



Rogue Community College

Year ending June 30, 2016

Grants Pass, Oregon

# Comprehensive Annual Financial Report

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# Comprehensive Annual Financial Report

Rogue Community College

Grants Pass, Oregon

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For the Year Ended June 30, 2016

Report prepared by the Budget and Financial Services Department

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3345 Redwood Hwy  
Grants Pass, OR 97527-9298

December 20, 2016

The Board of Education  
Rogue Community College  
Grants Pass, Oregon

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of Rogue Community College (the College) for the fiscal year ended June 30, 2016, together with the audit opinion therein of our auditors as required by Oregon State Statutes. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the College. We believe the financial statements and related information are stated fairly in all material aspects in reflecting the financial position and results of operations of the College. All disclosures necessary to enable the reader to gain maximum understanding of the College's financial affairs have been included.

This report consists of management's representations concerning the finances of Rogue Community College. To provide a reasonable basis for making these representations, management of the College has established a comprehensive internal control framework that is designed to protect the College's assets from loss, theft, or misuse, and to compile sufficient, reliable information for the preparation of the College's financial statements in conformity with Generally Accepted Accounting Principles in the United States of America (GAAP). Because the cost of internal controls should not outweigh their benefit, the College's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The College's MD&A can be found immediately following the independent auditor's report in the Financial Section.

The Comprehensive Annual Financial Report is organized in five sections, as follows:

1. The Introductory Section contains the letter of transmittal with an overview of the College that includes factors affecting the financial condition and other supplementary information, a listing of principal officials, and an organizational chart.
2. The Financial Section includes the independent auditor's report, the MD&A, basic financial statements, including notes to the financial statements, required supplementary information, and other supplementary information.
3. The Statistical Section includes selected financial and demographic information that is generally presented on a multi-year basis.
4. The Audit Comments Section includes the independent auditor's comments required by the Minimum Standards for Audits of Oregon Municipal Corporations.
5. The Government Auditing Standards Section includes information related to the Single Audit Act and Government Auditing Standards, including the schedule of expenditures of federal awards, its related note disclosures and the

various independent auditors' reports. The College is required to have an annual single audit in conformity with the provisions of the Federal Single Audit Act of 1984 and United States Office of Management and Budget (OMB) Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The College's CAFR has been prepared in accordance with accounting principles generally accepted in the United States of America as set forth by the Governmental Accounting Standards Board, the American Institute of Certified Public Accountants and other recognized standard-setting bodies. You will find a summary of significant accounting policies in the notes accompanying the basic financial statements.

The annual budget is a quantitative expression of the College's mission, providing a foundation for the College's financial planning and control. The College is required by the State of Oregon to adopt an annual budget subject to the requirements of "Local Budget Law" as addressed in Oregon Revised Statutes chapter 294 and 310. The budget is a plan for the financial operations to be conducted during the coming fiscal year and is adopted annually, prior to July 1.

The budget is developed with considerable College-wide participation. Our focus throughout the budget development and planning process is to determine the optimal balance of revenue, expenditures, and program and service levels, while taking into account the economic realities of our community. Along with the RCC Board of Education, the College's Budget Advisory Team (BAT) is instrumental in the budget process, with representative membership from all employee groups, College divisions, and Associated Student Government.

The budget committee is comprised of fourteen (14) members; seven (7) members of the advisory committee and seven (7) elected Board of Education members. It is the duty of the budget committee to analyze and approve the College's proposed operating budget and forward its recommendations to the Board for final consideration. As a part of the budget review and approval process, the budget committee holds public meetings to which citizens of the community are invited to give testimony on the budget before it is approved by the budget committee. The budget committee acts on fiscal matters, not on educational and personnel matters.

Following budget committee approval, the Rogue Community College Board of Education holds a public budget hearing. The purpose of this hearing is to provide the citizens of the community an opportunity to give testimony on the approved budget prior to its adoption by the College Board of Education.

The College maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Rogue Community College Board of Education. The activities of all funds are included in the annual appropriated budget as required by state law.

The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) for all funds is established at the function level. Transfers of appropriations between existing budget appropriations can be authorized by resolution of the Rogue Community College Board of Education.

As demonstrated by the statements and schedules included in the financial section of this report, Rogue Community College continues to meet its responsibilities for sound financial management. Budget-to-actual comparisons are provided in this report as part of the Other Supplementary Information in the Financial Section.

## **About the College**

The Rogue Community College District, located in the Rogue Valley covers a 4,453 square-mile area encompassing Josephine and Jackson counties. Total population for the two counties in 2016 is estimated at 297,312, which is a 6.3% increase since 2007.

The College was named for the Rogue River, which starts at Crater Lake and extends for 215 miles to the Pacific Ocean. As the river leaves the Cascade Mountains, it winds its way through the Rogue Valley that comprises Josephine and Jackson counties. The Rogue Valley is located midway between Seattle and San Francisco on the Interstate 5 corridor and extends to the Oregon-California border.

The College was established in Josephine County in November of 1970 by the vote of the electorate. On May 21, 1996, voters in Jackson and Josephine counties approved the expansion of the College's boundaries to encompass both counties. The annexation was effective July 1, 1997.

An elected seven-member Board of Education establishes the policies of the College. Each member of the Board is elected for a four-year term. The Board of Education has statutory charge and control of all activities operations and programs of the College, including its property, personnel and finances. The College President is the Chief Executive Officer of the College and the administrative staff is responsible for the College's daily operations.

The Oregon State Board of Education establishes state standards for educational programs and facilities, approves courses of study, and adopts regulations for Oregon's community college system. Additionally, the Commissioner of the Department of Community Colleges and Workforce Development serves as administrative officer of the state of Oregon in community college matters.

### **Mission, Vision and Core Values**

The College's mission, as adopted by the Board of Education, is to provide quality education to help learners achieve their goals, and to support the social, civic, cultural, and economic vitality of our diverse community. The College's vision is to build on our strong traditions of serving students and the Southern Oregon region, by (1) excelling in a progressive, collegial, and responsive teaching and learning community by providing accessible, affordable, and quality classes; (2) providing a collaborative and inclusive culture by inspiring staff, honoring teaching and learning, using data strategically, and communicating effectively; (3) enhancing student employability by developing career pathways and connecting students to workforce opportunities; (4) advancing the region's economic, social, and cultural well-being by building and sustaining partnerships with other educational institutions, employers, community agencies, and students. The College serves its community with outstanding educational opportunities based on a dedication to the following core values: excellence, integrity, respect, innovation, and stewardship.

