>	<u>616,296</u>	<u>432,766</u>
<b>Ending available resources</b>	<u>\$ 387,018</u>	<u>\$ 387,018</u>	<u>\$ 1,247,250</u>	<u>\$ 860,232</u>

**Analysis of ending available resources**

Current assets	\$ 1,247,264
Less liabilities	<u>(14)</u>
	<u>\$ 1,247,250</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 BALANCE**  
**INTERNAL SERVICE FUND**  
**BUDGETARY BASIS**

**JUNE 30, 2014**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)**

	<i>Totals</i>	
	<i>2014</i>	<i>2013</i>
<b>ASSETS</b>		
<i>Current assets:</i>		
Pooled cash and investments	\$ 466,914	\$ 449,998
<i>Total current assets</i>	466,914	449,998
<i>Capital assets:</i>		
Building and equipment	60,736	60,736
Accumulated depreciation	(29,378)	(22,725)
Net property and equipment	31,358	38,011
<i>Total assets</i>	\$ 498,272	\$ 488,009
<b>LIABILITIES AND FUND EQUITY</b>		
<i>Liabilities:</i>		
Accounts payable	\$ 15,828	\$ 3,088
<i>Fund equity:</i>		
Retained earnings - unreserved	482,444	484,921
<i>Total liabilities and fund equity</i>	\$ 498,272	\$ 488,009

**CENTRAL OREGON COMMUNITY COLLEGE**

**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN RETAINED EARNINGS  
INTERNAL SERVICE FUND  
BUDGETARY BASIS**

**JUNE 30, 2014  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)**

	<i>Centralized Services</i>	<i>Copier Activities</i>	<i>Totals</i>	
			<i>2014</i>	<i>2013</i>
<b>Operating revenue:</b>				
Charges for services	\$ 200,875	\$ 119,089	\$ 319,964	\$ 353,446
<b>Operating expenses:</b>				
Salaries	51,505	17,779	69,284	70,604
Payroll assessments	44,963	9,591	54,554	52,594
Materials and services	86,625	105,117	191,742	161,474
Capital outlay	830		830	6,478
Depreciation	6,653		6,653	6,653
<i>Total operating expenses</i>	190,576	132,487	323,063	297,803
Operating income (loss)	10,299	(13,398)	(3,099)	55,643
<b>Non-operating revenue (expenses):</b>				
Interest income	572	50	622	901
Operating transfer out				(175,000)
<i>Total non-operating revenue (expenses)</i>	572	50	622	(174,099)
Net income (loss)	\$ 10,871	\$ (13,348)	(2,477)	(118,456)
<b>Fund equity - beginning of year</b>			484,921	603,377
<b>Fund equity - end of year</b>			\$ 482,444	\$ 484,921

**CENTRAL OREGON COMMUNITY COLLEGE**

**SCHEDULE OF CASH FLOWS  
INTERNAL SERVICE FUND  
BUDGETARY BASIS**

**JUNE 30, 2014  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)**

	<i>Totals</i>	
	<i>2014</i>	<i>2013</i>
<b>Cash flows from operating activities:</b>		
Cash received from users	\$ 319,964	\$ 353,446
Cash payments for goods and services	(179,832)	(178,494)
Cash payments to employees	(123,838)	(123,198)
<i>Net cash flows from operating activities</i>	16,294	51,754
<b>Cash flows from non-capital financing activities</b>		(175,000)
<b>Cash flows from investing activities</b>		
Interest earned	622	901
<i>Total non-operating revenue (expenses)</i>	622	901
<b>Net increase (decrease) in cash and cash equivalents</b>	16,916	(122,345)
<b>Cash and cash equivalents - beginning of year</b>	449,998	572,343
<b>Cash and cash equivalents - end of year</b>	\$ 466,914	\$ 449,998
<b>Reconciliation of operating income to net cash flows from operating activities:</b>		
Operating income (loss)	\$ (3,099)	\$ 55,643
Adjustments to reconcile operating income to net cash flows from operating activities		
Depreciation	6,653	6,653
Increase (decrease) in accounts payable	12,740	(10,542)
<i>Net cash flows from operating activities</i>	\$ 16,294	\$ 51,754

