

CENTRAL OREGON COMMUNITY COLLEGE
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

CENTRAL OREGON COMMUNITY COLLEGE

OFFICIALS

JUNE 30, 2016

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CENTRAL OREGON COMMUNITY COLLEGE

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CENTRAL OREGON
community college

KERKOC H KATTER & NELSON, LLP

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

Board of Officials
Central Oregon Community College
Bend, Oregon

Report on the financial Statements

We have audited the accompanying financial statements of Central Oregon Community College and Central Oregon Community College Foundation, its discretely presented component unit as of and for the year ended June 30, 2016, 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards and Other Information

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2016, on our consideration of Central Oregon Community College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued a report titled "Independent Auditors' Report Required by State Regulations" dated October 31, 2016, 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, 2016

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, 2016. The purpose of the MD&A is to assist readers in understanding the accompanying financial statements by providing an analysis of the College's financial activity based on currently known facts and conditions. Management prepares this discussion, and is responsible for the completeness and reliability of the information. This discussion should be read in conjunction with the financial statements and related footnote disclosures.

Accounting Standards

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

Overview of the Financial Statements

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

- ❖ *The Statement of Net Position* presents information on the College's financial position at the end of the fiscal year and includes all assets and liabilities with the net difference reported as net position. Over time, increases or decreases in the net position are an indicator of the improvement or deterioration of the College's financial health. Assets and liabilities are generally measured using current values; capital assets are stated at historical cost, less an allowance for depreciation.
- ❖ *The Statement of Revenues, Expenses, and Changes in Net Position* presents the revenues earned and the expenses incurred during the year. Revenues and expenses are generally reported using the accrual basis of accounting, or as soon as the underlying event giving rise to the change occurs, regardless of when cash is exchanged. Thus, revenues and expenses are reported in this statement for some items that will affect cash flows in future fiscal periods. Utilization of long-term capital assets is reported in the financial statements as depreciation expense, which amortizes the cost of assets over their estimated useful lives. Revenues and expenses are reported as either operating or non-operating. The primary sources of operating revenues include tuition, fees, and grants. State appropriations and property taxes are classified as non-operating revenues. Because of the College's dependency on state aid and property tax revenue, this statement presents an operating loss although the overall net position is positive.
- ❖ *The Statement of Cash Flows* presents information on cash flows from operating activities, noncapital financial activities, capital financing activities, and investment activities. It provides the net increase or decrease in cash between the beginning and end of the fiscal year. This statement assists the reader in evaluating the College's financial viability and its ability to meet financial obligations as they become due.
- ❖ *The Notes to the Basic Financial Statements* provides additional information that is essential to a full understanding of the data provided in the entity-wide financial statements.

Financial Highlights

- The College's financial position as of June 30, 2016 consists of total assets of \$158.1 million, liabilities and deferred inflows of resources of \$90.9 million and net position of \$67.2 million, a decrease of \$12.0 million (15.0%) from the prior year. The decrease was due to the large increase in the net pension liability and reduction in net pension asset reflecting the changes in the actuarial assumptions used for GASB 68 reporting. Changes in the actuarial assumptions also increased the operating expense categories reported on the Statement of Revenues, Expenses, and Changes in Net Position. These pension reporting requirements are designed to create transparency regarding the College's portion of the outstanding liabilities with the Oregon Public Employees Retirement System (PERS).
- Student credit enrollment decreased by 9.1 percent from the prior year. This enrollment decline represents the fourth year of decline since the peak enrollment year of 2012. The decline in enrollment resulted in reduced tuition and fee revenues of \$570 thousand (4.8%). Auxiliary Enterprise revenue is up 32.3 percent over the prior year. While declining enrollment negatively impacted bookstore revenue by \$508 thousand, opening the new 320-bed residence hall resulted in an increase of \$1.7 million in residence hall and food service revenue. The continued trend of enrollment decline 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 \$983 thousand (5.9%) due to increasing property values and new construction. Other impacts on property taxes include voter approved Measure 5 and Measure 50. Measure 5 limits the maximum allowable tax to \$5 for each \$1,000 of real market value on property assessed by all public school districts including community colleges. Measure 50 further limits future annual property tax growth to 3.0 percent of assessed value. The total property taxes received of \$17.5 million by the college district includes taxes for the annual debt service for the voter approved general obligation bonds issued in June 2010.
- The State Aid for student reimbursement increased due to the State's deferral of the biennium's 8th quarter community college support fund payment for 2014-15 received in 2015-16. 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
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
2014-15	3	4	\$ 5,721	\$ 7,577
2015-16	5	4	\$ 11,266	\$ 9,411

Analysis of the Statement of Net Position

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

Statement of Net Position

<i>In thousands of dollars (000's)</i>	2016	2015	\$ Change	% Change
Assets				
Current assets	\$ 36,608	\$ 38,274	\$ (1,666)	-4.4%
Capital assets, net of depreciation	112,025	114,028	(2,003)	-1.8%
Net pension asset		5,253	(5,253)	-100.0%
Other noncurrent assets	9,552	9,969	(417)	-4.2%
Total Assets	<u>\$ 158,185</u>	<u>\$ 167,524</u>	<u>\$ (9,339)</u>	<u>-5.6%</u>
Liabilities				
Current liabilities	\$ 8,584	\$ 11,013	\$ (2,429)	-22.1%
Net pension liability	14,168		14,168	100.0%
Noncurrent liabilities	66,894	69,157	(2,263)	-3.3%
Total Liabilities	89,646	80,170	9,476	11.8%
Deferred Inflows of Resources				
Net pension related deferred inflows	1,258	7,708	(6,450)	-83.7%
Total Liabilities and Deferred Inflows	90,904	87,878	3,026	3.4%
Net Position				
Investment in capital assets, net of related debt	52,443	52,527	(84)	-0.2%
Restricted	9,177	10,719	(1,542)	-14.4%
Unrestricted	5,661	16,400	(10,739)	-65.5%
Total Net Position	<u>67,281</u>	<u>79,646</u>	<u>(12,365)</u>	<u>-15.5%</u>
Total Liabilities and Net Position	<u>\$ 158,185</u>	<u>\$ 167,524</u>	<u>\$ (9,339)</u>	<u>-5.6%</u>

Current assets consist of pooled cash and investments, accounts receivable, and inventory. Current assets decreased \$1.6 million (4.4%) from the prior year. The major contributor to this change is a decrease in cash and investments of \$1.3 million. Property taxes receivable remained flat from the prior year, while accounts receivable decreased \$150 thousand, and inventory decreased \$131 thousand. Capital assets consist of land, buildings, equipment, and land improvements net of accumulated depreciation. Capital assets decreased \$2.0 million due to new equipment purchases and building remodels net of accumulated depreciation. A change in the actuarial assumptions under GASB 68 eliminated the pension asset and created a pension liability. Other noncurrent assets include a pension prepayment and the beneficial interest in a perpetual trust.

Current liabilities consist of accounts payable, interest payable, accrued expenses, unearned revenue, and the current portion of long-term debt. Current liabilities decreased \$2.4 million (22.1%) from the prior year due to decreases in accounts payable of \$2.0 million, unearned revenue of \$567 thousand, offset by an increase of \$147 thousand in current portion of long-term debt. Included in the noncurrent liabilities are long-term obligations in the form of full faith & credit bonds, pension obligation bonds, general obligation bonds, capital leases, and other post-employment benefits (OPEB). The decrease in noncurrent liabilities of \$2.3 million (3.3%) is due to debt service payments of \$2.4 million, net of a \$120 thousand increase in other post-employment benefits (OPEB) liability.

Increases in net pension liability and decreases in deferred inflows reflect the changes in the actuarial assumptions used for Governmental Accounting Standards Board Number 68 reporting (accounting and financial reporting for pensions) implemented in 2015. The net pension liability represents the College's proportionate share of the Oregon Public Employees Retirement System (PERS) net liabilities.

Net position is the difference between total assets and total liabilities. The College reports investment in capital assets (land, buildings, and major equipment) at historical cost less any debt used to acquire those assets. The College has \$52.4 million (77.9%) of total net position invested in capital assets, \$9.1 million (13.6%) is restricted primarily for construction, and \$5.6 million (8.4%) is 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 expenses during the year, with the difference increasing or decreasing the College's net position. GASB standards require the College to categorize revenues as either operating or non-operating. Operating revenues include tuition, fees, grants, contracts, and sales and services of various self-supporting operations. Although property taxes and State appropriations are budgeted as operating revenues, under GASB standards these funding sources are reported as non-operating revenues. The comparative Statement of Revenues, Expenses, and Changes in Net Position is provided below.

Statement of Revenues, Expenses and Changes in Net Position

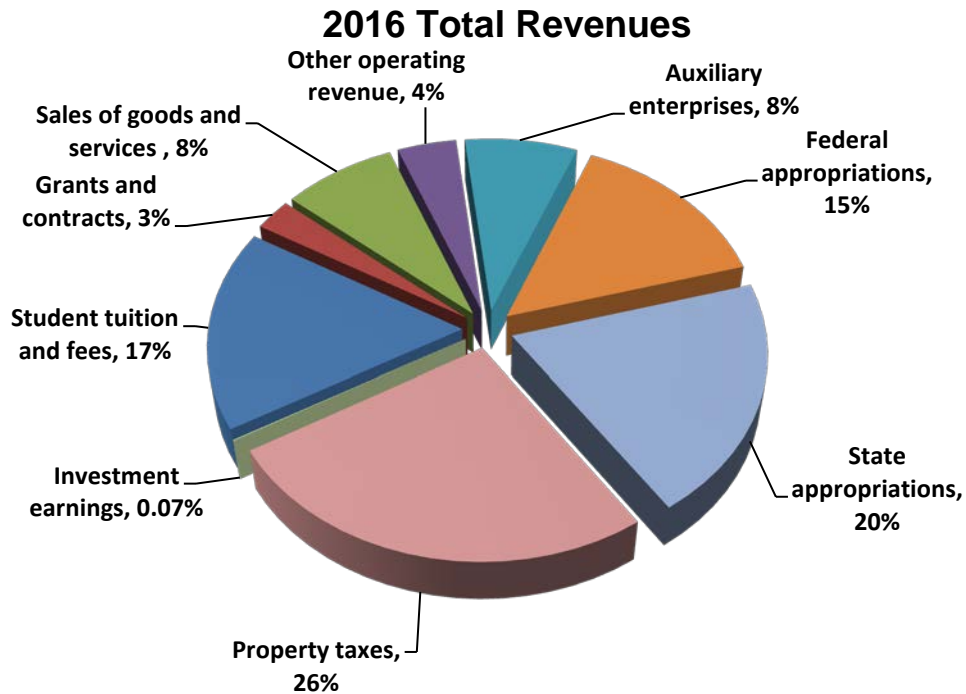
<i>In thousands of dollars (000's)</i>	2016	2015	\$ Change	% Change
Operating Revenue				
Student tuition and fees	\$ 11,295	\$ 11,865	\$ (570)	-4.8%
Grants and contracts	1,715	2,265	(550)	-24.3%
Sales of goods and services	5,318	5,947	(629)	-10.6%
Other operating revenue	2,757	1,699	1,058	62.3%
Auxiliary enterprises	5,258	3,974	1,284	32.3%
Total operating revenues	26,343	25,750	593	2.3%
Non-Operating Revenues				
Federal appropriations	9,793	12,066	(2,273)	-18.8%
State appropriations	13,384	16,527	(3,143)	-19.0%
Property Taxes	17,519	16,536	983	5.9%
Investment earnings	45	131	(86)	-65.6%
Total non-operating revenues	40,741	45,260	(4,519)	-10.0%
Total Revenues	67,084	71,010	(3,926)	-5.5%
Operating Expenses				
Instruction	30,903	21,104	9,799	46.4%
Instructional support services	4,531	3,165	1,366	43.2%
Student services	12,603	13,816	(1,213)	-8.8%
College support services	8,079	6,598	1,481	22.4%
Plant operations and maintenance	7,112	6,654	458	6.9%
Information and technology services	4,752	3,685	1,067	29.0%
Depreciation	4,008	3,364	644	19.1%
Auxiliary enterprises	4,424	3,591	833	23.2%
Total operating expenses	76,412	61,977	14,435	23.3%
Nonoperating expenses				
Interest expense	3,038	2,411	627	26.0%
Total non-operating expenses	3,038	2,411	627	26.0%
Total Expenses	79,450	64,388	15,062	23.4%
Decrease in net position	(12,366)	6,622	(18,988)	-286.7%
Net position - beginning of year	79,647	73,024	6,623	9.1%
Net position - end of year	\$ 67,281	\$ 79,646	\$ (12,365)	-15.5%

Revenues

Operating revenues increased by \$593 thousand (2.3%) from the prior fiscal year. Tuition and fee revenue from credit classes decreased \$570 thousand (4.8%). Grant and contract revenue decreased \$550 thousand (24.3%) and sales of goods and services decreased \$629 thousand (10.6%) due to the reclassification of lease agreements. Other operating revenues increased \$1.0 million due to the lease reclassification, new leases, and increased revenues from Community Learning. Auxiliary enterprise revenues increased \$1.2 million (32.3%) reflecting the \$1.7 million increase from the opening of the new residence hall and associated food service operations, offset by a decrease in bookstore revenue of \$508 thousand.

Non-operating revenues decreased \$4.5 million (10.0%) from prior year. Federal appropriations declined \$2.2 million (18.8%) primarily due to lower levels of federal financial aid. State appropriations decreased \$3.1 million (19.0%) due to the \$8.8 million decrease in matching State bond proceeds received for construction in fiscal year 2015, offset by a net increase of \$106 thousand in financial aid and grants, and \$5.5 million in State FTE reimbursement. The \$5.5 million State FTE reimbursement is the result of an increase in the State's community college support fund appropriation (\$85.0 million) providing \$1.8 million, and the deferral of the fourth quarter \$3.7 million reimbursement payment from 2015 to 2016. The college received three payments in 2015, and five payments in 2016. Property tax revenue increased \$983 thousand (5.9%) due to increasing property values and new construction. Total investment earnings decreased \$86 thousand (65.6%) due to the expenditure of bond proceeds from the \$20.9 million full faith and credit bonds issued for construction of the new residence hall.

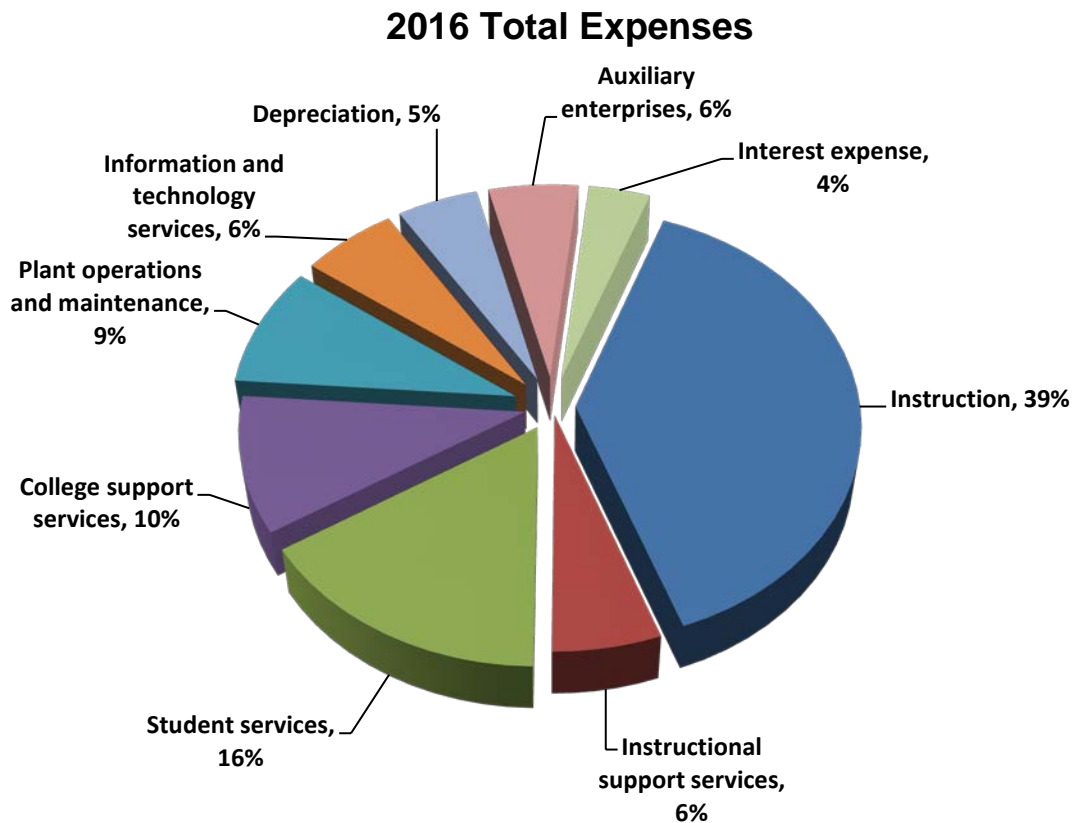
The following graph illustrates the total revenue sources for the College for the 2016 fiscal year. Federal appropriations now represent 15.0 percent of College revenues compared to 17.0 percent last year. State appropriations decreased from 23.0 percent to 20.0 percent. Property taxes represent 26.0 percent of revenues compared to 23.0 percent last year. Student tuition and fees, grant and contracts, sales of goods and service, auxiliary enterprises and other revenue remained relatively flat as a percentage of total revenues.