The following institutional core themes have been established and approved by the Board of Education to help the College focus on achieving its mission:

**PROMOTE STUDENT ACCESS AND SUCCESS** - As a community college, a central tenet of college work is to promote student access and success in educational opportunities. Marketing messages, tuition rates, course offerings, program location, hours of operation, inviting buildings and grounds, financial aid processes, application and admissions policies, and college responsiveness all contribute to maximizing college access. Promoting students' ability to achieve success involves effectively responding to the academic, career, and socio-emotional, financial, and physical needs of the College's diverse student population.

**ADVANCE STUDENT LEARNING** – The College's principal purpose is to help students learn and achieve their educational goals. To do so, the College provides pre-collegiate study and support (ABE/GED/ ESL and academic skills); curricula that prepare students for transfer and career and technical education (CTE) leading to both certificates and degrees; workforce training/continuing professional education to meet the needs of incumbent workers and employers; and community education to meet non-credit education need. Services such as testing, tutoring, library, and distance-learning support the delivery of these programs. To advance student-learning, the College considers instructional program effectiveness balanced with demand and resource allocation. Successful student transfer data and advisory committee validation are reviewed to determine on-going effectiveness. Based on this input, student learning outcomes are identified and assessed. Assessments and necessary corrections ensure that learning is of the quality that meets student needs.

**STRENGTHEN OUR DIVERSE COMMUNITIES** - To fulfill its role in the communities it serves, the College aims to contribute to the personal, professional and educational journeys of students and employees alike. "Communities" refers to the internal and external College stakeholders affected by the Mission. "Diverse" refers to the wide range of people that work and learn and teach at the College—all with different goals, expectations and worldviews. To strengthen our diverse communities is to produce a richer, more viable college, region and state. The College exemplifies excellence, integrity, respect, innovation and stewardship in its plans and purposes.

**MODEL STEWARDSHIP** - As a community college, the College commits itself to responsible and resourceful guardianship of community resources and adherence to sustainable practices. Model stewardship reflects the importance of caring,

and for conserving those resources through intelligent governance, effective leadership; pursuit of additional resources, efficient use of financial, physical and human resources, and attention to the environment in which the College operates.

## **District Demographics**

The College operates three comprehensive campuses and two learning sites. Each campus provides lower-division college transfer courses, two-year associate degree programs and career/technical training programs.

The Redwood Campus (RWC) is the College's founding campus. It is located on 88 wooded acres; five miles west of the city of Grants Pass. It serves 5,074 students representing 1,177.52 FTE. The campus was originally constructed in the late 1960s as a federal training facility known as the Fort Vannoy Jobs Corps Training Center. Remodeled in 1989, the spacious campus of wood-framed buildings creates an informal atmosphere geared to student learning and success. RWC is home to the College's nursing, and automotive departments.

The Riverside Campus (RVC) is located in downtown Medford, where it plays a key role in the educational and cultural renaissance occurring in Medford. The Riverside Campus is in the heart of downtown Medford spanning a four-block radius. RVC serves 6,059 RCC students representing 1,824.32 FTE. RVC is the home of the College's dental and allied health programs.

RVC is also home to the RCC/SOU Higher Education Center (HEC). The HEC is a landmark building shared with our partner Southern Oregon University. Here, both institutions work together to create a supportive environment for students pursuing two-year, four-year and graduate degrees. The building is 68,700 square feet, housing classrooms, science labs, computer labs, a Prometric Testing Center and a Business Center. In addition to being an example of cooperation and collaboration between the two institutions, the HEC serves as a model of environmental stewardship. The design team worked with faculty, staff, students and community members to establish the green priorities for the project. It received a Platinum Leadership in Environmental Design (LEED) certification from the U.S. Green Building Council.

The Table Rock Campus is located in an industrial park in White City, Oregon, and is a high tech facility housing professional/technical programs. It currently serves 2,966 students who represent 417.20 FTE. The original 102,000 square foot building is currently home to diesel technology, fire science/EMS, electronics, apprenticeship, and manufacturing. In December 2015 the College purchased an adjacent building for development as its High Technology Center. The 12,000 square foot facility will offer mechatronics, advanced manufacturing, welding and related programs. The building is scheduled to open for Fall term 2017.

The Illinois Valley Learning Center (IVLC), located in Kerby, Oregon provides a mix of educational and community services to residents of rural Josephine County. The core educational services provided include, IP video and computer labs for distance-delivery classes, English as a second language, adult basic education, and GED preparation. The IVLC also houses the Masonic Lodge No. 18, a commercial kitchen and the Business Entrepreneurial Center.

The Esther Bristol Education Center, located in downtown Grants Pass is home to the Small Business Development Center (SBDC), the Firehouse Art Gallery and the College art department. The SBDC provides free business advising and fee-based training to county businesses. It additionally houses the Rogue Area Senior Computer Assistance League (RASCAL), a computer club for seniors. The Firehouse Art Gallery displays local and regional artwork produced by students, professional artists and children. The art department offers both credit and non-credit courses. This is an active and heavily used space because of its proximity and access to the downtown art community.

## **Economic Outlook**

Economic growth in Oregon continues to outpace the typical state for both job and income gains. This is largely due to the state's underlying fundamentals such as its industrial structure and strong in-migration flows. While job gains have slowed in recent months, they are still at a rate sufficient to keep pace with the population growth. As of July 2016 the seasonally adjusted unemployment rate is 6.6% for Jackson County and 7.4% for Josephine County. This is a 0.4% and 0.6% decrease, respectively, from the prior year.

As the economy approaches full employment, wages are rising. While Oregon's wages are lower than the national average, they are at their highest relative point since mills began closing in the 1980's. These gains are mostly due to broad-based increases seen across the state in varying industries and geographic regions. With an increasingly tight

labor market, this news bodes well for individuals across the state. In the short-term view, job growth continues to be strong in Oregon. The new minimum wage law will also impact the Oregon economy over the forecast horizon.