**CENTRAL OREGON COMMUNITY COLLEGE**

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

**JUNE 30, 2014**

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Revenue</b>				
<b>Local:</b>				
User charges	\$ 265,000	\$ 265,000	\$ 200,875	\$ (64,125)
Interest	<u>800</u>	<u>800</u>	<u>572</u>	<u>(228)</u>
<i>Total revenue</i>	265,800	265,800	201,447	(64,353)
<b>Beginning available resources</b>	<u>207,791</u>	<u>207,791</u>	<u>407,772</u>	<u>199,981</u>
<i>Total available     for appropriation</i>	<u>473,591</u>	<u>473,591</u>	<u>609,219</u>	<u>135,628</u>
<b>Expenditures</b>				
Personnel services	108,542	108,542	96,468	12,074
Materials and services	150,900	150,900	86,625	64,275
Capital outlay	<u>20,000</u>	<u>20,000</u>	<u>830</u>	<u>19,170</u>
<i>Total expenditures</i>	<u>279,442</u>	<u>279,442</u>	<u>183,923</u>	<u>95,519</u>
<b>Ending working capital</b>	<u>\$ 194,149</u>	<u>\$ 194,149</u>	<u>\$ 425,296</u>	<u>\$ 231,147</u>

**CENTRAL OREGON COMMUNITY COLLEGE**

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

**JUNE 30, 2014**

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
<b>Revenue</b>				
<i>Local:</i>				
User charges	\$ 123,000	\$ 123,000	\$ 119,089	\$ (3,911)
Interest	295	295	50	(245)
<i>Total revenue</i>	123,295	123,295	119,139	(4,156)
<b>Beginning available resources</b>	38,000	38,000	39,138	1,138
<i>Total available for appropriation</i>	161,295	161,295	158,277	(3,018)
<b>Expenditures</b>				
Personnel services	30,128	30,128	27,370	2,758
Materials and services	99,500	99,500	105,117	(5,617)
Capital purchases	1,000	1,000		1,000
<i>Total expenditures</i>	130,628	130,628	132,487	(1,859)
<b>Ending working capital</b>	\$ 30,667	\$ 30,667	\$ 25,790	\$ (4,877)



## **PERMANENT FUND**

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

**CENTRAL OREGON COMMUNITY COLLEGE**  
**SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE**  
**NON-EXPENDABLE TRUST FUND**  
**BUDGETARY BASIS**

**JUNE 30, 2014**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)**

	<i>Totals</i>	
	<i>2014</i>	<i>2013</i>
<b>ASSETS</b>		
Pooled cash and investments	\$ 490,065	\$ 544,460
Beneficial interest in perpetual trust	1,375,304	1,349,167
	<u>\$ 1,865,369</u>	<u>\$ 1,893,627</u>
<b>LIABILITIES AND FUND EQUITY</b>		
<b><i>Liabilities:</i></b>		
Accounts payable	\$ 118,039	\$ 171,830
	<u>118,039</u>	<u>171,830</u>
<b><i>Fund equity:</i></b>		
Fund balance		
Reserved for endowments	1,549,733	1,549,733
Unreserved	197,597	172,064
	<u>1,747,330</u>	<u>1,721,797</u>
	<u>\$ 1,865,369</u>	<u>\$ 1,893,627</u>

**CENTRAL OREGON COMMUNITY COLLEGE**

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

**JUNE 30, 2014  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)**

	<i>Totals</i>	
	<i>2014</i>	<i>2013</i>
<b>Operating expenses:</b>		
Materials and services	\$ 206,839	\$ 98,089
Operating income (loss)	(206,839)	(98,089)
<b>Non-operating revenue:</b>		
Interest	1,896	2,050
Net gain (loss) on perpetual trust	230,476	186,098
Non-operating income	232,372	188,148
Net gain	25,533	90,059
<b>FUND BALANCE - beginning of year</b>	1,721,797	1,631,738
<b>FUND BALANCE - end of year</b>	\$ 1,747,330	\$ 1,721,797

**CENTRAL OREGON COMMUNITY COLLEGE**

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

**JUNE 30, 2014**

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Over (Under)</u>
<b>BEGINNING FUND BALANCE</b>	\$ 1,721,797	\$ 375,757	\$ 1,346,040
<b>Revenue</b>			
Interest	1,896	1,900	(4)
Net gain on perpetual trust	<u>26,137</u>	<u>          </u>	<u>26,137</u>
<i>Total revenue</i>	<u>28,033</u>	<u>1,900</u>	<u>26,133</u>
<i>Total available for appropriation</i>	<u>1,749,830</u>	<u>377,657</u>	<u>1,372,173</u>
<b>Expenses</b>			
Scholarships	<u>2,500</u>	<u>3,000</u>	<u>500</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 1,747,330</u>	<u>\$ 374,657</u>	<u>\$ 1,372,673</u>