Expenses

Operating expenses consist of salaries and benefits, materials and services, utilities, grants and scholarships, and depreciation. Total operating expenses increased \$14.4 million (23.3%) due primarily to recognition of the unfunded pension liability of \$12.9 million. Total operating expense increases in instruction and instructional support of \$11.1 million is due to reporting the PERS pension liability and pension asset reduction. Plant operations and maintenance and depreciation expense increased \$1.1 million while college support and information technology expense increased \$2.5 million. The \$1.2 million decrease in student services reflects the impacts of declining enrollment on financial aid disbursements. Auxiliary enterprise expenses increased \$833 thousand (23.2%) due to the \$964 thousand increased operating costs associated with the larger new residence hall and food service, offset by the \$133 thousand decrease in bookstore operations.

Nonoperating expenses increased \$627 thousand (26.0%) in the form of long-term interest expense due to the new debt service payment on the residence hall. The following graph illustrates the total expenditures for the College for the 2016 fiscal year. Instruction now represents 39.0 percent of College expenditures compared to 33.0 percent last year. Student services decreased from 21.0 percent to 16.0 percent, while plant operations and maintenance dropped from 10.0 percent to 9.0 percent. College support services, information technology, depreciation, auxiliary enterprises and instructional support expenses remained relatively flat as a percentage of total expenses.



As mentioned earlier, adherence to GASB Statement No. 68 resulted in a substantial adjustment to the net pension liability and related expenses. This accounting adjustment does not reflect actual spending by the college. A comparison between 2016 and 2015 expenses excluding the pension adjustment is provided below.

	2016 Expenses excluding pension adjustment	2015 Expenses excluding pension adjustment	Total percentage change
Instruction	23,610,623	23,667,411	-0.2%
Instructional Support	3,493,405	3,164,683	10.4%
Student Services	11,453,225	13,816,361	-17.1%
College Support Services	6,453,411	6,598,104	-2.2%
Plant Operations & Maintenance	6,476,813	6,653,800	-2.7%
Information Technology Services	3,807,889	3,685,406	3.3%
Auxiliary Enterprises	4,137,437	3,590,910	15.2%

Analysis of the Statement of Cash Flows

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

Statement of Cash Flows

<i>In thousands of dollars (000's)</i>	2016	2015	\$ Change	% Change
Cash Flows From Operating Activities	\$ (48,298)	\$ (32,047)	\$ (16,251)	51%
Cash Flows From Noncapital Financing Activities	53,156	42,165	10,991	26%
Cash Flows From Capital Financing Activities	(6,276)	(28,904)	22,628	-78%
Cash Flows From Investing Activities	45	131	(86)	-66%
Net Increase (Decrease) in Cash and Investments	(1,373)	(18,655)	17,282	-93%
Cash and Pooled Investments - beginning of year	31,997	50,652	(18,655)	-37%
Cash and Pooled Investments - end of year	\$ 30,624	\$ 31,997	\$ (1,373)	-4%

The end of year net cash and pooled investment balance of \$30.6 million decreased \$1.3 million (4.0%) from the prior year. The largest sources of cash from operating activities include student tuition and fees, auxiliary enterprises, and financial aid. Major uses of operating cash include payments for employees, facilities, and materials and supplies. Current accounting standards now require that cash payments from property taxes, state appropriations, and federal appropriations be classified as noncapital financing activities even though colleges budget these revenues for operations. Other noncapital components include long-term debt service payments, change in other post-employment benefits payable, and changes in pension obligations. The use of cash from capital financing activities reflects the capital related long-term debt service payments, major equipment, and building construction.

General Fund Budgetary Highlights

The general fund is the College's primary operating fund. It accounts for all the financial operations of the College except those required to be accounted for in another fund. The general fund's actual ending fund balance totaled \$5.8 million, an increase of \$294 thousand over the beginning balance. The \$1.6 million (3.9%) negative variance in total revenue reflects reduced transfers-in (\$1.8 million) and property taxes (\$123 thousand), offset by an increase in tuition and fees (\$88 thousand) and state appropriations (\$301 thousand). The positive variance in total expenditures of \$4.1 million (9.3%) reflects various expenditure savings (instruction \$1.2 million, student services \$773 thousand, college support services \$459 thousand, plant operations and maintenance \$670 thousand, information and technology services \$282 thousand) and \$800 thousand operating contingency.

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

<i>In thousands of dollars (000's)</i>	Budget	Actual	\$ Variance	% Variance
Revenue				
<i>Local:</i>				
Property Taxes	\$ 14,803	\$ 14,680	\$ (123)	-0.8%
Tuition and fees	16,679	16,767	88	0.5%
Investment earnings	5	5		0.0%
Other operating revenue	65	1	(64)	-98.5%
<i>Intergovernmental:</i>				
State appropriations	9,110	9,411	301	3.3%
<i>Transfers-in from other funds:</i>	1,874		(1,874)	-100.0%
Total Revenue	42,536	40,864	(1,672)	-3.9%
Expenditures				
Instruction	20,176	19,009	1,167	5.8%
Instructional support services	3,324	3,320	4	0.1%
Student services	4,845	4,072	773	16.0%
College support services	5,431	4,972	459	8.5%
Plant operations and maintenance	5,230	4,560	670	12.8%
Information and technology services	4,624	4,342	282	6.1%
Financial aid	295	295		0.0%
Operating Contingency	800		800	100.0%
Total Expenditures	44,725	40,570	4,155	9.3%
Beginning fund balance	5,634	5,589	(45)	-0.8%
Ending fund balance	\$ 3,445	\$ 5,883	\$ 2,438	70.8%

Capital Assets

The College records all capital assets at historical cost with associated accumulated depreciation. The College added \$2.0 million (1.0%) in capital assets before depreciation this fiscal year. The largest changes occurred between the decrease in construction work in process for \$22.0 million and increase in buildings for \$23.0 million reflecting the addition of the new residence hall completed during 2016. The comparative Summary of Capital Assets presented below identifies the capital assets by categories and amounts.

	Summary of Capital Assets			
	2016	2015	\$ Change	% Change
Land and land improvements	\$ 10,668,447	\$ 10,668,447	\$ -	0%
Construction work in progress	-	22,008,012	(22,008,012)	-100%
Buildings	127,113,385	104,084,283	23,029,102	22%
Equipment/library books/art	10,325,932	9,342,375	983,557	11%
Change in Capital Assets	148,107,764	146,103,117	2,004,647	1%
Accumulated depreciation	(36,082,306)	(32,074,209)	(4,008,097)	12%
Net Capital Assets	\$112,025,458	\$114,028,908	\$ (2,003,450)	-2%

Debt Administration

As of June 30, 2016, the College had \$67.9 million in outstanding long-term debt, a decrease of \$2.0 million from prior year. The decrease reflects the long-term debt principal payments. The Oregon Revised Statutes limits bonded indebtedness to 1.5 percent of real market value of property within the college district for the outstanding principal amount of general obligation bonds. The College may levy property taxes in the amount required to pay annual debt service of general obligation bonds. The College has an underlying credit rating of AA- issued by Standard & Poor's. The following table summarizes the long-term debt by type of debt instrument and amount.

Outstanding Long-Term Debt as of June 30, 2016	
Full Faith & Credit bonds	\$ 21,000,497
Pension Obligation bonds	8,325,015
General Obligation bonds	38,518,847
Capital Lease	63,242
	<hr/>
	\$ 67,907,601

Future Economic Outlook

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

The State of Oregon is experiencing strong employment growth throughout most areas of the state. The impacts of a robust construction sector, low interest rates, and high levels of employment have dramatically improved the State's financial condition. Strong employment is particularly important to the State's financial health as individual and corporate income taxes represent the largest sources of revenue for the State's general fund budget. As part of the State's 2015-2017 biennial budget process, the appropriation amount for the community college support fund (CCSF) increased from \$465.0 million to \$550.0 million, an increase of \$85.0 million (18.0%). Current forecasts have the 2017 State Aid to COCC at \$9.4 million, an increase of \$52 thousand (0.5%) from 2016. State Aid represents 21.0 percent of the College's 2017 general fund budget.

Property taxes represent the second largest source of revenue for general operations. The financial health, economic vitality, and population growth of the college district impacts property values and ensuing property taxes. The college's large service district, which covers 10,000 square miles, like most areas throughout Oregon, is diverse with some communities experiencing strong economic growth and inward migration, while other communities are still experiencing lingering stagnation and weak economic activity. Property tax revenue for the current year operations is projected to reach \$15.0 million, an increase of \$800 thousand from fiscal year 2016. Property values and new construction levels are projected to increase during the next decade.

The College experienced unprecedented student enrollment growth during the period of 2008 – 2012, with credit enrollment growing 110.0 percent. Large numbers of individuals returned to college due to high levels of unemployment associated with the economic recession. The 9.1 percent decline in enrollment for fiscal year 2016 was the fourth year of decline since the peak enrollment year of 2012. This student enrollment decline is expected to continue for fiscal year 2017. Colleges and universities throughout the state and nationally continue to experience declines in student enrollment as current students continue to graduate or cycle-out at a rate higher than newly admitted students. Community college student enrollment levels tend to be countercyclical with the economy. When the economy and employment opportunities improve, student enrollment levels usually decline.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CENTRAL OREGON COMMUNITY COLLEGE

STATEMENT OF NET POSITION

JUNE 30, 2016

	<i>College</i>	<i>Foundation (Component Unit)</i>
ASSETS		
Current Assets		
Pooled cash and investments	\$ 30,624,038	\$ 18,236,644
Cash with county treasurers	110,682	
Property taxes receivable	560,166	
Accounts receivable	5,102,624	418,464
Allowance for uncollectible accounts	(343,559)	
Prepays and advances	1,409	
Student loans receivable	949	
Inventory	551,375	
Total current assets	36,607,684	18,655,108
Noncurrent Assets		
Beneficial interest in perpetual trust	1,226,391	1,017,832
Pension prepayment	8,325,015	
Capital assets - net of accumulated depreciation	112,025,458	2,547
Total noncurrent assets	121,576,864	1,020,379
Total assets	\$ 158,184,548	\$ 19,675,487
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 2,655,074	\$ 188,774
Interest payable	211,540	
Accrued expenses	650,357	
Unearned revenue	2,947,516	
Current portion of bonds and notes payable	2,119,178	
Total current liabilities	8,583,665	188,774
Noncurrent Liabilities		
Other post employment benefits payable	1,105,657	
Net pension liability	14,167,747	
Bonds and notes payable - net of current portion	65,788,422	
Total noncurrent liabilities	81,061,826	
Total liabilities	89,645,491	188,774
DEFERRED INFLOWS OF RESOURCES		
Net pension related deferred inflows	1,258,282	
Total liabilities and deferred inflows	90,903,773	188,774
NET POSITION		
Net Investment in capital assets -		
unrestricted	52,442,873	2,547
Restricted for:		
Capital projects	7,496,979	
Permanent non-expendable endowment	1,549,733	7,504,531
Donor intent		9,921,159
Debt service	129,996	
Unrestricted	5,661,194	2,058,476
Total net position	67,280,775	19,486,713
Total liabilities and net position	\$ 158,184,548	\$ 19,675,487

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, 2016

	<i>College</i>	<i>Foundation (Component Unit)</i>
OPERATING REVENUE		
Tuition and fees	\$ 11,295,374	\$
Operating gifts, grants and contracts	1,715,696	959,830
Sales and other services	5,317,544	
Other operating revenue	2,757,107	176,058
Auxiliary Enterprises		
College Bookstore	2,642,592	
Food Service Operations	979,671	
Residence Hall	1,635,436	
Total operating revenue	26,343,420	1,135,888
OPERATING EXPENSES		
Instruction	30,902,911	
Instructional support	4,531,084	
Student services - net of scholarship allowances in the amount of \$5,471,913	12,602,454	
College support services	8,078,675	1,843,023
Plant operations and maintenance	7,112,391	
Information technology services	4,752,177	
Depreciation	4,008,097	
Auxiliary Enterprises		
College Bookstore	2,725,271	
Food Service Operations	810,214	
Residence Hall	886,372	
Juniper Hall	2,149	
Total operating expenses	76,411,795	1,843,023
Operating loss	(50,068,375)	(707,135)
NON OPERATING REVENUE (EXPENSES)		
Federal appropriations	9,793,413	
State appropriations	13,384,116	
Property taxes	17,518,623	
Investment earnings	44,521	818,843
Interest expense	(3,038,210)	
Net nonoperating revenue	37,702,463	818,843
Increase (decrease) in net position	(12,365,912)	111,708
Net position - beginning of year	79,646,687	19,375,005
Net position - end of year	\$ 67,280,775	\$ 19,486,713

The accompanying notes are an integral part
of these financial statements



CENTRAL OREGON
community college

CENTRAL OREGON COMMUNITY COLLEGE

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2016

	<i>College</i>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 25,980,765
Cash payments for goods and services	(29,593,817)
Cash payments to employees	(44,684,466)
Net cash used by operating activities	(48,297,518)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Cash received from federal appropriation	9,793,413
Cash received from state appropriation	13,319,838
Cash received from property taxes	17,541,398
Change in beneficial interest in perpetual trust	100,802
Change in pension obligation	13,287,151
Change in other post employment benefits payable	120,035
Principal paid on long-term debt	(316,166)
Interest paid on long-term debt	(690,376)
Net cash provided by noncapital financing activities	53,156,095
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition of buildings, improvements and equipment	(2,004,647)
Principal paid on capital-related long-term debt	(1,655,787)
Interest paid on capital-related long-term debt	(2,615,961)
Net cash used by capital financing activities	(6,276,395)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investment income	44,521
Net cash provided by investing activities	44,521
Net decrease in cash and pooled investments	(1,373,297)
Cash and pooled investments - beginning of year	31,997,335
Cash and pooled investments - end of year	\$ 30,624,038
Reconciliation of operating loss to net cash provided (used) by operating activities:	
Operating loss	\$ (50,004,097)
Adjustments to reconcile operating loss to net cash provided by (used) by operating activities:	
Depreciation	4,008,097
(Increase) decrease in:	
Receivables	139,867
Prepaid expenses	(809)
Inventory	131,228
Increase (decrease) in:	
Accounts payable	(1,997,128)
Accrued expenses	(7,876)
Unearned revenue	(566,800)
Net cash used by operating activities	\$ (48,297,518)

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, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The College

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

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

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

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

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

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

Investments

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

The College's investments as of June 30, 2016, consist of certificates of deposit and deposits in the State of Oregon Local Government Investment Pool, which is managed and monitored by the Oregon State Treasurer. Investments are recorded at cost, which approximates market value. The fair value of the position of the pool approximates the fair value of pool shares.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Inputs and Methodologies and Hierarchy

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

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

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

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

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

Inventory

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

Restricted Assets

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

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and Payables

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

Deferred Inflows/Outflows of Resources

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

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

Capital Assets

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

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

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

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

Compensated Leave

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

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Federal Financial Assistance Programs

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

Scholarship Allowances

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

NOTE 2 - BUDGET COMPLIANCE

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

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

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

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 2 - BUDGET COMPLIANCE (CONTINUED)

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

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

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

NOTE 3 – POOLED CASH AND INVESTMENTS

The College's investment of cash funds is regulated by Oregon Revised Statutes. Under these guidelines, cash funds may be invested in bank accounts, general obligation issues of the United States, its agencies, and certain states, commercial paper and certain guaranteed investments issued by banks. The College invested in authorized investments during the year. The Oregon State Treasurer's Investment Pool is carried at cost, which approximates market value at June 30, 2016. The Oregon State Treasurer's Investment Pool is characterized as a Level 2 fair value measurement in the Oregon Short Term Fund's audited financial report.