One of the College's largest non-operating revenue sources is funding from the State of Oregon. The State appropriated the sum of \$550 million for the biennium ended June 2017, an increase of over 18% from the 2013-2015 final biennium level of \$465 million. The College's share of the state support was approximately \$9.7 million for fiscal year 2016 and is slated to be around \$9.5 million for fiscal year 2017.

Another major source of non-operating revenue is property tax revenue. Property taxes are used for general operations and for debt service payments. Property tax revenue is a stable factor in the College's revenue, increasing between 2-4% a year. Property tax revenue increased 2.74% or \$380,207 in 2015-16. The College received \$14.3 million in property taxes for 2016; of the amount received, \$1.92 million or 13.48% is restricted for debt service payment.

Tuition and fee revenue accounts for approximately 22.24% of revenue. For 2015-16 the College collected \$16.96 million in tuition and fees. The College experienced a 6.82% decline in reimbursable FTE for 2015-16 and is anticipating a 6% decline in 2016-17.

In May 2016, the voters of Jackson and Josephine counties approved a \$20 million bond to finance capital projects of the RCC District. This is the first time that a bond levy was approved in Josephine County and the second time in Jackson County. The measure passed with total district votes of 48,362 votes for the measure and 42,000 votes against. The passage of this measure allows the College to make the following improvements to benefit the District community:

- Expansion/remodel or renovation, of education/training facilities at Medford (Riverside Campus - RVC), Grants Pass (Redwood Campus - RWC) and White City (Table Rock Campus - TRC) locations.
- Construction of a facility or expansion/remodeling existing TRC and RVC facilities for allied health programs.
- Nursing Training facility (RWC).
- Science Education Center (RWC).
- Career and Technical Education classrooms/labs at RVC, TRC, RWC, and satellite sites.
- Construction of facilities or purchase of modular facilities for the TRC Emergency Services/Fire Training programs at Fire District 3.
- Remodeling TRC building as a High Tech Center.

Passage of the bond levy will also allow the College to make use of \$8 million in matching capital project funds awarded by the State of Oregon.

The College has proactively managed its budget based on reasonable projections of future financing. This enables the College to continue to meet its student-centered mission. The College continually develops multi-year financial plans to ensure the financial viability of the College and works with the Budget Advisory Team to develop the budget.

### **Long-Term Financial Planning**

The College has an annual strategic and operational planning cycle that involves all levels of the organization. This process provides a framework to advance the District's vision, mission and goals in order to meet the needs of our students and community.

The Board-approved financial policies that are in place provide guidance for planning of resources, capital needs and adequate reserve levels for revenue shortfalls or unforeseen expenditure needs. The College's budgets are built on the basis of maintaining the financial stability of the District. The College sets goals for financial stability enabling it to manage revenue shortfalls and cash flows to ensure continued operations, and to provide for unforeseen contingencies without impairing service quality.

### **Accreditation**

The College is a regionally accredited, comprehensive, two-year public college in southern Oregon serving both Jackson and Josephine counties through its three campuses. The College's accreditation status has continuously been affirmed

since receiving correspondent status in 1971. The Northwest Commission on Colleges and Universities (NWCCU) is the regional accreditation authority operating under the U.S. Department of Education. NWCCU last reaffirmed the College's accreditation status following a comprehensive evaluation in fall 2011. Since that time, the College has completed a successful *Year-One Self-Evaluation* (fall 2012) and a positive *Mid-Cycle Evaluation* (fall 2014) with NWCCU. The next comprehensive self-study is due in fall 2019.

Three programs at the College have achieved the standards for specialized accreditation: Nursing, Emergency Medical Services and Massage Therapy. The College is also approved as a veterans training institution by the Veterans Administration. Accreditation is a voluntary process that fosters excellence in education through regular assessment and continuous improvement practices. Current accreditation standards are focused on student learning outcomes. Other advantages include access to federal financial aid for students and access to state and federal grants and funding. Students graduating from the College under accreditation will also enjoy smoother transfer experiences from the College to other colleges and universities within the state and nationwide.

### Independent Audits

The provisions of Oregon Revised Statutes, Section 297.405 to 297.555 require an independent audit of the fiscal affairs of the College. The firm of Eide Bailly LLP has completed their examination of the College's basic financial statements, and accordingly, has included their Independent Auditor's Report in the Financial Section of this CAFR.

The Single Audit Act and OMB Uniform Guidance require state and local governments that receive directly or indirectly certain amounts in federal assistance to have an audit conducted for that year. Included in this report are a Schedule of Expenditures of Federal awards, required reports on internal controls and compliance with laws and regulations, and a schedule of findings and questioned costs.

### Awards


The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Rogue Community College for its comprehensive annual financial report for the fiscal year ended June 30, 2015. This was the thirteenth consecutive year that the College has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and, therefore, will be submitted to the GFOA to determine its eligibility for certificate.

### Acknowledgments

We wish to express our appreciation to the entire Budget and Financial Services department, Financial Aid department and Information Technology department for their efforts and contributions to this Comprehensive Annual Financial Report. We further extend our thanks to the staff of Eide Bailly LLP for their extra efforts during this audit. We would also like to thank the members of the Board of Education, faculty and staff for their continued support and dedication to the financial operations of the College.