**OTHER SUPPLEMENTAL INFORMATION**

**CENTRAL OREGON COMMUNITY COLLEGE**  
**SCHEDULE OF POOLED CASH AND INVESTMENTS**  
**JUNE 30, 2014**

	<i>Cash</i>
	<u><i>Balance</i></u>
Petty cash	\$ 11,331
Demand accounts	1,867,153
Investments:	
Certificate of Deposit	6,000,000
Oregon State Treasurer's Investment Pool	<u>42,773,591</u>
	<u>\$ 50,652,075</u>

**CENTRAL OREGON COMMUNITY COLLEGE**  
**SCHEDULE OF PROPERTY TAX TRANACTIONS BY COUNTY**  
**YEAR ENDED JUNE 30, 2014**

<u>Tax Year</u>	<i>2013-14 Levy and Taxes Receivable July 1, 2013</i>	<u>Adjustments</u>	<i>Net Interest (Discount)</i>	<u>Collections</u>	<i>Receivable June 30, 2014</i>
<b>Deschutes County</b>					
2013-14	\$ 13,421,376	\$ (45,002)	\$ (324,330)	\$ 12,791,825	\$ 260,219
Prior	574,983	(20,012)	65,835	407,014	213,792
<b>Jefferson County</b>					
2013-14	1,032,985	(951)	(24,989)	970,132	36,913
Prior	95,592	(349)	10,185	58,554	46,874
<b>Crook County</b>					
2013-14	1,144,859	(1,271)	(27,290)	1,073,014	43,284
Prior	113,153	1,585		61,805	52,933
<b>Klamath County</b>					
2013-14	240,956	(1,696)	(5,944)	222,633	10,683
Prior	25,507	(1,559)	2	11,255	12,695
<b>Lake County</b>					
2013-14	113,928	44	(2,926)	106,130	4,916
Prior	12,938	(183)		5,602	7,153
<b>Wasco County</b>					
2013-14	6,227	(10)	(152)	5,801	264
Prior	530	(3)		222	305
<i>Totals</i>	<u>\$ 16,783,034</u>	<u>\$ (69,407)</u>	<u>\$ (309,609)</u>	15,713,987	<u>\$ 690,031</u>
Tax offsets and other collections				<u>(69,004)</u>	
<i>Total cash turnover to District</i>				<u>\$ 15,644,983</u>	
	<u>Cash Turnover</u>	<u>Adjustment for Accrual</u>	<u>Tax Revenue</u>	<u>Taxes Receivable</u>	
<b>By Fund</b>					
General Fund	\$ 12,911,760	\$ 2,936	\$ 12,914,696	\$ 574,602	
Debt Service Fund	<u>2,733,223</u>	<u>8,622</u>	<u>2,741,845</u>	<u>115,429</u>	
District totals	<u>\$ 15,644,983</u>	<u>\$ 11,558</u>	<u>\$ 15,656,541</u>	<u>\$ 690,031</u>	

**CENTRAL OREGON COMMUNITY COLLEGE**  
**SCHEDULE OF PROPERTY TAX TRANACTIONS BY TAX YEAR**  
**YEAR ENDED JUNE 30, 2014**

<u>Tax Year</u>	<i>2013-14 Levy and Taxes Receivable July 1, 2013</i>	<u>Adjustments</u>	<i>Net Interest (Discount)</i>	<u>Collections</u>	<i>Receivable June 30, 2014</i>
2013-14	\$ 15,960,331	\$ (48,886)	\$ (385,631)	\$ 15,169,535	\$ 356,279
2012-13	413,524	(15,569)	18,125	249,736	166,344
2011-12	208,467	(209)	19,389	128,210	99,437
2010-11	131,209	(1,070)	24,700	112,305	42,534
2009-10	44,571	(1,214)	10,392	42,637	11,112
2008-09	12,435	(949)	1,635	6,622	6,499
2007-08	5,115	(740)	1,179	3,607	1,947
Prior	<u>7,382</u>	<u>(770)</u>	<u>602</u>	<u>1,335</u>	<u>5,879</u>
<i>Totals</i>	<u>\$ 16,783,034</u>	<u>\$ (69,407)</u>	<u>\$ (309,609)</u>	15,713,987	<u>\$ 690,031</u>
Tax offsets and other collections				<u>(69,004)</u>	
Total cash turnover to District				15,644,983	
Adjustment for accrual				<u>11,558</u>	
2013-14 tax revenue				<u>\$ 15,656,541</u>	