Cash and investments at June 30, 2016 consist of the following:

	<u>Security</u>	
Cash and cash equivalents		
Petty cash	N/A	\$ 10,350
Demand deposits	FDIC & Collateral	<u>1,651,097</u>
		<u>1,661,447</u>
Investments		
Oregon State Treasurer's Investment Pool - Level 2	N/A	<u>28,962,591</u>
		<u>\$ 30,624,038</u>

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

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, 2016, the carrying amount of the College's deposits in financial institutions was \$1,651,097 and the balance per the bank statements was \$2,271,466. Of this amount, \$250,000 was covered by FDIC, and \$1,401,097 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, 2016, 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, 2016.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

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, 2016

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, 2016, by county, is as follows:

Deschutes County	\$ 15,120,476
Jefferson County	1,125,827
Crook County	1,326,720
Klamath County	256,636
Lake County	119,070
Wasco County	<u>7,300</u>
Total	<u>\$ 17,956,029</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, 2015</i>	<i>Increases</i>	<i>Decreases</i>	<i>Balance</i> <i>June 30, 2016</i>
Capital Assets - not being depreciated				
Land	\$ 3,327,690	\$	\$	\$ 3,327,690
Equipment and other	<u>577,152</u>	<u></u>	<u></u>	<u>577,152</u>
	<u>3,904,842</u>	<u></u>	<u></u>	<u>3,904,842</u>
Capital Assets - being depreciated				
Improvements	\$ 7,340,757	\$	\$	\$ 7,340,757
Construction in progress	22,008,012	902,056	(22,910,068)	
Buildings	104,084,283	23,029,102		127,113,385
Equipment and other	<u>8,765,223</u>	<u>983,557</u>	<u></u>	<u>9,748,780</u>
	<u>142,198,275</u>	<u>24,914,715</u>	<u>(22,910,068)</u>	<u>144,202,922</u>
Accumulated depreciation	<u>(32,074,209)</u>	<u>(4,008,097)</u>	<u></u>	<u>(36,082,306)</u>
	<u>\$ 114,028,908</u>	<u>\$ 20,906,618</u>	<u>\$ (22,910,068)</u>	<u>\$ 112,025,458</u>

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

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, 2016:

General and Special Obligation Bond Issues

Full Faith and Credit Obligations

April 16, 2014, original issue was \$20,965,000
interest rate of 4.0 to 5.0 percent payable
semiannually, principal paid annually; including
unamortized premium of \$425,497 \$ 21,000,497

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 \$2,228,847 38,518,847

Pension Obligation Bonds

April 23, 2003 Issue, original Issue was \$11,535,638,
interest rate of 2.04 to 6.25 percent payable
semiannually, principal paid annually. 8,325,015

\$ 67,844,359

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The following changes in general long-term debt occurred for the year ended June 30, 2016.

	<i>Balance July 1, 2015</i>	<i>Additions</i>	<i>Reductions</i>	<i>Balance June 30, 2016</i>
General and special obligation bonds	\$ 70,018,965	\$	\$ 2,174,607	\$ 67,844,358
Note payable	<u>124,029</u>	<u></u>	<u>60,787</u>	<u>63,242</u>
<i>Totals</i>	<u>\$ 70,142,994</u>	<u>\$ -</u>	<u>\$ 2,235,394</u>	<u>\$ 67,907,600</u>

<i>Principal</i>					
<i>Issue</i>	<i>Beginning Balance July 1, 2015</i>	<i>Issued</i>	<i>Matured</i>	<i>Paid</i>	<i>Ending Balance June 30, 2016</i>
April 23, 2003	\$ 8,641,181	\$	\$ 316,166	\$ 316,166	\$ 8,325,015
June 17, 2010	37,495,000		1,205,000	1,205,000	36,290,000
April 16, 2014	<u>20,965,000</u>	<u></u>	<u>390,000</u>	<u>390,000</u>	<u>20,575,000</u>
	<u>\$ 67,101,181</u>	<u>\$ -</u>	<u>\$ 1,911,166</u>	<u>\$ 1,911,166</u>	<u>\$ 65,190,015</u>

<i>Interest</i>				
<i>Issue</i>	<i>Outstanding Issued</i>	<i>Matured</i>	<i>Paid</i>	<i>Outstanding June 30, 2016</i>
April 23, 2003	\$	\$ 690,376	\$ 690,376	\$
June 17, 2010		1,739,941	1,739,941	
April 16, 2014	<u></u>	<u>871,984</u>	<u>871,984</u>	<u></u>
	<u>\$ -</u>	<u>\$ 3,302,301</u>	<u>\$ 3,302,301</u>	<u>\$ -</u>

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 7 - LONG-TERM DEBT (CONTINUED)

<u>Year Ended</u>	<i>Future Principal and Interest Requirements April 23, 2003</i>		<i>Future Principal and Interest Requirements June 17, 2010 Issue</i>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 315,936	\$ 740,606	\$ 1,335,000	\$ 1,699,800
2018	315,884	795,658	1,475,000	1,650,250
2019	313,470	853,072	1,625,000	1,593,250
2020	313,324	913,218	1,785,000	1,530,350
2021	310,745	975,797	1,955,000	1,457,525
2022-26	4,435,656	2,981,563	12,975,000	5,692,762
2027-31	<u>2,320,000</u>	<u>171,640</u>	<u>15,140,000</u>	<u>1,921,963</u>
<i>Totals</i>	<u>\$ 8,325,015</u>	<u>\$ 7,431,554</u>	<u>\$ 36,290,000</u>	<u>\$ 15,545,900</u>

<u>Year Ended</u>	<i>Future Principal and Interest Requirements April 16, 2014 Issue</i>		<i>Future Principal and Interest Requirements Note Payable</i>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 405,000	\$ 856,387	\$ 63,242	\$ 1,582
2018	420,000	840,188		
2019	435,000	823,387		
2020	455,000	805,988		
2021	475,000	787,788		
2022-26	2,655,000	3,639,937		
2027-31	3,265,000	3,030,625		
2032-36	4,050,000	2,250,825		
2037-41	4,935,000	1,360,413		
2042-44	<u>3,480,000</u>	<u>300,050</u>		
<i>Totals</i>	<u>\$ 20,575,000</u>	<u>\$ 14,695,588</u>	<u>\$ 63,242</u>	<u>\$ 1,582</u>

<u>Year Ended</u>	<i>Future Principal and Interest Requirements Totals</i>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 2,119,178	\$ 3,298,375
2018	2,210,884	3,286,096
2019	2,373,470	3,269,709
2020	2,553,324	3,249,556
2021	2,740,745	3,221,110
2022-26	20,065,656	12,314,262
2027-31	20,725,000	5,124,228
2032-36	4,050,000	2,250,825
2037-41	4,935,000	1,360,413
2042-44	<u>3,480,000</u>	<u>300,050</u>
<i>Totals</i>	<u>\$ 65,253,257</u>	<u>\$ 37,674,624</u>

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Note Payable

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

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

\$ 63,242

Future maturities of the note payable are as follows:

Year ended June 30, 2017

\$ 63,242

NOTE 8 - PARTICIPATION IN PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description

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

- a) PERS Pension (Chapter 238). The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
- i) Pension Benefits. The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage of 2.0 percent for police and fire employees, and 1.67 percent for general service employees is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.
- ii) Death Benefits. Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided on or more of the following contributions are met:
- member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time or death.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

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

- iii) Disability Benefits. A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv) Benefit Changes after Retirement. Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.
- b) OPSRP Pension Program (OPSRP DB). The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i) Pension Benefits. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age: Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
General Service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.
A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each or five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
 - ii) Death Benefits. Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.
 - iii) Disability Benefits. A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.
 - iv) Benefit Changes after Retirement. Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

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

Funding Policy

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2013 actuarial valuation, which became effective July 1, 2015. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced.

At June 30, 2016, the College reported a net pension liability of \$14,167,747 for its proportionate share of the net pension liability. The pension asset was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on a projection of the College's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

Annual Pension Cost - The College's contributions to PERS for the years ending June 30, 2016, 2015, and 2014 were \$4,001,531, \$3,688,588 and \$3,529,588 respectively, which equaled the required contribution for the years then ended.

Amounts reported as inflows of resources related to pension will be recognized in pension expense as follows:

	<u>Year ending June 30,</u>	<u>Amount</u>
	2017	\$ 1,337,319
	2018	1,337,319
-	2019	(1,372,699)
	2020	(43,657)
	Total	<u>\$ 1,258,282</u>

The College implemented GASB 68 as it relates to its PERS Pension Plan during the year ended June 30, 2015. For the year ended June 30, 2016, the College reported a Net Pension Liability in the amount of \$14,167,747 and a Deferred Inflow of Resources in the amount of \$1,258,282 as determined by an actuarial valuation provided by PERS in connection with GASB 68. The implementation also required an amortization of the Deferred Inflow of Resources in the amount of \$1,337,319 for the year ended June 30, 2016.

Management has determined, based upon the College's small impact on the state wide pool, that no material implicit rate subsidy exists and therefore there is no OPEB obligation for implicit post-employment benefits.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

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

Actuarial Valuations

The employer contribution rates effective July 1, 2015 through June 30, 2017, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

Actuarial Methods and Assumptions:

Valuation date	December 31, 2013 rolled forward to June 30, 2015
Experience Study Report	2014, Published September 2015
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.75 percent
Investment rate of return	7.75 percent
Projected salary increase	3.75 percent overall payroll growth; salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service. For COLA, a blend of 2% COLA and graded COLA (1.25%) in accordance with the Moro decision, blended based on service.
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (65% for males and 90% for females) of the RP-2000 static combined disabled mortality sex-distinct table.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

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

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2014 Experience Study which is reviewed for the four-year period ending December 31, 2013.

Discount Rate- The discount rate used to measure the total pension liability was 7.75 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

The Oregon Supreme Court on April 30, 2015, ruled in the Moro decision, that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law were unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. PERS will make restoration payments to those benefit recipients. PERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire. This is a change in benefit terms subsequent to the measurement date of June 30, 2014, which is reflected in this year's actuarial valuations.

Individual Account Program

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

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 9 - RISK MANAGEMENT

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

NOTE 10 - ORGANIZATION

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

NOTE 11 - BENEFICIAL INTEREST IN PERPETUAL TRUST

The College is a beneficiary of an irrevocable trust created by a donor, the assets of which are not in the possession of the College. The College has an irrevocable right to receive the income from the trust's assets in perpetuity. Net interest income is paid annually to the College to be used for educational purposes. Effective the first business day of January 2001, the College shall receive an amount equal to the greater of five percent of the net fair value of the Trust assets or 85 percent of the net income of the Trust. Gains or losses related to the beneficial interests are reported as a net gain (loss) on perpetual trust, in the non-expendable trust fund, based on explicit donor stipulations. The fair value at June 30, 2016 of the beneficial interests was \$1,226,391.

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 \$1,241,453 in scholarships made during the year. Complete financial statements for the Central Oregon Community College Foundation may be obtained at the entity's administrative offices located at 2600 NW College Way, Bend, Oregon 97703.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

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

Actuarial methods and assumptions – The annual required contribution (ARC) for the current year was determined as part of the July 1, 2014 actuarial valuation using the Normal Cost (the value of benefits expected to be earned in the year) plus an amortization of the unfunded liability. The amortization period is 6 years. The actuarial assumptions included (a) a rate of return on investment of present and future assets of 4% compounded annually; (b) no future increase in benefit payable from this program; and (c) no post-retirement benefit increases and an inflation rate of 2.5%. Assets of the Reserve Fund for these programs are valued at cost which approximates fair value.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 14 - POST-EMPLOYMENT BENEFITS (CONTINUED)

Stipend Benefits - Continued

Funding status and funding progress – As of July 1, 2014, the plan was 285% funded. The actuarial accrued liability for benefits was \$278,379, and the actuarial value of assets was \$793,683, 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.

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	\$ 226,159
Contributions made	<u>(106,124)</u>
Increase in net pension obligation	120,035
OPEB at beginning of year	<u>985,622</u>
OPEB at end of year	<u>\$ 1,105,657</u>
Percentage of APC contributed	<u>47%</u>

Actuarial methods and assumptions – The annual required contribution (ARC) for the current year was determined as part of the July 1, 2014 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 2.5%.

CENTRAL OREGON COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 14 - POST-EMPLOYMENT BENEFITS (CONTINUED)

Post-Employment Health Insurance Benefits – Continued

Funding status and funding progress – As of July 1, 2014, the plan was 0% funded. The actuarial accrued liability for benefits was \$1,904,382, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,904,382. The covered payroll (annual payroll of active employees covered by the plan) was \$25,756,216, and the ratio of the UAAL to the covered payroll was 7.4%.

NOTE 15 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 31, 2016, which is the date the financial statements were issued.