Sincerely,

  
Cathy Kemper-Pelle, Ed.D.  
President

  
Lisa Stanton, CPA  
Chief Financial Officer

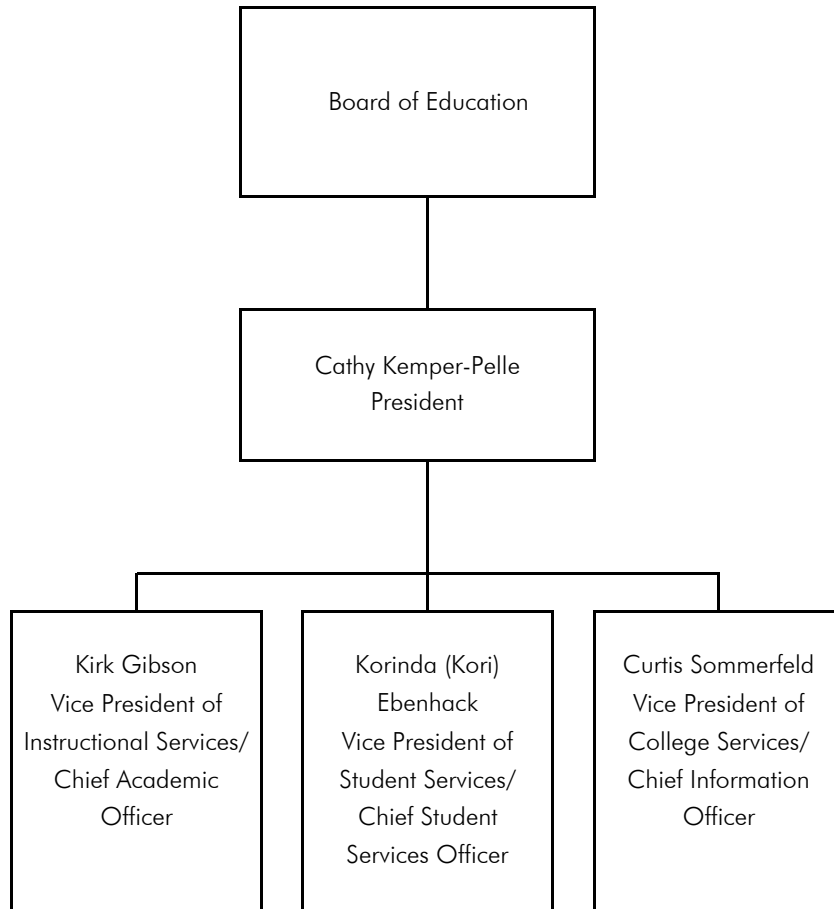
ELECTED/APPOINTED OFFICIALS

Kevin Talbert, Ph.D. 1291 N. Valley View Road Ashland, OR 97520	Chairperson
Ron G. Fox 4727 Torrey Pines Drive Medford, OR 97504	Vice-chairperson
Dean Wendle P.O. Box 1988 Grants Pass, Oregon 97528	Member
Patricia Ashley 3182 Rogue River Drive Eagle Point, OR 97524	Member
Timothy Johnson 1467 China Gulch Road Jacksonville, OR 97530	Member
Claudia Sullivan 900 S. Vannoy Creek Rd. Grants Pass, OR 97526	Member
Brett L. Johnson 1129 Steamboat Drive Central Point, OR 97502	Member

ADMINISTRATION

3345 Redwood Highway  
Grants Pass, Oregon 97527

Cathy Kemper-Pelle, Ed.D.	President
Lisa Stanton, CPA	Chief Financial Officer







Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Rogue Community College  
Oregon**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO

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## Independent Auditor's Report

To the Board of Education  
Rogue Community College  
Grants Pass, Oregon

### Report on the Financial Statements

We have audited the accompanying financial statements of Rogue Community College (the College), and 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 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 an opinion on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit, Rogue Community College Foundation. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Rogue Community College Foundation is based solely on the report of the other auditors. 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 the *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. The financial statements of Rogue Community College Foundation were not audited in accordance with *Government Auditing Standards*.

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 opinion.

### **Opinion**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the College and its discretely presented component unit, as of June 30, 2016, and the respective changes in its financial position and its cash flows thereof for the years 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, the Schedule of Funding Progress for Retiree Health Plan, The Schedule of Employer's Share of Net Pension Liability (Asset) and the Schedule of Employer Contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Other Information**

Our audit was conducted for the purpose of forming and opinion on the financial statements that collectively comprise the College's basic financial statements. The introductory section, individual fund financial schedules, schedules of property tax transactions, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

The individual fund financial schedules, the schedules of property tax transactions and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, the individual fund financial statements and the schedules of property tax transactions and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2016, on our consideration of the College's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

**Report on Other Legal and Regulatory Requirements**

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 1, 2016, on our consideration of the College's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



For Eide Bailly LLP  
Boise, Idaho  
December 1, 2016

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Rogue Community College's (the College) Comprehensive Annual Financial Report (CAFR) presents an analysis of the financial activities of the College for the fiscal year ended June 30, 2016. This discussion has been prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with them. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. This discussion is designed to focus on current activities, resulting changes and currently known facts.

### *Financial Highlights*

The significant events of the fiscal year ended June 30, 2016 that impacted the College are as follows:

- Student tuition and fees revenue experienced a decrease of 1.16% or \$198,234 from 2014-15. This decrease is attributable to a 6.82% decrease in reimbursable student FTE and a \$4 per credit increase in tuition. The per-credit tuition rate for 2015/16 is \$95 per credit. Additional information regarding enrollments is located in the Statistical Section.
- The College's student financial aid grants decreased \$3.6 million or 14.94% from the prior year. The decrease in financial aid is related to the decrease in student FTE and to the needs of the students the College serves. Additional information about student financial aid grants can be located in the Revenue Section of this analysis.
- FTE reimbursement from the State of Oregon increased 83.69% or \$5.4 million. This increase is attributable to the Oregon Legislature's deferral of its eighth quarter reimbursement from May 2015 to August 2015. The deferrals were enacted in 2003 and are scheduled to occur on alternate years so that the State can balance its biennial budget. More information about FTE reimbursement is located in the revenue section of this analysis.
- The College's overall expenses increased \$9.9 million or 14.46%. The increase is attributable to the decrease in the College's pension asset of \$13.3 million. Additional information about PERS can be located in Note 8, Pension Plans.
- Capital assets, net of depreciation, increased from \$33.3 million in 2015 to \$33.5 million in 2016 due primarily to the High Tech Center building purchase and depreciation.
- The College's net position has decreased from \$16.8 million in 2015 to \$14.8 million in 2016. The decrease is attributable to the Oregon Legislature's deferral of its eighth quarter reimbursement, as well as the change in value of the PERS asset due to fluctuations in the market.

One of the College's largest categories in net position (\$16.9 million) reflects the amount invested in capital assets, (e.g. land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The College uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the College's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

## Overview of the Financial Statements

This discussion and analysis is an introduction to the College's basic financial statements, which are comprised of entity-wide financial statements prepared in accordance with the accrual basis of accounting and notes to the basic financial statements. In addition, the report contains the Required Supplementary Information Section, the Statistical Section and a Single Audit Section.