**CENTRAL OREGON COMMUNITY COLLEGE**

**SCHEDULE OF BOND PRINCIPAL AND INTEREST TRANSACTIONS**

**YEAR ENDED JUNE 30, 2014**

<i>Issue</i>	<i>Principal</i>			<i>Ending Balance June 30, 2014</i>
	<i>Beginning Balance July 1, 2013</i>	<i>Issued</i>	<i>Paid</i>	
November 1, 1996	\$ 275,000	\$	\$ 65,000	\$ 210,000
October 1, 1997	720,000		130,000	590,000
May 1, 2001	5,680,000		205,000	5,475,000
April 23, 2003	9,270,917		313,004	8,957,913
June 17, 2010	39,570,000		985,000	38,585,000
April 16, 2014		20,965,000		20,965,000
	\$ 55,515,917	\$ 20,965,000	\$ 1,698,004	\$ 74,782,913

<i>Issue</i>	<i>Interest</i>			<i>Outstanding June 30, 2014</i>
	<i>Outstanding July 1, 2013</i>	<i>Matured</i>	<i>Paid</i>	
November 1, 1996	\$	\$ 14,308	\$ 14,308	\$
October 1, 1997		33,405	33,405	
May 1, 2001		286,785	286,785	
April 23, 2003		598,538	598,538	
June 17, 2010		1,789,288	1,789,288	
	\$	\$ 2,722,324	\$ 2,722,324	\$

**CENTRAL OREGON COMMUNITY COLLEGE**

**SCHEDULE OF REQUIREMENTS FOR RETIRMENT OF BOND INDEBTEDNESS**

**YEAR ENDED JUNE 30, 2014**

<u>Year</u>	<i>Future Principal and Interest Requirements April 23, 2003</i>		<i>Future Principal and Interest Requirements November 1, 1996 Issue</i>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014-15	\$ 316,731	\$ 644,811	\$ 65,000	\$ 10,473
2015-16	316,166	690,376	70,000	6,490
2016-17	315,936	740,606	75,000	2,213
2017-18	315,884	795,658		
2018-19	313,470	853,072		
Years Thereafter	<u>7,379,726</u>	<u>5,042,218</u>		
<i>Totals</i>	<u>\$ 8,957,913</u>	<u>\$ 8,766,741</u>	<u>\$ 210,000</u>	<u>\$ 19,176</u>

<u>Year</u>	<i>Future Principal and Interest Requirements May 1, 2001 Issue</i>		<i>Future Principal and Interest Requirements October 1, 1997 Issue</i>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014-15	\$ 210,000	\$ 276,945	\$ 135,000	\$ 26,648
2015-16	220,000	266,760	145,000	19,508
2016-17	235,000	256,090	150,000	11,985
2017-18	245,000	244,340	160,000	4,079
2018-19	255,000	232,090		
Years Thereafter	<u>4,310,000</u>	<u>1,546,785</u>		
<i>Totals</i>	<u>\$ 5,475,000</u>	<u>\$ 2,823,010</u>	<u>\$ 590,000</u>	<u>\$ 62,220</u>

<u>Year</u>	<i>Future Principal and Interest Requirements June 17, 2010 Issue</i>		<i>Future Principal and Interest Requirements April 16, 2014 Issue</i>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014-15	\$ 1,090,000	\$ 1,769,625	\$	\$ 980,986
2015-16	1,205,000	1,739,950	390,000	871,988
2016-17	1,335,000	1,699,800	405,000	856,387
2017-18	1,475,000	1,650,250	420,000	840,188
2018-19	1,625,000	1,593,250	435,000	823,387
Years Thereafter	<u>31,855,000</u>	<u>10,602,600</u>	<u>19,315,000</u>	<u>12,283,625</u>
<i>Totals</i>	<u>\$ 38,585,000</u>	<u>\$ 19,055,475</u>	<u>\$ 20,965,000</u>	<u>\$ 16,656,561</u>

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

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

**JUNE 30, 2014**

Board of Officials  
Central Oregon Community College  
Bend, Oregon

We have audited the basic financial statements of the Central Oregon Community College as of and for the year ended June 30, 2014, and have issued our report thereon dated October 31, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Compliance**