NOTE 16 – FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY

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

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

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

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

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

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



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, 2016 AND 2015

	<i>2016</i>	<i>2015</i>
ASSETS		
Pooled cash and investments	\$ 4,140,048	\$ 2,191,250
Cash with county treasurers	92,295	90,251
Property taxes receivable	472,228	490,158
Accounts receivable	4,559,113	6,362,539
Allowance for doubtful accounts	(343,559)	(354,708)
Prepays	1,409	600
<i>Total assets</i>	\$ 8,921,534	\$ 8,780,090
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 2,048,116	\$ 2,182,694
Accrued compensated leave	650,357	658,233
Deferred revenue	340,499	350,144
<i>Total liabilities</i>	3,038,972	3,191,071
 Fund balance:		
Unreserved	5,882,562	5,589,019
<i>Total fund balance</i>	5,882,562	5,589,019
<i>Total liabilities</i>		
<i>and fund balance</i>	\$ 8,921,534	\$ 8,780,090

CENTRAL OREGON COMMUNITY COLLEGE

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

YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenue				
<i>Local:</i>				
Property taxes	\$ 14,803,000	\$ 14,803,000	\$ 14,679,752	\$ (123,248)
Tuition and fees	16,679,000	16,679,000	16,767,287	88,287
Interest	5,000	5,000	4,785	(215)
Other	65,000	65,000	1,758	(63,242)
<i>Intergovernmental:</i>				
State	9,110,000	9,110,000	9,410,805	300,805
Transfer from other funds	<u>1,874,500</u>	<u>1,874,500</u>		<u>(1,874,500)</u>
<i>Total revenue</i>	42,536,500	42,536,500	40,864,387	(1,672,113)
Beginning fund balance	<u>5,634,000</u>	<u>5,634,000</u>	<u>5,589,019</u>	<u>(44,981)</u>
<i>Total available for appropriation</i>	<u>\$ 48,170,500</u>	<u>\$ 48,170,500</u>	<u>\$ 46,453,406</u>	<u>\$ (1,717,094)</u>
Expenditures				
<i>Instruction:</i>				
Humanities office	\$ 67,697	\$ 67,697	\$ 71,713	\$ (4,016)
Writing-literature	1,746,960	1,746,960	1,614,221	132,739
Foreign languages	434,353	434,353	444,100	(9,747)
Speech	515,676	515,676	499,355	16,321
Social science	63,438	63,438	64,760	(1,322)
Music	367,211	367,211	377,944	(10,733)
Art	545,583	545,583	580,961	(35,378)
Theater arts	52,770	52,770	54,100	(1,330)
Fine arts office	72,301	72,301	60,426	11,875
Business administration	595,896	695,939	748,998	(53,059)
Cntr for entrep excellence & devel.	95,207			
Business administration office	63,543	63,543	60,759	2,784
Hospitality, tourism & recreation	4,836			
Journalism	9,280	9,280	7,992	1,288
World languages and cultures office	54,998	54,998	36,082	18,916
Philosophy	17,419	17,419	28,188	(10,769)
Addiction studies	123,676	123,676	123,690	(14)
Anthropology	256,295	256,295	216,066	40,229
Criminal justice	264,481	264,481	221,863	42,618
Economics	86,228	86,228	90,716	(4,488)
Education	246,077	246,077	246,443	(366)
Geography	124,983	124,983	116,690	8,293
History	199,911	199,911	185,606	14,305
Human development	178,835	178,835	140,009	38,826
Political science	31,839	31,839	21,686	10,153
Psychology	386,148	386,148	314,475	71,673
Sociology	218,880	218,880	239,213	(20,333)
Oregon leadership institute	72,662	72,662	51,249	21,413

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, 2016

Continued from page 36

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Expenditures - continued				
<i>Instruction - continued</i>				
Regional services & R.C. operations	\$ 415,689	\$ 415,689	\$ 319,374	\$ 96,315
Regional services & M.C. operations	171,058	171,058	167,061	3,997
Regional services & P.C. operations	182,778	182,778	149,230	33,548
Engineering & engineering tech.	172,337	172,337	144,603	27,734
Science office	85,470	85,470	83,551	1,919
Mathematics	1,748,510	1,748,510	1,738,450	10,060
Biological science	1,161,300	1,161,300	1,188,951	(27,651)
Chemistry	442,648	442,648	414,380	28,268
Physics	200,754	200,754	229,730	(28,976)
Geology	134,454	134,454	90,579	43,875
Nursing	1,043,897	1,043,897	1,025,726	18,171
HHP office	165,600	165,600	178,548	(12,948)
Health and human performance	998,453	998,453	977,678	20,775
Math office	67,444	67,444	67,392	52
Allied health	111,635	111,635	10,835	100,800
Computer information systems	1,081,607	1,081,607	995,465	86,142
Licensed massage therapy	229,772	229,772	234,897	(5,125)
Emergency medical service	295,229	295,229	301,252	(6,023)
Dental assisting	263,263	263,263	283,416	(20,153)
Medical assisting	130,723	130,723	115,929	14,794
Dietary management	13,369	13,369	328	13,041
Allied health office	64,942	64,942	60,401	4,541
Pharmacy technician	115,382	115,382	111,264	4,118
Veterinary technician	216,000	216,000	205,459	10,541
CIS Office	57,040	57,040	57,687	(647)
Nursing office	68,252	68,252	65,367	2,885
HHP: Health classes	27,718	27,718	17,784	9,934
HHP: Recreation (O.R.L.T.)	196,176	196,176	181,101	15,075
Ponderosa office	60,997	60,997	62,468	(1,471)
Forestry technology	439,363	439,363	440,749	(1,386)
Automotive	388,869	388,869	364,542	24,327
Health information technology	269,845	269,845	280,210	(10,365)
Manufacturing processes	356,524	356,524	287,706	68,818
Apprenticeship	17,829	17,829	17,919	(90)

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, 2016

Continued from page 37

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Expenditures - continued				
<i>Instruction - continued</i>				
Wildland fire management	\$ 71,984	\$ 71,984	\$ 77,297	\$ (5,313)
Structural fire science	149,751	149,751	103,187	46,564
Geographical information systems	163,477	163,477	164,634	(1,157)
Aviation program	263,514	263,514	290,688	(27,174)
Military science	2,000	2,000	1,944	56
Non-destructive testing	95,401	95,401	3,246	92,155
Regional credit instruction - Madras	66,347	66,347	6,376	59,971
Regional credit instruction - Prineville	59,022	59,022	920	58,102
Regional credit instruction - Redmond	129,965	129,965	6,160	123,805
Library skills	50,242	50,242	34,551	15,691
Instruction transfers	<u>832,515</u>	<u>832,515</u>	<u>832,525</u>	<u>(10)</u>
<i>Total instruction</i>	<u>20,176,328</u>	<u>20,176,328</u>	<u>19,008,865</u>	<u>1,167,463</u>
<i>Instructional support:</i>				
Office of the Vice President of instruction	347,905	332,905	406,441	(73,536)
Library	1,161,880	1,161,880	1,082,485	79,395
Catalog and class schedule	28,618	28,618	32,517	(3,899)
Commencement & convocation	21,851	21,851	34,265	(12,414)
Tutoring and testing	518,765	518,765	522,611	(3,846)
E learning and academic technology	310,434	310,434	290,129	20,305
Instructional deans	747,020	747,020	749,997	(2,977)
Instructional support transfers	<u>202,000</u>	<u>202,000</u>	<u>202,000</u>	<u></u>
<i>Total instructional support</i>	<u>3,338,473</u>	<u>3,323,473</u>	<u>3,320,445</u>	<u>3,028</u>
<i>Student services:</i>				
Admissions	1,089,964	1,089,964	858,213	231,751
Counseling center	74,258	74,258	65,855	8,403
Student life	343,390	343,390	233,824	109,566
Financial aid	699,342	699,342	572,340	127,002
Career services and job placement	126,838	126,838	111,423	15,415
Student outreach and contact	205,738	205,738	169,099	36,639

Continued on page 39

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, 2016

Continued from page 38

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Expenditures - continued				
<i>Student services - continued</i>				
Multicultural activities	\$ 237,566	\$ 237,566	\$ 194,489	\$ 43,077
Club sports	267,358	267,358	262,790	4,568
Enrollment cashiering	79,556	79,556	75,645	3,911
Disability services	268,531	268,531	291,620	(23,089)
Office of the Dean of student & enrollment services	453,965	453,965	424,452	29,513
Advising	672,009	672,009	502,035	169,974
Placement testing	100,221	100,221	87,316	12,905
Student retention	216,424	216,424	213,579	2,845
Student service transfers	9,585	9,585	9,585	
<i>Total student services</i>	4,844,745	4,844,745	4,072,265	772,480
<i>College support services:</i>				
Governing board	92,076	92,076	89,848	2,228
President's office	363,837	363,837	338,500	25,337
Fiscal services	673,067	673,067	603,809	69,258
Campus public safety	742,770	742,770	689,366	53,404
Human resources	575,101	575,101	547,166	27,935
Mail services	268,317	268,317	181,448	86,869
College relations	736,426	736,426	699,623	36,803
Chief Financial Officer	559,396	559,396	532,844	26,552
Legal, audit, and professional services	70,950	70,950	76,677	(5,727)
Elections	28,500	28,500	28,500	28,500
General institutional support	396,289	396,289	356,623	39,666
Liability and other insurance	97,050	97,050	72,435	24,615
Institutional effectiveness	317,218	317,218	288,195	29,023
Vice President for Administration	337,221	337,221	316,751	20,470
College community development	6,500	6,500	12,628	(6,128)
College support transfers	166,285	166,285	166,285	
<i>Total college support services</i>	5,431,003	5,431,003	4,972,198	458,805

Continued on page 40

CENTRAL OREGON COMMUNITY COLLEGE

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

YEAR ENDED JUNE 30, 2016

Continued from page 39

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Expenditures - continued				
<i>Plant operations and maintenance:</i>				
Custodial services	\$ 1,225,557	\$ 1,225,557	\$ 985,517	\$ 240,040
Utilities	1,119,007	1,119,007	977,566	141,441
Fire and boiler insurance	115,650	115,650	119,266	(3,616)
Maintenance of grounds	369,399	371,415	404,398	(32,983)
Maintenance of buildings	844,624	842,608	747,362	95,246
Plant administration	318,005	318,005	304,038	13,967
Redmond campus infrastructure	357,615	357,615	195,529	162,086
Campus shuttle	137,087	137,087	132,677	4,410
Madras campus infrastructure	47,000	47,000	38,133	8,867
Prineville campus infrastructure	65,280	65,280	24,465	40,815
Plant operations transfers	630,920	630,920	630,920	
<i>Total plant operations and maintenance</i>	5,230,144	5,230,144	4,559,871	670,273
<i>Information technology services:</i>				
Information technology services	1,277,812	1,267,812	1,214,643	53,169
Management information systems	694,035	704,035	725,163	(21,128)
User services	825,957	825,957	724,759	101,198
Enterprise computing services	446,937	446,937	476,048	(29,111)
Network/Telecom & media services	573,699	573,699	495,631	78,068
Web development	103,392	103,392	100,977	2,415
Regional IT services - Redmond	92,996	92,996		92,996
Regional IT services - Prineville	75,280	75,280	70,668	4,612
Information technology transfers	534,131	534,131	534,131	
<i>Total information technology services</i>	4,624,239	4,624,239	4,342,020	282,219
<i>Financial aid transactions:</i>				
Other financial aid	280,079	295,079	295,180	(101)
Operating contingency	800,000	800,000		800,000
<i>Total expenditures</i>	\$ 44,725,011	\$ 44,725,011	\$ 40,570,844	\$ 4,154,167

Continued on page 41

CENTRAL OREGON COMMUNITY COLLEGE

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

YEAR ENDED JUNE 30, 2016

Continued from page 40

General Fund Summary	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Over (Under)
Total revenue	\$ 42,536,500	\$ 42,536,500	\$ 40,864,387	\$ (1,672,113)
Beginning fund balance	<u>5,634,000</u>	<u>5,634,000</u>	<u>5,589,019</u>	<u>(44,981)</u>
<i>Total available for appropriations</i>	<u>48,170,500</u>	<u>48,170,500</u>	<u>46,453,406</u>	<u>(1,717,094)</u>
Expenditures:				
Instruction	20,176,328	20,176,328	19,008,865	1,167,463
Instructional support	3,338,473	3,323,473	3,320,445	3,028
Student services	4,844,745	4,844,745	4,072,265	772,480
College support services	5,431,003	5,431,003	4,972,198	458,805
Plant operations and maintenance	5,230,144	5,230,144	4,559,871	670,273
Information technology service	4,624,239	4,624,239	4,342,020	282,219
Financial aid	280,079	295,079	295,180	(101)
Operating contingency	<u>800,000</u>	<u>800,000</u>	<u> </u>	<u>800,000</u>
<i>Total expenditures</i>	<u>44,725,011</u>	<u>44,725,011</u>	<u>40,570,844</u>	<u>4,154,167</u>
Ending fund balance	<u>\$ 3,445,489</u>	<u>\$ 3,445,489</u>	<u>\$ 5,882,562</u>	<u>\$ 2,437,073</u>



CENTRAL OREGON
community college

SPECIAL REVENUE FUNDS

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

CENTRAL OREGON COMMUNITY COLLEGE

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

**JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)**

	<i>Contracts and</i>		
	<u>Grants</u>	<u>Auxiliary</u>	<u>Reserve</u>
ASSETS			
Pooled cash and investments	\$	\$ 12,268,093	\$ 2,158,534
Accounts receivable	329,164	18,437	
Student loans receivable			
<i>Total assets</i>	<u>\$ 329,164</u>	<u>\$ 12,286,530</u>	<u>\$ 2,158,534</u>
LIABILITIES AND FUND EQUITY			
<i>Liabilities:</i>			
Deficit in pooled cash and investments	\$ 234,553	\$	\$
Accounts payable	4,176	276,442	
Deferred revenue		2,634,854	
<i>Total liabilities</i>	<u>238,729</u>	<u>2,911,296</u>	
<i>Fund equity:</i>			
Fund balance			
Reserved			
Retiree benefits			1,286,452
PERS Reserve			872,082
Unreserved - undesignated	90,435	9,375,234	
<i>Total fund balance</i>	<u>90,435</u>	<u>9,375,234</u>	<u>2,158,534</u>
<i>Total liabilities and fund equity</i>	<u>\$ 329,164</u>	<u>\$ 12,286,530</u>	<u>\$ 2,158,534</u>

<i>Financial</i>	<i>Totals</i>	
<u>Aid</u>	<u>2016</u>	<u>2015</u>
\$ 482,092	\$ 14,908,719	\$ 14,516,099
43,201	390,802	467,314
<u>949</u>	<u>949</u>	<u>1,699</u>
<u>\$ 526,242</u>	<u>\$ 15,300,470</u>	<u>\$ 14,985,112</u>

\$ 2,167	\$ 234,553	\$ 114,969
	282,785	389,967
	<u>2,634,854</u>	<u>3,511,224</u>
<u>2,167</u>	<u>3,152,192</u>	<u>4,016,160</u>

	1,286,452	1,286,452
	872,082	1,052,456
<u>524,075</u>	<u>9,989,744</u>	<u>8,630,044</u>
<u>524,075</u>	<u>12,148,278</u>	<u>10,968,952</u>
<u>\$ 526,242</u>	<u>\$ 15,300,470</u>	<u>\$ 14,985,112</u>

CENTRAL OREGON COMMUNITY COLLEGE

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

**JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)**

	<i>Grants and Contracts</i>	<i>Auxiliary</i>	<i>Reserve</i>
Revenue			
Local:			
Charges for services	\$ 18,210	\$ 4,018,438	\$
Interest		84,142	3,727
Grants	495,251		
Other		2,814,160	
Intergovernmental:			
State	208,837	147,134	
Federal	381,806		
	1,104,104	7,063,874	3,727
<i>Total revenue</i>			
Expenditures			
Current:			
Instruction	1,027,905	4,766,938	
Instructional support	3,145	402,080	
Student services	19,684	277,732	
College support services	177,325	1,323,653	84,101
Financial aid			
Capital outlay	13,500	570,348	
	1,241,559	7,340,751	84,101
<i>Total expenditures</i>			
Excess of revenue over (under) expenditures	(137,455)	(276,877)	(80,374)
Other financing sources (uses)			
Transfers in	65,454	2,538,260	
Transfers out		(918,733)	(100,000)
	65,454	1,619,527	(100,000)
<i>Total other financing sources (uses)</i>			
Excess of revenue and other sources over (under) expenditures and other uses	(72,001)	1,342,650	(180,374)
FUND BALANCE - beginning of year	162,436	8,032,584	2,338,908
FUND BALANCE - end of year	\$ 90,435	\$ 9,375,234	\$ 2,158,534

<i>Financial Aid</i>	<i>Totals</i>	
	<i>2016</i>	<i>2015</i>
\$	\$	\$
	4,036,648	4,323,671
26,951	114,820	107,772
1,220,445	1,715,696	1,661,846
46,553	2,860,713	1,796,133
1,761,700	2,117,671	2,010,719
<u>9,411,607</u>	<u>9,793,413</u>	<u>12,065,918</u>
<u>12,467,256</u>	<u>20,638,961</u>	<u>21,966,059</u>
	5,794,843	5,720,837
	405,225	279,979
256,824	554,240	613,618
	1,585,079	1,684,732
12,348,563	12,348,563	14,289,865
	<u>583,848</u>	<u>274,633</u>
<u>12,605,387</u>	<u>21,271,798</u>	<u>22,863,664</u>
<u>(138,131)</u>	<u>(632,837)</u>	<u>(897,605)</u>
227,182	2,830,896	2,145,493
	<u>(1,018,733)</u>	<u>(2,894,361)</u>
<u>227,182</u>	<u>1,812,163</u>	<u>(748,868)</u>
89,051	1,179,326	(1,646,473)
<u>435,024</u>	<u>10,968,952</u>	<u>12,615,425</u>
<u>\$ 524,075</u>	<u>\$ 12,148,278</u>	<u>\$ 10,968,952</u>