The entity-wide financial statements are designed to provide readers with a broad overview of the College's finances in a manner similar to a private-sector business. These entity-wide statements consist of comparative statements including: *Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows*. The *Notes to the Basic Financial Statements* provide additional information essential to a full understanding of the data provided in the entity-wide financial statements.

### *Analysis of the Statement of Net Position As of June 30, 2016*

The *Statement of Net Position* presents information on all of the College's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position are indicators of the improvement or erosion of the College's financial health when considered along with non-financial facts such as enrollment levels and the condition of the facilities. The *Statement of Net Position* includes all assets and liabilities of the College using the accrual basis of accounting, which is similar to the accounting presentation used by most private colleges. Net position is the difference between assets and liabilities, and is one measure of the financial condition of the College.

	2016	2015	% Change
<b>Assets</b>			
Current assets	\$ 27,319,448	\$ 23,648,396	15.52%
Capital assets, net of depreciation	33,524,010	33,292,712	0.69%
Other non-current assets	162,768	3,967,743	-95.90%
Total Current Assets	<u>61,006,226</u>	<u>60,908,851</u>	0.16%
<b>Deferred Outflow of Resources</b>			
Deferred charge on refunding and PERS Contribution	3,164,790	2,711,422	16.72%
Total Deferred Outflow of Resources	<u>3,164,790</u>	<u>2,711,422</u>	16.72%
Total Assets and Deferred Outflow of Resources	<u>\$ 64,171,016</u>	<u>\$ 63,620,273</u>	0.87%
<b>Liabilities</b>			
Current liabilities	\$ 4,368,242	\$ 4,082,730	6.99%
Long-term debt, non-current portion	42,623,463	35,405,990	20.38%
Total Liabilities	<u>46,991,705</u>	<u>39,488,720</u>	19.00%
<b>Deferred Inflows of Resources</b>			
Deferred Pension Amount	2,399,791	7,358,177	-67.39%
Total Deferred Inflow of Resources	<u>2,399,791</u>	<u>7,358,177</u>	100.00%
<b>Net Position</b>			
Net Investment in capital assets, net of related debt and deferred	16,913,135	14,283,970	18.41%
Restricted	927,191	881,954	5.13%
Unrestricted	(3,060,806)	1,607,452	-290.41%
Total Net Position	<u>14,779,520</u>	<u>16,773,376</u>	-11.89%
Total Liabilities, Deferred inflow of Resources and Net Position	<u>\$ 64,171,016</u>	<u>\$ 63,620,273</u>	0.87%

On June 30, 2016, the College's assets were approximately \$61.0 million. The College's current assets of \$27.3 million were sufficient to cover current liabilities of \$4.4 million. This represents a current ratio of 6.25. Investment in capital assets, net of related debt and deferred outflows is \$16.9 million, and represents an increase of \$2.6 million from the prior year. The College uses capital assets to provide services to students; consequently, these assets are not available for future spending. Therefore, the resources to repay this debt will be provided by other sources. The



College's receivables consist of taxes, student accounts, interest and various operating receivables. Additional information regarding capital assets can be found in Note 3.

Restricted net position of \$927,191 consists primarily of amounts set aside for grants and debt service. The remaining balance \$(3.1) million represents unrestricted net position. The College's overall negative balance in unrestricted net position is due to the \$13.3 million decrease in the value of the College's pension asset.

***Analysis of the Statement of Revenues, Expenses and Changes in Net Position  
For the Year Ended June 30, 2016***

The *Statement of Revenues, Expenses and Changes in Net Position* presents the revenues earned and the expenses incurred during the year. All changes in net position are reported under the accrual basis of accounting, or as soon as the underlying event giving rise to the change occurs, regardless of the timing as to when the cash is received or disbursed. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. The utilization of long-lived investments is reflected in the financial statements as depreciation, which amortizes the cost of the capital asset over the expected useful life. Revenues and expenses are reported as either operating or non-operating, with operating revenues primarily generated from tuition and student financial aid 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.

	2016	2015	% Change
<b>Operating Revenues:</b>			
Student tuition and fees	\$ 16,962,306	\$ 17,160,540	-1.16%
Student financial aid grants	20,626,247	24,250,395	-14.94%
Federal grants and contracts	3,028,295	2,370,058	27.77%
State and local government grants and contracts	3,929,186	3,283,212	19.68%
Auxiliary enterprises	2,290,647	2,600,729	-11.92%
Total operating revenues	<u>46,836,681</u>	<u>49,664,934</u>	-5.69%
<b>Non-Operating Revenues:</b>			
State community college support	11,792,670	6,419,845	83.69%
Property taxes	14,273,517	13,893,310	2.74%
Investment income	230,823	196,146	17.68%
Other non-operating revenues	3,033,080	3,186,377	-4.81%
Total non-operating revenues	<u>29,330,090</u>	<u>23,695,678</u>	23.78%
<b>Operating and Non-Operating Expenses:</b>			
Instruction	21,071,960	14,706,052	43.29%
Instructional support services	7,096,620	5,232,455	35.63%
Student services	10,312,279	7,802,365	32.17%
Community services	802,943	655,848	22.43%
College support services	8,273,480	6,643,253	24.54%
Plant operations and maintenance	4,197,801	3,531,257	18.88%
Scholarships and grants	23,478,895	26,639,338	-11.86%
Depreciation	1,318,294	1,383,795	-4.73%
Loss on capital assets	20,080	5,602	258.44%
Interest expense	1,481,265	1,565,775	-5.40%
Amortization of deferred charges	118,835	120,602	-1.47%
Total operating and non-operating expenses	<u>78,172,452</u>	<u>68,286,342</u>	14.48%
Income (loss) before contributions	(2,005,681)	5,074,270	-139.53%
Capital contributions - donated assets	11,825	20,700	-42.87%
Change in net position	<u>(1,993,856)</u>	<u>5,094,970</u>	-139.13%
Net position, beginning of year	<u>16,773,376</u>	<u>11,678,406</u>	43.63%
Net position, end of year	<u>\$ 14,779,520</u>	<u>\$ 16,773,376</u>	-11.89%