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

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

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

**CENTRAL OREGON COMMUNITY COLLEGE**

**INDEPENDENT AUDITORS' REPORT REQUIRED**  
**BY STATE REGULATIONS (CONTINUED)**

**JUNE 30, 2014**

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

**OAR 162-10-0230 Internal Control**

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

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

Kerkoch Katter & Nelson, LLP  
Certified Public Accountants



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

October 31, 2014

## **SINGLE AUDIT ACT REQUIREMENTS**



**CENTRAL OREGON**  
community college

# KERKOC H KATTER & NELSON, LLP

*Certified Public Accountants*

45 NW Hawthorne Avenue • Bend, Oregon 97701 • Phone (541) 382-3468 • Fax (541) 382-0533

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

Board of Officials  
Central Oregon Community College  
Bend, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Central Oregon Community College, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Central Oregon Community College's basic financial statements, and have issued our report thereon dated October 31, 2014.

### ***Internal Control over Financial Reporting***

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

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

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



# KERKOCCH KATTER & NELSON, LLP

*Certified Public Accountants*

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


### *Compliance and Other Matters*

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

### *Purpose of this Report*

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

Kerkoch Katter & Nelson, LLP  
Certified Public Accountants

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

October 31, 2014

# **KERKOCCH KATTER & NELSON, LLP**

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

Board of Officials  
Central Oregon Community College  
Bend, Oregon

### ***Report on Compliance for Each Major Federal Program***

We have audited Central Oregon Community College's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of Central Oregon Community College's major federal programs for the year ended June 30, 2014. Central Oregon Community College's major federal programs are identified in the Schedule of Findings and Questioned Costs.

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Central Oregon Community College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Central Oregon Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major Federal Program***

In our opinion, Central Oregon Community College, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

# KERKOCCH KATTER & NELSON, LLP

*Certified Public Accountants*

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

### *Report on Internal Control Over Compliance*

Management of the Central Oregon Community College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Central Oregon Community College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Central Oregon Community College's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Kerkoch Katter & Nelson, LLP  
Certified Public Accountants



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

October 31, 2014

**CENTRAL OREGON COMMUNITY COLLEGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2014**

<i>Federal Grantor/ Pass-through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Agency or Pass- through Number</i>	<i>Expenditures 2013-14</i>
<b>Department of Education</b>			
Student financial aid programs			
Supplemental educational opportunity grants	84.007	N/A	\$ 259,200
Perkins grant	84.037	N/A	1,455
College work study program	84.033	N/A	219,314
Pell grant programs	84.063	N/A	<u>12,466,916</u>
<i>Total student financial aid - cluster</i>			<u>12,946,885</u>
Adult education - State grant program	84.002	N/A	<u>236,192</u>
<i>Total department of education</i>			<u>236,192</u>
<b>Other programs</b>			
Trade Adjustment Assistance	17.282	N/A	122,500
Small business development center - SBA Grant	59.037	N/A	<u>70,558</u>
<i>Total other programs</i>			<u>193,058</u>
<i>Total federal financial assistance</i>			<u>\$ 13,376,135</u>

Note: The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting. In addition to the direct financial assistance, federal guaranteed student loans in the amount of \$24,162,878 were administered during the year ended June 30, 2014.

**CENTRAL OREGON COMMUNITY COLLEGE**  
**SCHEDULE OF FINDINGS AND QUESTIONS COSTS**  
**YEAR ENDED JUNE 30, 2014**

*Summary of Auditors' Results*

1. The auditors' report expresses an unqualified opinion on the general purpose financial statements of the College.
2. No reportable conditions relating to the audit of the general purpose financial statements are reported in this Schedule.
3. No instances of noncompliance material to the general purpose financial statements of the College were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the Report on Compliance.
5. The auditors' report on compliance with requirements applicable to each major federal program for the College expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for the College are reported in this Schedule.
7. The programs tested as major programs were the U.S. Department of Education Cluster CFDA #84.007, #84.037, #84.033 and #84.063.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The College was determined to be a low-risk auditee.
10. There were no findings or questioned costs in the year ended June 30, 2013 Single Audit.

*Findings - Financial Statements Audit*

None

*Findings and Questioned Costs - Major Federal Programs Audit*

None



**CENTRAL OREGON**  
community college