CENTRAL OREGON COMMUNITY COLLEGE

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

YEAR ENDED JUNE 30, 2016

	<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	\$ 64,017	\$ 266,431	\$ 330,448	\$
Carl Perkins	31101		61,019	61,019	
SBA Grant	31105		30,250	30,250	
SBA Grant Match	31108		34,649	34,649	
NSF-NEVTEX Grant	31160		72,311	72,311	
OBDD	32226		43,554	43,554	
Grow Oregon Grant	32255	24,001	14,310	35,102	3,209
ABS Pathways Grant	32257		214	214	
Oregon Develop Education Work Grp	32261	9,740		3,146	6,594
Minority Teacher Pipeline Grant	32263	7,007		6,810	197
Partners in practice	32264		26,485	25,515	970
Open Education Resources Grant	32267		7,273	7,273	
Student Success Grant	32268		53,533	14,109	39,424
ABS - Partnership to End Poverty	33337	5,453			5,453
DRCI - Partnership to End Poverty	33340	20,941		19,054	1,887
Veteran - Partnership to End Poverty	33342	19,270		6,792	12,478
Eastern promise replication grant	33349	10,389		10,389	
Regional Promise Grant	33350		4,546	4,546	
HDESD-Gray Family Foundation Grant	33351		7,856	7,856	
St. Charles - Ganas Program	33352		2,500	1,385	1,115
Ford Family Foundation PIP Funds	33361		15,120	3,523	11,597
Deer Ridge -Ford Family Foundation	33362		15,000	7,925	7,075
Deer Ridge Correctional Institution	34355		514,507	514,507	
OCF - GANAS	34361	1,618		1,182	436
		<u>\$ 162,436</u>	<u>\$ 1,169,558</u>	<u>\$ 1,241,559</u>	<u>\$ 90,435</u>



CENTRAL OREGON
community college

CENTRAL OREGON COMMUNITY COLLEGE

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

YEAR ENDED JUNE 30, 2016

	<i>Charge for</i>	<i>Intergovernmental</i>		<i>Grants and</i>
	<u><i>Services</i></u>	<u><i>State</i></u>	<u><i>Federal</i></u>	<u><i>Contracts</i></u>
ABE Special Projects	\$ 17,400	\$	\$ 218,226	\$
Carl Perkins			61,019	
SBA Grant			30,250	
SBA Grant Match				
NSF-NEVTEX Grant			72,311	
OBDD		43,554		
Grow Oregon Grant	810	13,500		
ABS Pathways Grant		214		
Partners in Practice		26,485		
Open Education Resources Grant		7,273		
Student Success Grant		53,533		
Regional Promise Grant				4,546
HDESD-Gray Family Foundation Grant				7,856
St. Charles - Ganas Program				2,500
Ford Family Foundation PIP Funds				15,120
Deer Ridge -Ford Family Foundation				15,000
Deer Ridge Correctional Institution		64,278		450,229
	<u>\$ 18,210</u>	<u>\$ 208,837</u>	<u>\$ 381,806</u>	<u>\$ 495,251</u>

<i>Transfers</i>	
<u><i>In</i></u>	<u><i>Total</i></u>
\$ 30,805	\$ 266,431
	61,019
	30,250
34,649	34,649
	72,311
	43,554
	14,310
	214
	26,485
	7,273
	53,533
	4,546
	7,856
	2,500
	15,120
	15,000
	<u>514,507</u>
<u>\$ 65,454</u>	<u>\$ 1,169,558</u>

CENTRAL OREGON COMMUNITY COLLEGE

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

YEAR ENDED JUNE 30, 2016

	<u>Salaries</u>	<u>Payroll Assessments</u>	<u>Materials and Services</u>
ABE Special Projects	\$ 223,326	\$ 96,773	\$ 10,349
Carl Perkins	45,453	6,686	8,880
SBA Grant	20,570	9,680	
SBA Grant Match	23,561	11,088	
NSF-NEVTEX Grant	15,248	6,114	37,449
OBDD	25,575	17,979	
Grow Oregon Grant	28,061	3,576	3,465
ABS Pathways Grant			214
Oregon Develop Education Work Group	675	229	2,242
Minority Teacher Pipeline Grant	2,544	1,025	3,241
Partners in practice	1,065	41	24,409
Open Education Resources Grant	5,703	1,570	
Student Success Grant	7,885	1,840	4,384
DRCI - Partnership to End Poverty	12,270	4,236	2,548
Veteran - Partnership to End Poverty	3,673	1,872	1,247
Eastern promise replication grant	6,840	2,021	1,528
Regional Promise Grant			4,546
HDESD-Gray Family Foundation Grant	6,000	1,856	
St. Charles - Ganas Program			1,385
Ford Family Foundation Grant	3,393	130	
Deer Ridge-Ford Family Foundation	6,625	1,300	
Deer Ridge Correctional Institution	298,993	159,320	56,194
OCF - GANAS	<u>360</u>	<u>2</u>	<u>820</u>
	<u>\$ 737,820</u>	<u>\$ 327,338</u>	<u>\$ 162,901</u>

<u>Capital Outlay</u>	<u>Transfers Out</u>	<u>Total</u>
\$	\$	\$ 330,448
		61,019
		30,250
		34,649
13,500		72,311
		43,554
		35,102
		214
		3,146
		6,810
		25,515
		7,273
		14,109
		19,054
		6,792
		10,389
		4,546
		7,856
		1,385
		3,523
		7,925
		514,507
		<u>1,182</u>
<u>\$ 13,500</u>	<u>\$</u>	<u>\$ 1,241,559</u>



CENTRAL OREGON
community college

CENTRAL OREGON COMMUNITY COLLEGE

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

YEAR ENDED JUNE 30, 2016

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
Revenue				
Local:				
Charges for services	\$ 15,000	\$ 15,000	\$ 18,210	\$ 3,210
Grants and contracts	1,131,309	1,131,309	495,251	(636,058)
Intergovernmental:				
State	203,724	203,724	208,837	5,113
Federal	465,697	465,697	381,806	(83,891)
Transfers from other funds	34,639	34,639	65,454	30,815
<i>Total revenue</i>	1,850,369	1,850,369	1,169,558	(680,811)
Beginning fund balance	132,000	132,000	162,436	30,436
<i>Total available for appropriation</i>	1,982,369	1,982,369	1,331,994	(650,375)
Expenditures				
Federal grants	545,336	545,336	528,677	16,659
State grants	210,724	210,724	200,001	10,723
Local grants	101,618	101,618	61,470	40,148
Contracts	1,046,809	1,046,809	451,411	595,398
<i>Total expenditures</i>	1,904,487	1,904,487	1,241,559	662,928
Ending fund balance	\$ 77,882	\$ 77,882	\$ 90,435	\$ 12,553

CENTRAL OREGON COMMUNITY COLLEGE

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

YEAR ENDED JUNE 30, 2016

	<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	\$ 63,723	\$ 21,065	\$ 13,939	\$ 70,849
Public safety	61003	32,246	33,588	25,645	40,189
Law enforcement testing	61004		1,521	1,521	
MATC industry training account	61005	1,965	1,003	1,000	1,968
Sustainability fund	61006	4,204	40,034	10,870	33,368
Dental clinic	61007	1,450	3,394	1,835	3,009
Pharmacy tech	61008	3,320	2,417	1,353	4,384
Dental program	61009	1,745	28,441	26,711	3,475
Medical assisting program	61010		1,875	1,875	
General testing	61511	7,376	12,236	6,467	13,145
Art cards	61512	6,209	4,226	1,975	8,460
Auto and industrial fees	61513	18,653	36,011	24,426	30,238
Facilities fees	61514	105,173	24,308	37,005	92,476
Club sports	61516	67,850	40,525	46,470	61,905
College activities	61518	130,840	41,467	3,996	168,311
Classified training	61522	7,680	15,022	5,420	17,282
Performing arts	61525	1,494	963	724	1,733
Box office activity	61526	3,269	31		3,300
Hybrid vehicle fleet	61527	4,487	9,841	8,298	6,030
Special programs - administration	61528	125,010	105,524	145,896	84,638
Vehicles	61531	59,765	48,113	15,808	92,070
Physiology lab	61532	41,411	10,210	6,682	44,939
Library books account	61534	32,035	19,378	13,534	37,879
PCA wellness	61535	23,949	33	12,076	11,906
Outdoor recreation program	61537	17,036	5,304	4,630	17,710
Enrollment services support	61546	33,420	51	10,000	23,471
Accreditation	61547	(2,391)	5,000	530	2,079
College now	61550	258,276	130,380	115,795	272,861
Salvage sales	61552	25,097	823	15,900	10,020
Media activities	61561	42,676	14,771	35,522	21,925
Tutoring/Testing	61574	162,278	93,268	65,798	189,748
Institutional advancement	61576	30,099	53	478	29,674
Student honors recognition	61581	3,670	3,754	6,653	771
Allied health lab fees	61586	5,541		5,541	
Innovation account	61589	580,263	135,146	309,473	405,936
Mazama lab fees	61592	134,357	76,549	88,750	122,156
Tool room deposits	61596	4,221	1,022	1,550	3,693
Computer lab printers	61597	13,362	18,816	19,865	12,313

Continued on page 49

CENTRAL OREGON COMMUNITY COLLEGE

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

YEAR ENDED JUNE 30, 2016

Continued from page 48

	<i>Sub-Fund Number</i>	<i>Beginning Balance (Deficit)</i>	<i>Revenues</i>	<i>Expenditures</i>	<i>Ending Balance (Deficit)</i>
Instructional projects	61598	\$ 110,174	\$ 40,210	\$ 23,902	\$ 126,482
Oregon International					
education consortium	61599	7,726	14		7,740
Student government	61601	46,887	195,159	162,269	79,777
The Broadside	61602	337	48,883	36,933	12,287
Blue Sky	61603	115,393	42,538	63,262	94,669
Elevation gratuity fund	61605	28,404	27,260	20,000	35,664
CIS software	61610	10,211	1,159		11,370
Bend area transit program	61611	25,155	37,815	9,240	53,730
Student government clubs	61612	9,011	1,718	257	10,472
Student government programs	61613	29,246	17,920	42,432	4,734
Student government reserve	61614	35,125	62		35,187
Redmond campus operations	61700		505,085	64,601	440,484
Chandler lab operations	61701		390,349	28,362	361,987
Prineville campus operations	61702		32,587		32,587
ITS services support	61703		24,785		24,785
Campus services support	61704		14,679		14,679
Self-sustaining					
activities		<u>2,469,428</u>	<u>2,366,386</u>	<u>1,545,269</u>	<u>3,290,545</u>
Summer session	62501	2,717,541	1,562,382	1,671,525	2,608,398
International programs	62558	71,644	39,662	64,329	46,977
SBDC program	62564	106,871	122,536	168,439	60,968
Business development					
and training	62575	537	51,240	51,798	(21)
ABE General Purpose	62576	120,810	544,016	402,856	261,970
Outreach centers	62577	198,991	309		199,300
Culinary program	62601		924,509	924,509	
Culinary facility	62602		173,849	173,849	
Veterinarian tech program	62603	25,009	18,043	37,998	5,054
Culinary foundation fund	62604	755	7,847	7,410	1,192
EMT practical exam	62610	(5,069)	8,450	5,752	(2,371)
Contracted credit classes	63501	97,397	35,569	9,812	123,154
Community & professional					
education	63502	153,516	1,738,448	1,691,963	200,001
Licensed massage therapy	63572	14,472	25,159	10,512	29,119
Aviation program-simulator fees	63579	564,677	333,889	511,691	386,875
Unmanned aerial systems operations	63580	<u>23,962</u>	<u>82,738</u>	<u>39,130</u>	<u>67,570</u>
Non-general fund					
instruction		<u>4,091,113</u>	<u>5,668,646</u>	<u>5,771,573</u>	<u>3,988,186</u>

Continued on page 50

CENTRAL OREGON COMMUNITY COLLEGE

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

YEAR ENDED JUNE 30, 2016

Continued from page 49

	<i>Sub-Fund Number</i>	<i>Beginning Balance (Deficit)</i>	<i>Revenues</i>	<i>Expenditures</i>	<i>Ending Balance (Deficit)</i>
Foundation billing	64515	\$	\$ 318,390	\$ 318,390	\$
Partnership collaborations	64573	579,435	846,261	169,159	1,256,537
Cascade Hall minor maintenance	64574	(563)	1,124	561	
Revolving activities		<u>578,872</u>	<u>1,165,775</u>	<u>488,110</u>	<u>1,256,537</u>
 Faculty professional improvement	 65521	 \$ 192,183	 \$ 66,334	 \$ 78,458	 \$ 180,059
Adjunct faculty professional improvement	65523	60,404	6,104	9,875	56,633
ABE professional development fund	65524	18,195	5,037		23,232
Admin professional development & sabbatical	65526	2,575	5,009	51	7,533
Sabbatical - faculty	65527	119,408	125,116	233,817	10,707
Unemployment reserve	65542	216,457	90,297	51,825	254,929
Insurance reserve deductible	65543	98,377	32,321	6,527	124,171
Keyes educational enhancement fund	65562	<u>185,572</u>	<u>71,109</u>	<u>73,979</u>	<u>182,702</u>
 Contractual and administrative provisions		 <u>893,171</u>	 <u>401,327</u>	 <u>454,532</u>	 <u>839,966</u>
		<u>\$ 8,032,584</u>	<u>\$ 9,602,134</u>	<u>\$ 8,259,484</u>	<u>\$ 9,375,234</u>

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

YEAR ENDED JUNE 30, 2016

	<i>Charges For</i>			<i>State and</i>	<i>Transfers</i>	<i>Totals</i>
	<i>Services</i>	<i>Other</i>	<i>Interest</i>	<i>Local Grants</i>	<i>In</i>	
Medical leave assistance program	\$	\$ 20,945	\$ 120	\$	\$	\$ 21,065
Public safety		33,527	61			33,588
Law enforcement testing		1,521				1,521
MATC industry training account		1,000	3			1,003
Sustainability fund			34		40,000	40,034
Dental clinic		3,390	4			3,394
Pharmacy tech	2,409		8			2,417
Dental program	27,725	698	18			28,441
Medical assisting program	1,875					1,875
General testing		12,210	26			12,236
Art cards	625	3,588	13			4,226
Auto and industrial fees	15,235	20,729	47			36,011
Facilities fees		24,130	178			24,308
Club sports		40,414	111			40,525
College activities		41,246	221			41,467
Classified training			22		15,000	15,022
Performing arts		960	3			963
Box office activity		25	6			31
Hybrid vehicle fleet		9,832	9			9,841
Special programs - administration		105,363	161			105,524
Vehicles		47,971	142			48,113
Physiology lab		10,131	79			10,210
Library books		19,316	62			19,378
PCA wellness			33			33
Outdoor recreation	3,547	1,725	32			5,304
Enrollment services			51			51
Accreditation					5,000	5,000
College now	97,770	32,160	450			130,380
Salvage sales		792	31			823
Media activities		14,714	57			14,771
Tutoring/Testing		92,955	313			93,268
Institutional advancement			53			53
Student honors recognition		2,500	4		1,250	3,754
Innovation account		134,307	839			135,146
Mazama lab fees	47,588	28,721	240			76,549
Tool room deposits		1,015	7			1,022
Computer lab printers		18,793	23			18,816
Instructional projects			210		40,000	40,210