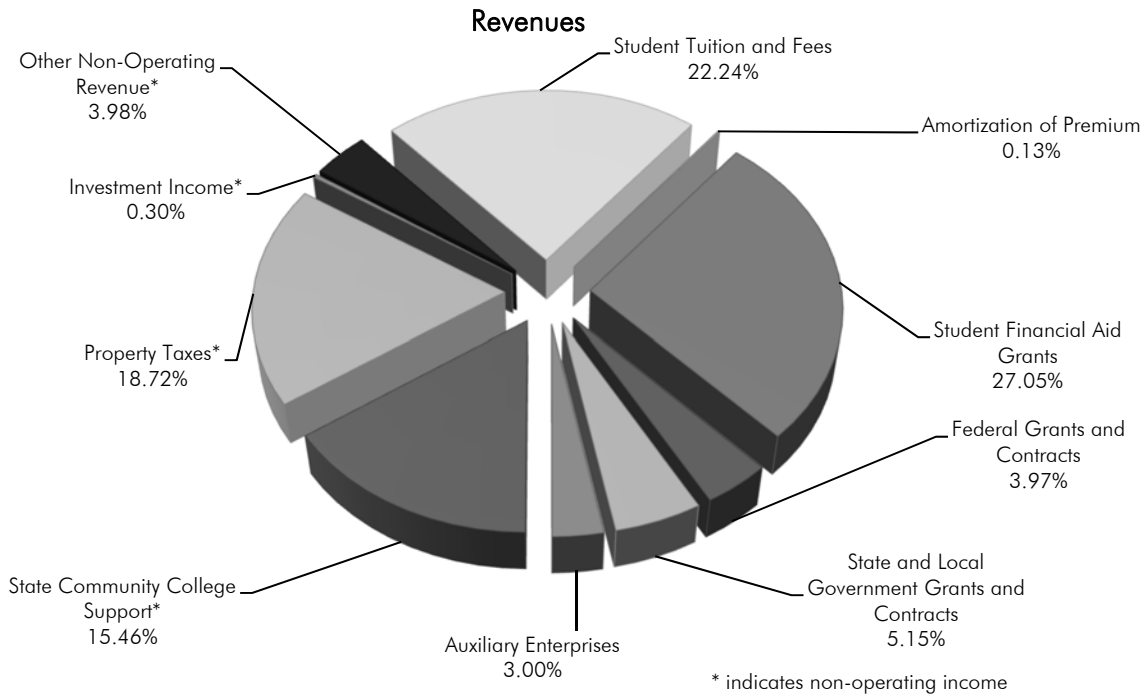
**Revenues:**

The *Statement of Revenues, Expenses and Changes in Net Position* presents the operating results of the College, as well as the non-operating revenues and expenses. Annual state reimbursements and property taxes, while budgeted for operations, are considered non-operating revenues according to generally accepted accounting principles in the United States of America (GAAP).

Operating revenues decreased by \$2.8 million or 5.69% between 2015 and 2016. The most significant sources of operating revenue for the College include student tuition & fees and federal student financial aid grants. Tuition and fees decreased 1.16% or \$198,234 due to a 6.82% decrease in student FTE and a \$4 per credit increase in tuition. Student financial aid grants decreased \$3.6 million or 14.94%. The decrease in financial aid grants is related to the decrease in student FTE and due to the needs of the students the College serves.

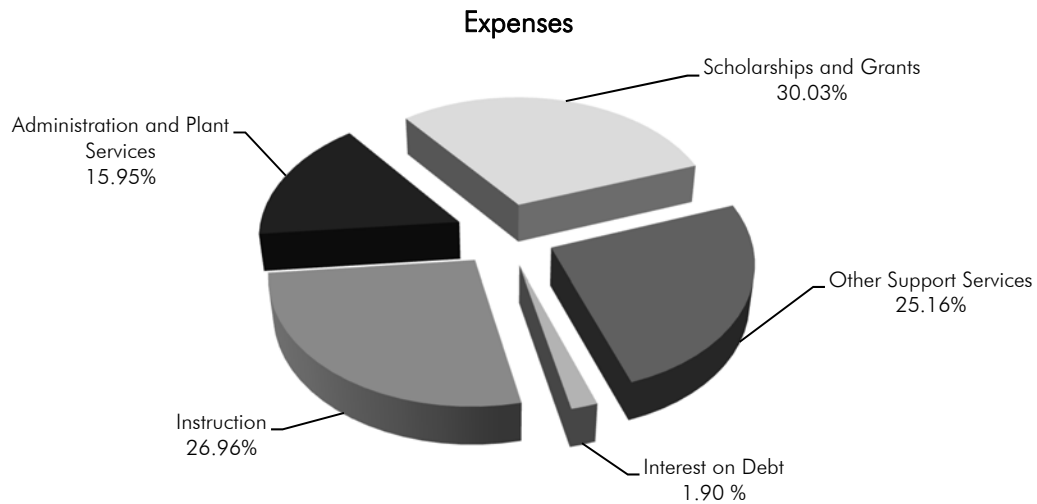
The largest non-operating revenue source is property taxes, followed by state community college support. The College received \$14.3 million from property taxes representing a 2.74% increase from the prior year. This increase is directly related to the overall assessed value of property located in Jackson and Josephine counties increasing approximately 3.8%.

The second largest non-operating revenue is FTE reimbursement from the State of Oregon. The State appropriated \$550 million for the Community College Support Fund (CCSF) for the 2015-17 biennium. The increase in the FTE reimbursement is a timing difference due to the deferral of the 2013-15 biennium eighth quarter FTE payment to fiscal year 2016.



**Expenses:**

Operating and non-operating expenses totaling \$78.2 million include salaries and benefits, materials and supplies, utilities, operating leases, scholarships and depreciation. Instruction expenses represent a large percentage of total expenses at \$21.1 million or 26.96% of total expenses. Support services, including auxiliary enterprises, contracted programs, and depreciation, represent \$19.7 million or 25.16% of total expenses. Scholarship and grant expenses of \$23.5 million represent 30.03% of total expenses. Administration expenses, including plant services, represent \$12.5 million or 15.95% of total expenses. Interest expense, the College's most significant non-operating expense, represents \$1.5 million or 1.90% of total expense.



***Capital Assets and Debt Administration***

***Capital Assets***

The College’s investment in capital assets as of June 30, 2016, amounts to \$33.5 million, net of accumulated depreciation. Investment in capital assets includes land, buildings, improvements, machinery and equipment, library collections, and infrastructure. Additional information on the College’s capital assets can be found in Note 3 of this report.