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

YEAR ENDED JUNE 30, 2016

Continued from page 51

	<i>Charges</i>			<i>State and</i>			
	<i>For</i>			<i>Local</i>		<i>Transfers</i>	
	<u><i>Services</i></u>	<u><i>Other</i></u>	<u><i>Interest</i></u>	<u><i>Grants</i></u>	<u><i>In</i></u>	<u><i>Totals</i></u>	
Oregon International							
Education consortium	\$	\$	\$ 14	\$	\$	\$	\$ 14
Student government		195,041	118				195,159
The Broadside	870	48,000	13				48,883
Blue Sky		42,347	191				42,538
Elevation gratuity fund		27,203	57				27,260
CIS Software		1,140	19				1,159
Bend area transit program		17,410	70		20,335		37,815
Student government clubs			18		1,700		1,718
Student government programs		7,585	35		10,300		17,920
Student government reserve			62				62
Redmond campus operations		266,571	545		237,969		505,085
Chandler lab operations		18,048	684		371,617		390,349
Prineville campus operations		32,558	29				32,587
IT services support		24,763	22				24,785
Campus services support		14,666	13				14,679
Self-sustaining activities	<u>197,644</u>	<u>1,420,010</u>	<u>5,561</u>		<u>743,171</u>		<u>2,366,386</u>
Summer session	1,555,309		7,073				1,562,382
International programs	12,613	26,940	109				39,662
SBDC program activities	10,420	111,964	152				122,536
Business development and training			2		51,238		51,240
ABE general purpose		1,965	367		541,684		544,016
Outreach centers			309				309
Culinary program	725,267	19,948	85		179,209		924,509
Culinary facility		167,028			6,821		173,849
Veterinarian tech program	18,000		43				18,043
Culinary foundation fund		7,846	1				7,847
EMT practical exam		8,450					8,450
Contracted credit classes		35,391	178				35,569
Community and professional education	894,586	247,238			596,624		1,738,448
Licensed massage therapy	16,847	8,265	47				25,159
Aviation program - simulator fees	319,255	10,984	3,650				333,889
Unmanned aerial systems operations	<u>82,620</u>		<u>118</u>				<u>82,738</u>
Non-general fund instruction	<u>3,634,917</u>	<u>646,019</u>	<u>12,134</u>		<u>1,375,576</u>		<u>5,668,646</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, 2016

Continued from page 52

	<i>Charges For Services</i>	<i>Other</i>	<i>Interest</i>	<i>State and Local Grants</i>	<i>Transfers In</i>	<i>Totals</i>
Foundation billing	\$ 185,877				\$ 132,513	\$ 318,390
Partnership						
collaborations		697,692	1,435	147,134		846,261
Cascade hall minor						
maintenance		1,124				1,124
Revolving						
activities	185,877	698,816	1,435	147,134	132,513	1,165,775
Faculty professional						
improvement			334		66,000	66,334
Adjunct Faculty						
professional						
improvement			104		6,000	6,104
ABE professional						
development funds			37		5,000	5,037
Admin prof development						
& sabbatical			9		5,000	5,009
Sabbatical-faculty			116		125,000	125,116
Unemployment reserve		9,878	419		80,000	90,297
Insurance reserve						
deductible		32,123	198			32,321
Keyes educational						
enhancement fund		7,314	63,795			71,109
Contractual and						
administrative						
provisions		49,315	65,012		287,000	401,327
	<u>\$ 4,018,438</u>	<u>\$ 2,814,160</u>	<u>\$ 84,142</u>	<u>\$ 147,134</u>	<u>\$ 2,538,260</u>	<u>\$ 9,602,134</u>

CENTRAL OREGON COMMUNITY COLLEGE

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

YEAR ENDED JUNE 30, 2016

	<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	\$ 6,466	\$ 7,473	\$	\$	\$	\$ 13,939
Public Safety			25,645			25,645
Law enforcement testing	1,177	344				1,521
MATC industry training			1,000			1,000
Sustainability fund			10,870			10,870
Dental clinic			1,835			1,835
Pharmacy tech			1,353			1,353
Dental program			26,711			26,711
Medical assisting program			1,875			1,875
General testing	809	158	5,500			6,467
Art cards			1,975			1,975
Auto and industrial fees			22,350	2,076		24,426
Facilities fees	16,349	12,657	4,036	3,963		37,005
Club sports	6,735	539	4,196		35,000	46,470
College activities	3,000	996				3,996
Classified training			5,420			5,420
Performing arts			724			724
Hybrid vehicle fleet			6,498	1,800		8,298
Special programs - administration	51,703	26,277	1,688		66,228	145,896
Vehicles			15,808			15,808
Physiology lab	1,003	69	5,610			6,682
Library books			12,870	664		13,534
PCA Wellness	4,414	5,770	1,892			12,076
Outdoor recreation program			4,630			4,630
Enrollment services support			10,000			10,000
Accreditation			530			530
College now	73,939	35,034	6,822			115,795
Salvage sales			900		15,000	15,900
Media activities			8,022	27,500		35,522
Tutoring/Testing	17,466	13,527	32,743	2,062		65,798
Institutional advancement			478			478
Student honors recognition			6,653			6,653
Allied health lab fees				5,541		5,541
Innovation account	26,809	2,328	220,426	9,910	50,000	309,473
Mazama lab fees	4,450	3,213	43,855	2,232	35,000	88,750
Tool room deposits			1,550			1,550
Computer lab printers	572	3	18,145	1,145		19,865
Instructional programs	10,850	2,224	10,828			23,902

Continued on page 55

CENTRAL OREGON COMMUNITY COLLEGE

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

YEAR ENDED JUNE 30, 2016

Continued from page 54

	<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	\$ 43,318	\$ 1,110	\$ 92,890	\$ 951	\$ 24,000	\$ 162,269
The Broadside	20,901	732	9,000	6,300		36,933
Blue Sky			23,262		40,000	63,262
Elevation gratuity fund			20,000			20,000
Bend area transit program			9,240			9,240
Student government clubs			257			257
Student government programs			42,432			42,432
Redmond campus operations			64,601			64,601
Chandler lab operations			28,362			28,362
Self-sustaining activities	<u>289,961</u>	<u>112,454</u>	<u>813,482</u>	<u>64,144</u>	<u>265,228</u>	<u>1,545,269</u>
Summer session	814,185	263,546	11,094		582,700	1,671,525
International programs			64,329			64,329
SBDC program activities	82,448	45,736	40,255			168,439
Business development and training	28,813	15,343	7,642			51,798
ABE general purpose	218,983	134,212	18,856		30,805	402,856
Culinary program	489,065	249,033	179,676	6,735		924,509
Culinary facility	63,758	7,158	100,775	2,158		173,849
Veterinarian tech program			30,456	7,542		37,998
Culinary foundation fund			7,410			7,410
EMT practical exam	5,282	231	239			5,752
Contracted credit classes	7,577	2,235				9,812
Community and professional education	639,520	346,379	699,982	6,082		1,691,963
Licensed massage therapy			10,512			10,512
Aviation program - simulator fees	75,912	21,336	10,338	404,105		511,691
Unmanned aerial systems operations	<u>1,638</u>	<u>132</u>	<u>27,798</u>	<u>9,562</u>		<u>39,130</u>
Non-general fund instruction	<u>2,427,181</u>	<u>1,085,341</u>	<u>1,209,362</u>	<u>436,184</u>	<u>613,505</u>	<u>5,771,573</u>
Foundation billing	203,333	115,057				318,390
Partnership collaborations	91,622	65,840	11,697			169,159
Cascades Hall minor maintenance			561			561
Revolving activities	<u>294,955</u>	<u>180,897</u>	<u>12,258</u>			<u>488,110</u>

Continued on page 56

CENTRAL OREGON COMMUNITY COLLEGE

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

YEAR ENDED JUNE 30, 2016

Continued from page 55

	<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	\$ 12,909	\$ 3,885	\$ 26,664		\$ 35,000	\$ 78,458
Adjunct faculty professional improvement			4,875		5,000	9,875
Admin professional development & sabbatical			51			51
Sabbatical - faculty	149,404	84,413				233,817
Unemployment reserve		51,825				51,825
Insurance reserve deductible	28	9	6,490			6,527
Keyes educational enhancement fund	<u>1,765</u>	<u>440</u>	<u>1,754</u>	<u>70,020</u>		<u>73,979</u>
Contractual and administrative provisions	<u>164,106</u>	<u>140,572</u>	<u>39,834</u>	<u>70,020</u>	<u>40,000</u>	<u>454,532</u>
	<u>\$ 3,176,203</u>	<u>\$ 1,519,264</u>	<u>\$ 2,074,936</u>	<u>\$ 570,348</u>	<u>\$ 918,733</u>	<u>\$ 8,259,484</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, 2016

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenue				
Local:				
Charges for services	\$ 4,151,902	\$ 4,151,902	\$ 4,018,438	\$ (133,464)
Interest	100,843	100,843	84,142	(16,701)
State and local	767,199	767,199	147,134	(620,065)
Other	2,583,072	2,583,072	2,814,160	231,088
Transfers from other funds	<u>1,899,366</u>	<u>1,899,366</u>	<u>2,538,260</u>	<u>638,894</u>
<i>Total revenue</i>	9,502,382	9,502,382	9,602,134	99,752
Beginning fund balance	<u>8,295,000</u>	<u>8,295,000</u>	<u>8,032,584</u>	<u>(262,416)</u>
<i>Total available for appropriation</i>	<u>17,797,382</u>	<u>17,797,382</u>	<u>17,634,718</u>	<u>(162,664)</u>
Expenditures				
Self-sustaining activities	2,509,099	2,309,099	1,545,269	763,830
Non-general fund instruction	6,357,469	6,557,469	5,771,573	785,896
Revolving activities	1,020,140	1,020,140	488,110	532,030
Contractual & administrative provisions	<u>666,641</u>	<u>666,441</u>	<u>454,532</u>	<u>211,909</u>
<i>Total expenditures</i>	<u>10,553,349</u>	<u>10,553,149</u>	<u>8,259,484</u>	<u>2,293,665</u>
Ending fund balance	<u>\$ 7,244,033</u>	<u>\$ 7,244,233</u>	<u>\$ 9,375,234</u>	<u>\$ 2,131,001</u>

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

YEAR ENDED JUNE 30, 2016

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
Revenue				
Local:				
Interest	\$ 9,336	\$ 9,336	\$ 3,727	\$ (5,609)
Total revenue	9,336	9,336	3,727	(5,609)
Beginning fund balance	<u>2,122,316</u>	<u>2,122,316</u>	<u>2,338,908</u>	<u>216,592</u>
<i>Total available for appropriation</i>	<u>2,131,652</u>	<u>2,131,652</u>	<u>2,342,635</u>	<u>210,983</u>
Expenditures				
Retiree benefits	110,000	110,000	84,101	25,899
PERS reserve	<u>400,000</u>	<u>400,000</u>	<u>100,000</u>	<u>300,000</u>
Total expenditures	<u>510,000</u>	<u>510,000</u>	<u>184,101</u>	<u>325,899</u>
Ending fund balance	<u>\$ 1,621,652</u>	<u>\$ 1,621,652</u>	<u>\$ 2,158,534</u>	<u>\$ 536,882</u>

CENTRAL OREGON COMMUNITY COLLEGE

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

YEAR ENDED JUNE 30, 2016

	<i>Sub-Fund Number</i>	<i>Beginning Balance</i>	<i>Revenue</i>	<i>Expenditures</i>	<i>Ending Balance</i>
Perkins	71801	\$ 14,996	\$ 817	\$ 1,428	\$ 14,385
College work study	71802		222,203	222,203	
SEOG	71803		243,600	243,600	
Pell	71804		9,036,919	9,036,919	
Veteran's fund	71807	17,446	5,424	4,328	18,542
Federal education loan program	72805		15,151,264	15,151,264	
State need	72807		1,649,550	1,649,550	
Private scholarship award Foundation	72808 73805		112,150 1,305,445	112,150 1,305,445	
COCC financial aid program	73809	310,409	92,034	11,978	390,465
Native American trust	75809	<u>92,173</u>	<u>26,296</u>	<u>17,786</u>	<u>100,683</u>
		<u>\$ 435,024</u>	<u>\$ 27,845,702</u>	<u>\$ 27,756,651</u>	<u>\$ 524,075</u>

CENTRAL OREGON COMMUNITY COLLEGE

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

YEAR ENDED JUNE 30, 2016

	<u>Interest</u>	<u>Grants</u>	<u>Other</u>
Perkins	\$	\$	\$ 817
College work study			25,940
SEOG			
Pell			14,405
Veteran's fund	33		5,391
Federal education loan program			
State need			
Private scholarship award			
Foundation		1,220,445	
COCC financial aid program	622		
Native American trust	26,296		
	<u>26,951</u>	<u>1,220,445</u>	<u>46,553</u>
	<u>\$ 26,951</u>	<u>\$ 1,220,445</u>	<u>\$ 46,553</u>

<i>Intergovernmental</i>		<i>Transfers</i>	
<i>State</i>	<i>Federal</i>	<i>In</i>	<i>Total</i>
\$	\$	\$	\$
	145,493	50,770	817
	243,600		222,203
	9,022,514		243,600
			9,036,919
			5,424
	15,151,264		15,151,264
1,649,550			1,649,550
112,150			112,150
		85,000	1,305,445
		91,412	92,034
			26,296
<u>\$ 1,761,700</u>	<u>\$ 24,562,871</u>	<u>\$ 227,182</u>	<u>\$ 27,845,702</u>

CENTRAL OREGON COMMUNITY COLLEGE

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

YEAR ENDED JUNE 30, 2016

	<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	196,263	25,940	1,428		222,203
SEOG			243,600		243,600
Pell		14,405	9,022,514		9,036,919
Veteran's fund		4,328			4,328
Federal education loan program			15,151,264		15,151,264
State need			1,649,550		1,649,550
Private scholarship award			112,150		112,150
Foundation			1,305,445		1,305,445
COCC financial aid program	302		11,676		11,978
Native American trust	270	15,316	2,200		17,786
	<u>\$ 196,835</u>	<u>\$ 59,989</u>	<u>\$ 27,499,827</u>	<u>\$ -</u>	<u>\$ 27,756,651</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, 2016

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
Revenue				
Local:				
Interest	\$ 27,075	\$ 27,075	\$ 26,951	\$ (124)
Grants	1,017,818	1,017,818	1,220,445	202,627
Other	53,500	53,500	46,553	(6,947)
Intergovernmental:				
State	1,650,000	1,650,000	1,761,700	111,700
Federal	15,470,000	15,470,000	9,411,607	(6,058,393)
Transfers from other funds	227,182	227,182	227,182	
<i>Total revenue</i>	18,445,575	18,445,575	12,694,438	(5,751,137)
Beginning fund balance	404,000	404,000	435,024	31,024
<i>Total available for appropriation</i>	18,849,575	18,849,575	13,129,462	(5,720,113)
Expenditures				
Federal programs	15,563,500	15,313,500	9,504,150	5,809,350
State programs	1,650,000	1,800,000	1,761,700	38,300
Local programs	1,258,806	1,358,806	1,339,537	19,269
<i>Total expenditures</i>	18,472,306	18,472,306	12,605,387	5,866,919
Ending fund balance	\$ 377,269	\$ 377,269	\$ 524,075	\$ 146,806



CENTRAL OREGON
community college

DEBT SERVICE FUND

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

CENTRAL OREGON COMMUNITY COLLEGE

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

JUNE 30, 2016 AND 2015

	2016	2015
ASSETS		
Pooled cash and investments	\$ 84,622	\$ 173,148
Cash with county treasurers	18,387	18,691
Property tax receivable	87,938	94,523
<i>Total assets</i>	\$ 190,947	\$ 286,362
 LIABILITIES AND FUND EQUITY		
<i>Liabilities:</i>		
Deferred revenue	\$ 60,951	\$ 66,172
<i>Total liabilities</i>	60,951	66,172
 <i>Fund equity:</i>		
Fund balance		
Designated for debt service	129,996	220,190
<i>Total liabilities and fund equity</i>	\$ 190,947	\$ 286,362