***Long-Term Obligations***

At the end of the current fiscal year, the College’s total outstanding debt was \$34.7 million. Of this amount, \$17.5 million is General Obligation and Refunding Bonds and \$17.1 million is Limited Tax Pension Obligation Bonds; all of which are backed by the full faith and credit of the College. In addition, the College also owes \$164,830 to US Department of Education for the purchase of property. The College’s total debt decreased by \$2.1 million during 2015-16.

State statutes limit the amount of general obligation debt the College may issue to 1.5% of Real Market Value of properties within the College’s district. As of June 30, 2016, the College’s general obligation debt is 0.07% of Real Market Value. Based upon this, the College’s legal debt limit is \$376,519,286, which is significantly higher than the College’s outstanding general obligation debt of \$17.5 million. Additional information on the College’s long-term debt can be found in Note 5.

In May 2016 the voters of Jackson and Josephine Counties approved a \$20 million bond to finance capital projects. The bonds were issued and funded in July 2016 at a premium of over \$3 million. The projects include:

- Redwood Campus
  - o Nursing building expansion
  - o Science building remodel/renovation
  - o Career and technical education enhancement project
- Table Rock Campus
  - o High Technology Center
  - o Career and technical education expansion

- Riverside Campus
  - o Career and technical education expansion
- Jackson County
  - o Health professions training center
  - o Emergency services/fire training facility classrooms at Fire District 3.

Passage of the bond levy allows the College to make use of \$8 million in matching capital project funds awarded by the State of Oregon, raising the total amount of funds available for capital projects to \$31 million.

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

The College adopted a balanced budget on June 21, 2016 for fiscal year 2016/17. The proposed General Fund budget for fiscal year 2016/17 is \$39.9 million. This budget is based upon CCSF appropriation of \$550 million. Property taxes are projected to increase 3.25%, or \$400,630, over 2015/16 actuals. Tuition is expected to decrease 6% in accordance with the anticipated enrollment decline. RCC's Board voted to increase tuition by \$4 per credit and the College Services fee by \$5 per tier for 2016/17. The General Fund budget also includes a transfer from the College Services Fund of \$471,973. The beginning fund balance for 2016/17 is budgeted at \$4.3 million.

State funding for the 2015/17 biennium of the Community College Support Fund (CCSF) is \$550 million, \$85 million more than the previous biennium. Although the increase in the CCSF was significant, it is still below the pre-recession level of funding and does not undo the damage caused by the numerous years of underfunding by the state.

When preparing the upcoming year's budget, revenue and expenditure forecasts are prepared within the context of the current economic conditions. The recent economic data supports continued growth in Oregon. Job gains are outpacing other states, as are wages for Oregon workers. The housing market continues to grow at a strong pace as household formations are increasing. Overall, the majority of the forward-looking economic indicators point to continued growth in the coming year. The one caveat to this positive economic outlook is the recent financial market turmoil. Should the turmoil persist, Oregon's economy and state tax revenues will be negatively impacted.

The current economic environment presents a mix of financial impacts on Rogue Community College. On one hand, the CCSF and property taxes are expected to remain stable and possibly increase. On the other hand, growth in the local job market has negatively impacted enrollment, reducing not only tuition and fees, but Rogue's portion of the CCSF. Over the past few years, the College has experienced a reduction in full-time equivalent (FTE) enrollments. Since 2010-11's record enrollment of 6,098 FTE, the College has experienced a decline of 27.5%. Looking forward, the College anticipates an additional 10% decline in enrollment levels in the next 2 years.

Achieving fiscal sustainability has been and will continue to be an ongoing challenge with declining enrollments and increasing costs related to PERS and employer-paid benefits. Recognition of the College's difficult fiscal circumstances by faculty, staff, students and the public is critical. Their willingness to participate in defining, addressing and resolving fiscal issues is acknowledged and greatly appreciated.

### ***Subsequent Events***

In July 2016, the College refinanced the remaining series 2005 general obligation and refunding bonds, saving tax payers in Jackson County \$1.1 million.

On June 30, 2016 President Peter Angstadt, Ph.D. retired after serving the College for 12 years. Cathy Kemper-Pelle, Ph.D., was appointed as President July 1, 2016. Dr. Kemper-Pelle served as Vice President of Learning at Lee College in Baytown, Texas. Accomplishments and awards received by Lee College during her tenure include the Student Success Award from the American Association of Community Colleges in 2015, and the STAR Award in 2014 from the Texas Higher Education Coordinating Board for excellence in partnerships. For student participation and student success, the college was recognized four times by the Aspen Institute and rated second in the nation by the Brookings Institute for the value added by associate degrees. Lee College also received state and local recognition for excellence in academic and student support services to veterans and active military personnel, earning the designation of Military-Friendly School. and the college engaged local business and industry partners to create critical career paths, including the Center for Community and Workforce Development. We are very excited to welcome Dr. Kemper-Pelle to our college.

*Requests for Information*

This financial report is designed to provide a general overview of Rogue Community College's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Rogue Community College  
Budget and Financial Services  
3345 Redwood Highway  
Grants Pass, OR 97527