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, 2016

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
Revenue				
Local:				
Property taxes	\$ 2,997,063	\$ 2,997,063	\$ 2,853,737	\$ (143,326)
Assessment	1,006,543	1,006,543	1,006,492	(51)
Interest	667	667	279	(388)
Transfers from other funds	1,328,188	1,328,188	1,328,188	
Total revenue	5,332,461	5,332,461	5,188,696	(143,765)
Beginning fund balance	246,242	246,242	220,190	(26,052)
Total available for appropriation	5,578,703	5,578,703	5,408,886	(169,817)
Expenditures				
Debt service:				
Principal	1,971,954	1,971,954	1,971,953	1
Interest	3,306,351	3,306,351	3,306,337	14
Material and services	1,200	1,200	600	600
Total expenditures	5,279,505	5,279,505	5,278,890	615
Ending fund balance	\$ 299,198	\$ 299,198	\$ 129,996	\$ (169,202)

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, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Pooled cash and investments	\$ 7,662,211	\$ 10,858,604
<i>Total assets</i>	<u>\$ 7,662,211</u>	<u>\$ 10,858,604</u>
 LIABILITIES AND FUND EQUITY		
<i>Liabilities:</i>		
Accounts payable	\$ 165,232	\$ 1,909,035
<i>Fund equity:</i>		
Fund balance		
Undesignated	<u>7,496,979</u>	<u>8,949,569</u>
<i>Total liabilities and fund equity</i>	<u>\$ 7,662,211</u>	<u>\$ 10,858,604</u>

CENTRAL OREGON COMMUNITY COLLEGE

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

YEAR ENDED JUNE 30, 2016

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
Revenue				
Local				
Interest	\$ 12,347	\$ 12,347	\$ 15,111	\$ 2,764
Transfers from other funds	2,025,051	2,025,051	2,544,338	519,287
<i>Total revenue</i>	2,037,398	2,037,398	2,559,449	522,051
Beginning fund balance	8,562,000	8,562,000	8,949,569	387,569
<i>Total available for appropriation</i>	10,599,398	10,599,398	11,509,018	909,620
Expenditures				
Capital outlay				
Materials and services	1,600,000	1,600,000	836,656	763,344
Capital Outlay	4,965,300	4,515,300	2,091,510	2,423,790
Transfers out	650,000	1,100,000	1,083,873	16,127
<i>Total expenditures</i>	7,215,300	7,215,300	4,012,039	3,203,261
Ending fund balance	\$ 3,384,098	\$ 3,384,098	\$ 7,496,979	\$ 4,112,881

PROPRIETARY FUNDS

ENTERPRISE FUNDS

INTERNAL SERVICE FUND



CENTRAL OREGON
community college

ENTERPRISE FUNDS

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

CENTRAL OREGON COMMUNITY COLLEGE

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

**JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)**

	<i>Bookstore</i>	<i>Food Service Operations</i>
ASSETS		
<i>Current assets:</i>		
Pooled cash and investments	\$ 1,712,940	\$ 292,393
Accounts receivable	144,681	8,028
Inventory	551,375	
<i>Total current assets</i>	2,408,996	300,421
<i>Capital assets</i>		
Buildings and equipment	1,576,763	
Accumulated depreciation	(978,595)	
Net property and equipment	598,168	
<i>Total assets</i>	\$ 3,007,164	\$ 300,421
LIABILITIES AND FUND EQUITY		
<i>Liabilities:</i>		
Accounts payable	\$ 5,331	\$
Deferred revenue		112,520
Total liabilities	5,331	112,520
<i>Fund equity:</i>		
Contributed capital	20,000	
Retained earnings - unreserved	2,981,833	187,901
<i>Total fund equity</i>	3,001,833	187,901
<i>Total liabilities and fund equity</i>	\$ 3,007,164	\$ 300,421

<i>Residence Hall</i>	<i>Juniper Hall</i>	<i>Totals</i>	
		<i>2016</i>	<i>2015</i>
\$ 1,027,972	\$ 158,149	\$ 3,191,454	\$ 3,461,503
		152,709	278,677
		<u>551,375</u>	<u>682,603</u>
<u>1,027,972</u>	<u>158,149</u>	<u>3,895,538</u>	<u>4,422,783</u>
20,048,233	591,871	22,216,867	2,168,634
(395,535)	(558,712)	(1,932,842)	(1,472,014)
<u>19,652,698</u>	<u>33,159</u>	<u>20,284,025</u>	<u>696,620</u>
<u>\$ 20,680,670</u>	<u>\$ 191,308</u>	<u>\$ 24,179,563</u>	<u>\$ 5,119,403</u>
\$ 12,385	\$ 200	\$ 17,916	\$ 44,294
<u>197,050</u>		<u>309,570</u>	
<u>209,435</u>	<u>200</u>	<u>327,486</u>	<u>44,294</u>
		20,000	20,000
<u>20,471,235</u>	<u>191,108</u>	<u>23,832,077</u>	<u>5,055,109</u>
<u>20,471,235</u>	<u>191,108</u>	<u>23,852,077</u>	<u>5,075,109</u>
<u>\$ 20,680,670</u>	<u>\$ 191,308</u>	<u>\$ 24,179,563</u>	<u>\$ 5,119,403</u>

CENTRAL OREGON COMMUNITY COLLEGE

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

**YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2015)**

	<i>Bookstore</i>	<i>Food Service Operations</i>
Operating revenue:		
Charges for services	\$ 2,642,592	\$ 979,671
<i>Total operating revenue</i>	2,642,592	979,671
Operating expenses:		
Salaries	377,328	18,907
Payroll assessments	207,409	11,482
Materials and services	1,938,414	779,825
Capital outlay	4,961	
Depreciation	58,644	
<i>Total operating expenses</i>	2,586,756	810,214
Operating income (loss)	55,836	169,457
Non-operating revenue (expenses):		
Interest income	4,810	300
Operating transfer in		
Operating transfer out	(675,000)	
<i>Total non-operating revenue (expenses)</i>	(670,190)	300
Net income (loss)	(614,354)	169,757
Fund equity - beginning of year	3,616,187	18,144
Residual equity transfer		
Fund equity - end of year	\$ 3,001,833	\$ 187,901

<i>Residence Hall</i>	<i>Juniper Hall</i>	<i>Totals</i>	
		<i>2016</i>	<i>2015</i>
\$ 1,635,436	\$	\$ 5,257,699	\$ 3,973,961
<u>1,635,436</u>		<u>5,257,699</u>	<u>3,973,961</u>
202,790		599,025	510,965
132,275		351,166	279,911
461,668	2,149	3,182,056	2,789,482
139		5,100	10,552
<u>395,535</u>	<u>6,650</u>	<u>460,829</u>	<u>65,295</u>
<u>1,192,407</u>	<u>8,799</u>	<u>4,598,176</u>	<u>3,656,205</u>
<u>443,029</u>	<u>(8,799)</u>	<u>659,523</u>	<u>317,756</u>
2,290		7,400	3,106
110,000		110,000	30,417
<u>(1,373,188)</u>		<u>(2,048,188)</u>	<u>(450,000)</u>
<u>(1,260,898)</u>		<u>(1,930,788)</u>	<u>(416,477)</u>
(817,869)	(8,799)	(1,271,265)	(98,721)
1,440,778		5,075,109	
<u>19,848,326</u>	<u>199,907</u>	<u>20,048,233</u>	<u>5,173,830</u>
<u>\$ 20,471,235</u>	<u>\$ 191,108</u>	<u>\$ 23,852,077</u>	<u>\$ 5,075,109</u>

CENTRAL OREGON COMMUNITY COLLEGE

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

**YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2015)**

	<i>Bookstore</i>	<i>Food Service Operations</i>
Cash flows from operating activities:		
Cash received for services	\$ 2,773,979	\$ 1,086,772
Cash payments for goods and services	(1,811,455)	(779,825)
Cash payments to employees	(584,737)	(30,389)
<i>Net cash flows from operating activities</i>	377,787	276,558
Cash flows from non-capital financing activities	(675,000)	
Cash flows from investing activities:		
Interest earned	4,810	300
<i>Net cash flows from investing activities</i>	4,810	300
Net increase (decrease) in cash and cash equivalents	(292,403)	276,858
Cash and cash equivalents - beginning of year	2,005,343	15,535
Cash and cash equivalents - end of year	\$ 1,712,940	\$ 292,393
Reconciliation of operating income to net cash flows from operating activities:		
Operating income (loss)	\$ 55,836	\$ 169,457
Adjustments to reconcile operating income to net cash flows from operating activities		
Depreciation	58,644	
Decrease (increase) in accounts receivable	131,387	(5,419)
Decrease (increase) in inventory	131,228	
Increase (decrease) in accounts payable	692	
Increase (decrease) in deferred revenue		112,520
<i>Net cash flows from operating activities</i>	\$ 377,787	\$ 276,558

<i>Residence Hall</i>	<i>Juniper Hall</i>	<i>Totals</i>	
		<i>2016</i>	<i>2015</i>
\$ 1,832,486	\$	\$ 5,693,237	\$ 3,745,536
(489,077)	(1,950)	(3,082,307)	(2,910,233)
(335,065)		(950,191)	(790,876)
<u>1,008,344</u>	<u>(1,950)</u>	<u>1,660,739</u>	<u>44,427</u>
<u>(1,423,287)</u>	<u>160,099</u>	<u>(1,938,188)</u>	<u>(419,583)</u>
<u>2,290</u>		<u>7,400</u>	<u>3,106</u>
<u>2,290</u>		<u>7,400</u>	<u>3,106</u>
(412,653)	158,149	(270,049)	(372,050)
<u>1,440,625</u>		<u>3,461,503</u>	<u>3,833,553</u>
<u>\$ 1,027,972</u>	<u>\$ 158,149</u>	<u>\$ 3,191,454</u>	<u>\$ 3,461,503</u>
\$ 443,029	\$ (8,799)	\$ 659,523	\$ 317,756
395,535	6,650	460,829	65,295
		125,968	(228,425)
		131,228	(150,579)
(27,270)	200	(26,378)	40,380
<u>197,050</u>		<u>309,570</u>	
<u>\$ 1,008,344</u>	<u>\$ (1,949)</u>	<u>\$ 1,660,740</u>	<u>\$ 44,427</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, 2016

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
Revenue				
Local:				
Sales	\$ 4,829,800	\$ 4,829,800	\$ 2,642,592	\$ (2,187,208)
Interest	5,404	5,404	4,810	(594)
<i>Total revenue</i>	4,835,204	4,835,204	2,647,402	(2,187,802)
Beginning available resources	2,500,000	2,500,000	2,959,375	459,375
<i>Total available for appropriation</i>	7,335,204	7,335,204	5,606,777	(1,728,427)
Expenditures				
Personnel services	631,798	631,798	584,737	47,061
Materials and services	3,989,950	3,959,950	1,938,414	2,021,536
Capital outlay	100,000	100,000	4,961	95,039
Transfer to other funds	785,000	785,000	675,000	110,000
<i>Total expenditures</i>	5,506,748	5,476,748	3,203,112	2,273,636
Ending available resources	\$ 1,828,456	\$ 1,858,456	\$ 2,403,665	\$ 545,209

Analysis of ending available resources

Current assets	\$ 2,408,996
Less liabilities	(5,331)
	\$ 2,403,665

CENTRAL OREGON COMMUNITY COLLEGE

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

YEAR ENDED JUNE 30, 2016

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
Revenue				
Local:				
Sales	\$ 1,403,055	\$ 1,403,055	\$ 979,671	\$ (423,384)
Interest			300	300
<i>Total revenue</i>	1,403,055	1,403,055	979,971	423,084
Beginning available resources			18,144	18,144
<i>Total available for appropriation</i>	1,403,055	1,403,055	998,115	441,228
Expenditures				
Personnel services		33,000	30,389	(30,389)
Materials and services	1,383,055	1,350,055	779,825	603,230
Capital outlay	20,000	20,000		20,000
<i>Total expenditures</i>	1,403,055	1,403,055	810,214	592,841
Ending available resources	\$ -	\$ -	\$ 187,901	\$ 187,901

Analysis of ending available resources

Current assets	\$ 300,421
Less liabilities	(112,520)
	\$ 187,901

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, 2016

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
Revenue				
<i>Local:</i>				
Room and board	\$ 2,292,000	\$ 2,292,000	\$ 1,635,436	\$ (656,564)
Interest	2,067	2,067	2,291	224
Transfer from other funds	80,000	80,000	110,000	30,000
<i>Total revenue</i>	2,374,067	2,374,067	1,747,727	(626,340)
Beginning available resources	1,000,000	1,000,000	1,240,870	240,870
<i>Total available for appropriation</i>	3,374,067	3,374,067	2,988,597	(385,470)
Expenditures				
Personnel services	382,718	382,718	335,065	47,653
Materials and services	977,050	977,050	461,668	515,382
Capital outlay	15,000	15,000	139	14,861
Transfer to other funds	1,343,188	1,373,188	1,373,188	
<i>Total expenditures</i>	2,717,956	2,747,956	2,170,060	577,896
Ending available resources	\$ 656,111	\$ 626,111	\$ 818,537	\$ 192,426

Analysis of ending available resources

Current assets	\$ 1,027,972
Less liabilities	(209,435)
	\$ 818,537

CENTRAL OREGON COMMUNITY COLLEGE

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

YEAR ENDED JUNE 30, 2016

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
Revenue				
Local:				
Room and board	\$	\$	\$	\$
Interest				
Transfer from other funds				
<i>Total revenue</i>				
Beginning available resources			160,098	160,098
<i>Total available for appropriation</i>			160,098	160,098
Expenditures				
Personnel services				
Materials and services			2,149	(2,149)
Capital outlay				
Transfer to other funds				
<i>Total expenditures</i>			2,149	(2,149)
Ending available resources	\$ -	\$ -	\$ 157,949	\$ 157,949

Analysis of ending available resources

Current assets	\$ 158,149
Less liabilities	(200)
	\$ 157,949

INTERNAL SERVICE FUND

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

CENTRAL OREGON COMMUNITY COLLEGE
SCHEDULE OF ASSETS, LIABILITIES AND FUND EQUITY
INTERNAL SERVICE FUND

JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)

	<i>Totals</i>	
	<i>2016</i>	<i>2015</i>
ASSETS		
<i>Current assets:</i>		
Pooled cash and investments	\$ 371,315	\$ 428,752
<i>Total current assets</i>	371,315	428,752
<i>Capital assets:</i>		
Building and equipment	60,736	60,736
Accumulated depreciation	(39,393)	(35,373)
Net property and equipment	21,343	25,363
<i>Total assets</i>	\$ 392,658	\$ 454,115
LIABILITIES AND FUND EQUITY		
<i>Liabilities:</i>		
Accounts payable	\$ 13,174	\$ 14,098
<i>Fund equity:</i>		
Retained earnings - unreserved	379,484	440,017
<i>Total liabilities and fund equity</i>	\$ 392,658	\$ 454,115

CENTRAL OREGON COMMUNITY COLLEGE

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

**JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)**

	<u>Centralized Services</u>	<u>Copier Activities</u>	<u>Totals</u>	
			<u>2016</u>	<u>2015</u>
Operating revenue:				
Charges for services	\$ 156,709	\$ 117,695	\$ 274,404	\$ 249,469
Operating expenses:				
Salaries	52,132		52,132	65,759
Payroll assessments	34,289		34,289	38,526
Materials and services	72,324	110,006	182,330	178,796
Capital outlay	2,807		2,807	3,202
Depreciation	4,020		4,020	5,995
<i>Total operating expenses</i>	<u>165,572</u>	<u>110,006</u>	<u>275,578</u>	<u>292,278</u>
Operating income (loss)	<u>(8,863)</u>	<u>7,689</u>	<u>(1,174)</u>	<u>(42,809)</u>
Non-operating revenue (expenses):				
Interest income	641		641	382
Transfer out	<u>(50,000)</u>	<u>(10,000)</u>	<u>(60,000)</u>	
<i>Total non-operating revenue (expenses)</i>	<u>(49,359)</u>	<u>(10,000)</u>	<u>(59,359)</u>	<u>382</u>
Net income (loss)	<u>\$ (58,222)</u>	<u>\$ (2,311)</u>	<u>(60,533)</u>	<u>(42,427)</u>
Fund equity - beginning of year			<u>440,017</u>	<u>482,444</u>
Fund equity - end of year			<u>\$ 379,484</u>	<u>\$ 440,017</u>

CENTRAL OREGON COMMUNITY COLLEGE

**SCHEDULE OF CASH FLOWS
INTERNAL SERVICE FUND**

**JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)**

	<i>Totals</i>	
	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Cash received from users	\$ 274,404	\$ 249,469
Cash payments for goods and services	(186,061)	(183,728)
Cash payments to employees	(86,421)	(104,285)
	<u>1,922</u>	<u>(38,544)</u>
<i>Net cash flows from operating activities</i>		
Cash flows from non-capital financing activities	<u>(60,000)</u>	
Cash flows from investing activities		
Interest earned	<u>641</u>	<u>382</u>
	<u>641</u>	<u>382</u>
<i>Total non-operating revenue (expenses)</i>		
Net increase (decrease) in cash and cash equivalents	(57,437)	(38,162)
Cash and cash equivalents - beginning of year	<u>428,752</u>	<u>466,914</u>
Cash and cash equivalents - end of year	<u>\$ 371,315</u>	<u>\$ 428,752</u>
Reconciliation of operating income to net cash flows from operating activities:		
Operating income (loss)	\$ (1,174)	\$ (42,809)
Adjustments to reconcile operating income to net cash flows from operating activities		
Depreciation	4,020	5,995
Increase (decrease) in accounts payable	(924)	(1,730)
	<u>1,922</u>	<u>(38,544)</u>
<i>Net cash flows from operating activities</i>		

CENTRAL OREGON COMMUNITY COLLEGE

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

JUNE 30, 2016

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
Revenue				
<i>Local:</i>				
User charges	\$ 265,000	\$ 265,000	\$ 156,709	\$ (108,291)
Interest	715	715	641	(74)
<i>Total revenue</i>	265,715	265,715	157,350	(108,365)
Beginning available resources	330,000	330,000	410,294	80,294
<i>Total available for appropriation</i>	595,715	595,715	567,644	(28,071)
Expenditures				
Personnel services	112,356	112,356	86,421	25,935
Materials and services	125,900	110,900	72,324	38,576
Capital outlay	10,000	25,000	2,807	22,193
Transfer to other funds	105,000	105,000	50,000	55,000
<i>Total expenditures</i>	353,256	353,256	211,552	141,704
Ending available resources	\$ 242,459	\$ 242,459	\$ 356,092	\$ 113,633

Analysis of ending available resources

Current assets	\$ 360,915
Less liabilities	(4,823)
	\$ 356,092

CENTRAL OREGON COMMUNITY COLLEGE

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

JUNE 30, 2016

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
Revenue				
<i>Local:</i>				
User charges	\$ 125,000	\$ 125,000	\$ 117,695	\$ (7,305)
Interest	52	52		(52)
<i>Total revenue</i>	125,052	125,052	117,695	(7,357)
Beginning available resources	40,000	40,546	4,360	(36,186)
<i>Total available for appropriation</i>	165,052	165,598	122,055	(43,543)
Expenditures				
Personnel services	29,233	29,233		29,233
Materials and services	123,500	123,500	110,006	13,494
Capital purchases	1,000	1,000		1,000
Transfer to other funds	10,000	10,000	10,000	
<i>Total expenditures</i>	163,733	163,733	120,006	43,727
Ending available resources	\$ 1,319	\$ 1,865	\$ 2,049	\$ 184

Analysis of ending available resources

Current assets	\$ 10,400
Less liabilities	(8,351)
	\$ 2,049

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, 2016
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)

	<i>Totals</i>	
	<i>2016</i>	<i>2015</i>
ASSETS		
Pooled cash and investments	\$ 500,222	\$ 482,948
Beneficial interest in perpetual trust	1,226,391	1,327,193
<i>Total assets</i>	\$ 1,726,613	\$ 1,810,141
LIABILITIES AND FUND EQUITY		
<i>Liabilities:</i>		
Accounts payable	\$ 127,851	\$ 112,114
<i>Total liabilities</i>	127,851	112,114
<i>Fund balance:</i>		
Reserved for endowments	1,549,733	1,549,733
Unreserved	49,029	148,294
<i>Total fund equity</i>	1,598,762	1,698,027
<i>Total liabilities and fund equity</i>	\$ 1,726,613	\$ 1,810,141

CENTRAL OREGON COMMUNITY COLLEGE

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

**JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)**

	<i>Totals</i>	
	<i>2016</i>	<i>2015</i>
Operating expenses:		
Materials and services	\$ 92,011	\$ 102,168
Operating income (loss)	(92,011)	(102,168)
Non-operating revenue:		
Interest	2,288	1,807
Net gain (loss) on perpetual trust	(9,542)	51,058
Non-operating income	(7,254)	52,865
Net gain	(99,265)	(49,303)
FUND BALANCE - beginning of year	1,698,027	1,747,330
FUND BALANCE - end of year	\$ 1,598,762	\$ 1,698,027

CENTRAL OREGON COMMUNITY COLLEGE

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

JUNE 30, 2016

	<u>Actual</u>	<u>Budget</u>	<i>Variance with Final Budget Over (Under)</i>
BEGINNING FUND BALANCE	\$ 1,698,027	\$ 371,618	\$ 1,326,409
Revenue			
Interest	2,288	1,809	479
Net gain (loss) on perpetual trust	<u>(100,803)</u>	<u> </u>	<u>(100,803)</u>
<i>Total revenue</i>	<u>(98,515)</u>	<u>1,809</u>	<u>(100,324)</u>
<i>Total available for appropriation</i>	<u>1,599,512</u>	<u>373,427</u>	<u>1,226,085</u>
Expenses			
Scholarships	<u>750</u>	<u>3,000</u>	<u>2,250</u>
ENDING FUND BALANCE	<u>\$ 1,598,762</u>	<u>\$ 370,427</u>	<u>\$ 1,228,335</u>

OTHER SUPPLEMENTAL INFORMATION

CENTRAL OREGON COMMUNITY COLLEGE
SCHEDULE OF POOLED CASH AND INVESTMENTS
JUNE 30, 2016

	<i>Cash</i>
	<u><i>Balance</i></u>
Petty cash	\$ 10,350
Demand accounts	1,651,097
Investments:	
Oregon State Treasurer's Investment Pool	<u>28,962,591</u>
	<u><u>\$ 30,624,038</u></u>

CENTRAL OREGON COMMUNITY COLLEGE
SCHEDULE OF PROPERTY TAX TRANSACTIONS BY COUNTY
YEAR ENDED JUNE 30, 2016

<i>Tax Year</i>	<i>2015-16 Levy and Taxes Receivable July 1, 2015</i>	<i>Adjustments</i>	<i>Net Interest (Discount)</i>	<i>Collections</i>	<i>Receivable June 30, 2016</i>
Deschutes County					
2015-16	\$ 15,120,476	\$ (135,919)	\$ (372,298)	\$ 14,392,331	\$ 219,928
Prior	391,389	(9,027)	41,204	276,561	147,005
Jefferson County					
2015-16	1,125,827	(2,157)	(28,153)	1,065,949	29,568
Prior	71,057	(776)	7,440	43,646	34,075
Crook County					
2015-16	1,326,720	(4,300)	(32,214)	1,243,779	46,427
Prior	85,483	(97)		40,636	44,750
Klamath County					
2015-16	256,636	(976)	(6,636)	237,441	11,583
Prior	22,850	(925)	14	9,119	12,820
Lake County					
2015-16	119,070	(921)	(3,161)	110,041	4,947
Prior	13,351	(515)		4,265	8,571
Wasco County					
2015-16	7,300	5	(184)	6,866	255
Prior	551	(5)		309	237
<i>Totals</i>	<u>\$ 18,540,710</u>	<u>\$ (155,613)</u>	<u>\$ (393,988)</u>	17,430,943	<u>\$ 560,166</u>
Tax offsets and other collections				<u>102,546</u>	
<i>Total cash turnover to District</i>				<u>\$ 17,533,489</u>	
<u>By Fund</u>	<u>Cash Turnover</u>	<u>Adjustment for Accrual</u>	<u>Tax Revenue</u>	<u>Taxes Receivable</u>	
General Fund	\$ 14,685,993	\$ (6,241)	\$ 14,679,752	\$ 472,228	
Debt Service Fund	2,855,404	(1,667)	2,853,737	87,938	
District totals	<u>\$ 17,541,397</u>	<u>\$ (7,908)</u>	<u>\$ 17,533,489</u>	<u>\$ 560,166</u>	

CENTRAL OREGON COMMUNITY COLLEGE
SCHEDULE OF PROPERTY TAX TRANSACTIONS BY TAX YEAR
YEAR ENDED JUNE 30, 2016

<u>Tax Year</u>	<i>2015-16 Levy and Taxes Receivable July 1, 2015</i>	<u>Adjustments</u>	<i>Net Interest (Discount)</i>	<u>Collections</u>	<i>Receivable June 30, 2016</i>
2015-16	\$ 17,956,029	\$ (144,268)	\$ (442,646)	\$ 17,056,407	\$ 312,708
2014-15	320,843	(2,332)	13,587	197,770	134,328
2013-14	132,371	(1,413)	12,246	77,790	65,414
2012-13	72,895	(1,619)	13,602	63,074	21,804
2011-12	30,184	(1,497)	6,927	29,015	6,599
2010-11	10,896	(1,652)	898	3,017	7,125
2009-10	6,337	(1,409)	544	1,750	3,722
Prior	<u>11,155</u>	<u>(1,423)</u>	<u>854</u>	<u>2,120</u>	<u>8,466</u>
<i>Totals</i>	<u>\$ 18,540,710</u>	<u>\$ (155,613)</u>	<u>\$ (393,988)</u>	17,430,943	<u>\$ 560,166</u>
Tax offsets and other collections				<u>110,454</u>	
Total cash turnover to District				17,541,397	
Adjustment for accrual				<u>(7,908)</u>	
2015-16 tax revenue				<u>\$ 17,533,489</u>	

CENTRAL OREGON COMMUNITY COLLEGE

SCHEDULE OF BOND PRINCIPAL AND INTEREST TRANSACTIONS

YEAR ENDED JUNE 30, 2016

<i>Issue</i>	<i>Principal</i>			
	<i>Beginning Balance July 1, 2016</i>	<i>Issued</i>	<i>Paid</i>	<i>Ending Balance June 30, 2016</i>
April 23, 2003	\$ 8,641,181	\$	\$ 316,166	\$ 8,325,015
June 17, 2010	37,495,000		1,205,000	36,290,000
April 16, 2014	<u>20,965,000</u>		<u>390,000</u>	<u>20,575,000</u>
	<u>\$ 67,101,181</u>	<u>\$ -</u>	<u>\$ 1,911,166</u>	<u>\$ 65,190,015</u>

<i>Issue</i>	<i>Interest</i>			
	<i>Outstanding July 1, 2016</i>	<i>Matured</i>	<i>Paid</i>	<i>Outstanding June 30, 2016</i>
April 23, 2003	\$	\$ 690,376	\$ 690,376	\$
June 17, 2010		1,739,941	1,739,941	
April 16, 2014		<u>871,984</u>	<u>871,984</u>	
	<u>\$ -</u>	<u>\$ 3,302,301</u>	<u>\$ 3,302,301</u>	<u>\$ -</u>

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

YEAR ENDED JUNE 30, 2016

<i>Year Ended</i>	<i>Future Principal and Interest Requirements April 23, 2003</i>		<i>Future Principal and Interest Requirements June 17, 2010 Issue</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2017	\$ 315,936	\$ 740,606	\$ 1,335,000	\$ 1,699,800
2018	315,884	795,658	1,475,000	1,650,250
2019	313,470	853,072	1,625,000	1,593,250
2020	313,324	913,218	1,785,000	1,530,350
2021	310,745	975,797	1,955,000	1,457,525
2022-26	4,435,656	2,981,563	12,975,000	5,692,762
2027-31	<u>2,320,000</u>	<u>171,640</u>	<u>15,140,000</u>	<u>1,921,963</u>
<i>Totals</i>	<u>\$ 8,325,015</u>	<u>\$ 7,431,554</u>	<u>\$ 36,290,000</u>	<u>\$ 15,545,900</u>

<i>Year Ended</i>	<i>Future Principal and Interest Requirements April 16, 2014 Issue</i>		<i>Future Principal and Interest Requirements Note Payable</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2017	\$ 405,000	\$ 856,387	\$ 63,242	\$ 1,582
2018	420,000	840,188		
2019	435,000	823,387		
2020	455,000	805,988		
2021	475,000	787,788		
2022-26	2,655,000	3,639,937		
2027-31	3,265,000	3,030,625		
2032-36	4,050,000	2,250,825		
2037-41	4,935,000	1,360,413		
2042-44	<u>3,480,000</u>	<u>300,050</u>		
<i>Totals</i>	<u>\$ 20,575,000</u>	<u>\$ 14,695,588</u>	<u>\$ 63,242</u>	<u>\$ 1,582</u>

<i>Year Ended</i>	<i>Future Principal and Interest Requirements Totals</i>	
	<i>Principal</i>	<i>Interest</i>
2017	\$ 2,119,178	\$ 3,298,375
2018	2,210,884	3,286,096
2019	2,373,470	3,269,709
2020	2,553,324	3,249,556
2021	2,740,745	3,221,110
2022-26	20,065,656	12,314,262
2027-31	20,725,000	5,124,228
2032-36	4,050,000	2,250,825
2037-41	4,935,000	1,360,413
2042-44	<u>3,480,000</u>	<u>300,050</u>
<i>Totals</i>	<u>\$ 65,253,257</u>	<u>\$ 37,674,624</u>

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

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

JUNE 30, 2016

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, 2016, and have issued our report thereon dated October 31, 2016. 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, 2016

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, 2016

SINGLE AUDIT ACT REQUIREMENTS



CENTRAL OREGON
community college

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

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, 2016, 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, 2016.

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

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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, 2016

KERKOCHE 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 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, 2016. Central Oregon Community College's major federal programs are identified in the Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Central Oregon Community College, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Central Oregon Community College's internal control over compliance.

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

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

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

Kerkoch Katter & Nelson, LLP
Certified Public Accountants


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

October 31, 2016

CENTRAL OREGON COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2016

<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 2015-16</i>
Department of Education			
Student financial aid programs			
Supplemental educational opportunity grants	84.007	N/A	\$ 243,600
Perkins grant	84.037	N/A	1,428
College work study program	84.033	N/A	222,203
Pell grant programs	84.063	N/A	<u>9,036,919</u>
<i>Total student financial aid - cluster</i>			<u>9,504,150</u>
Adult education - State grant program	84.002	N/A	<u>330,448</u>
<i>Total department of education</i>			<u>330,448</u>
Other programs			
National Science Foundation - Education and human resources	47.076	N/A	72,311
Small business development center - SBA Grant	59.037	N/A	<u>30,250</u>
<i>Total other programs</i>			<u>102,561</u>
<i>Total federal financial assistance</i>			<u><u>\$ 9,937,159</u></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 \$15,151,264 were administered during the year ended June 30, 2016.

CENTRAL OREGON COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONS COSTS
YEAR ENDED JUNE 30, 2016

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 \$750,000.
9. The College was determined to be a low-risk auditee.
10. There were no findings or questioned costs in the year ended June 30, 2016 Single Audit.
11. The auditee did not use the safe harbor 10% administration rate.

Findings - Financial Statements Audit

None

Findings and Questioned Costs - Major Federal Programs Audit

None



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community college