Statement of Net Position  
June 30, 2016

	<u>College</u>	<u>Foundation (Component Unit)</u>
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 2,818,650	\$ 435,983
Cash equivalents	20,470,405	0
Receivables:		
Property taxes	1,015,264	0
Accounts, net	2,325,680	656,713
Inventory	623,053	0
Prepaid expenses	66,396	3,179
Total current assets	<u>27,319,448</u>	<u>1,095,875</u>
Non-current Assets:		
Endowment investments	0	7,939,347
Land investments	0	182,977
Postemployment benefit	162,768	0
Capital assets	53,027,239	38,627
Less: accumulated depreciation	<u>(19,503,229)</u>	<u>(37,005)</u>
Capital assets, net	<u>33,524,010</u>	<u>1,622</u>
Total non-current assets	<u>33,686,778</u>	<u>8,123,946</u>
<b>TOTAL ASSETS</b>	<u>61,006,226</u>	<u>9,219,821</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Deferred charge on refunding	1,052,561	0
Deferred outflows on PERS contributions	<u>2,112,229</u>	<u>0</u>
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<u>3,164,790</u>	<u>0</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	376,854	214,023
Accrued interest payable	29,124	0
Payroll liabilities	1,470,454	10,609
Unearned revenue	243,258	0
Compensated absences	86,643	0
Scholarships payable, net	0	621,943
Current portion of long-term obligations	<u>2,161,909</u>	<u>0</u>
Total current liabilities	<u>4,368,242</u>	<u>846,575</u>
Non-current liabilities - long-term obligations		
Pension liability	9,485,128	0
Compensated absences	556,807	0
Pension bonds payable	17,080,000	0
General obligation and refunding bonds payable (net of unamortized premium)	17,498,607	0
Note payable	164,830	0
Obligation under Standard Unitrust	0	115,704
Less: current portion of long-term obligations	<u>(2,161,909)</u>	<u>0</u>
Total non-current liabilities - long-term obligations	<u>42,623,463</u>	<u>115,704</u>
<b>TOTAL LIABILITIES</b>	<u>46,991,705</u>	<u>962,279</u>

See notes to basic financial statements.

Statement of Net Position  
June 30, 2016 (continued)

	<u>College</u>	<u>Foundation (Component Unit)</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred pension obligation	2,399,791	0
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,399,791</u>	<u>0</u>
NET POSITION		
Investment in capital assets	\$ 33,524,010	\$ 0
Less: related debt	(17,663,436)	0
Plus: deferred outflows attributable to capital assets	<u>1,052,561</u>	<u>0</u>
Net investment in capital assets	<u>16,913,135</u>	<u>0</u>
Restricted - non-expendable		
Restricted - permanent endowment	0	3,875,370
Restricted - expendable		
Restricted temporarily - endowment income and scholarships	0	3,714,856
Restricted - debt service	281,113	0
Restricted - contracts and grants	<u>646,078</u>	<u>0</u>
Total restricted net position	<u>927,191</u>	<u>7,590,226</u>
Unrestricted	<u>(3,060,806)</u>	<u>667,316</u>
TOTAL NET POSITION	<u>\$ 14,779,520</u>	<u>\$ 8,257,542</u>

See notes to basic financial statements.

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Statement of Revenues, Expenses, and Changes in Net Position  
For the year ended June 30, 2016

	College	Foundation (Component Unit)
<b>OPERATING REVENUES</b>		
Student tuition and fees	\$ 16,962,306	\$ 0
Federal student financial aid grants	20,626,247	0
Federal grants and contracts	3,028,295	0
State and local grants and contracts	3,929,186	0
Auxiliary enterprises	2,290,647	0
Public support and revenue	0	976,973
Total operating revenues	<u>46,836,681</u>	<u>976,973</u>
<b>OPERATING EXPENSES</b>		
Instruction	21,071,960	0
Instructional support services	7,096,620	0
Student services	10,312,279	0
Community services	802,943	0
College support services	8,273,480	0
Plant operations and maintenance	4,197,801	0
Scholarships and grants	23,478,895	0
Foundation programs	0	1,068,702
Depreciation	1,318,294	0
Total operating expenses	<u>76,552,272</u>	<u>1,068,702</u>
Operating income (loss)	<u>(29,715,591)</u>	<u>(91,729)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
State community college support	11,792,670	0
Property taxes	14,273,517	0
Investment income	230,823	(177,393)
Interest expense	(1,481,265)	0
Amortization of deferred charges	(118,835)	0
Loss on disposal of capital assets	(20,080)	0
Loss for uncollectible promise to give	0	(771,330)
Other non-operating revenues	3,033,080	0
Total non-operating revenues (expenses)	<u>27,709,910</u>	<u>(948,723)</u>
Income (loss) before contributions	<u>(2,005,681)</u>	<u>(1,040,452)</u>
Capital Contribution - donated assets	11,825	0
Change in net position	<u>(1,993,856)</u>	<u>(1,040,452)</u>
<b>NET POSITION</b>		
Net position, beginning of year, as restated	<u>16,773,376</u>	<u>9,297,994</u>
Net position, end of year	<u>\$ 14,779,520</u>	<u>\$ 8,257,542</u>

See notes to basic financial statements.

Statement of Cash Flows  
For the year ended June 30, 2016

	<u>College</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Student tuition and fees	\$ 16,883,468
Student financial aid grants	20,614,663
Federal, State and local government grants and contracts	6,435,496
Payments to suppliers for goods and services	(15,589,938)
Payments to employees	(26,491,547)
Payments for student financial aid and other scholarships	(23,478,895)
Auxiliary enterprises:	
Cash received from customers	2,222,614
Paid to suppliers for resale materials	(1,753,127)
Cash from other sources	<u>3,133,760</u>
Net cash used in operating activities	<u>(18,023,506)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Cash received from property taxes	14,346,285
Cash received from State community college support	11,792,670
Principal paid on pension bonds	(710,000)
Interest paid on pension bonds	<u>(850,843)</u>
Net cash provided by non-capital financing activities	<u>24,578,112</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>	
Purchase of capital assets	(1,557,847)
Principal paid on capital-related long-term debt	(1,246,016)
Interest paid on capital-related long-term debt	<u>(732,355)</u>
Net cash used in capital financing activities	<u>(3,536,218)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment income (loss)	<u>230,823</u>
<b>NET INCREASE IN CASH</b>	
Cash and cash equivalents, beginning of year	<u>20,039,844</u>
Cash and cash equivalents, end of year	<u><u>\$ 23,289,055</u></u>

See notes to basic financial statements.

Statement of Cash Flows  
For the year ended June 30, 2016 (continued)

	<u>College</u>
RECONCILIATION TO AMOUNTS SHOWN ON STATEMENT OF NET POSITION	
Cash	\$ 2,818,650
Cash equivalents	<u>20,470,405</u>
	<u>\$ 23,289,055</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	\$ (29,715,591)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	1,318,294
GASB 68 actuarial pension (revenue) expense	7,752,990
Other non-operating revenues	3,033,080
Changes in assets and liabilities:	
Increase in accounts receivable	(620,067)
Decrease in inventory	183,599
Increase in prepaid expenses	(58,141)
Decrease in accounts payable	(143,036)
Increase in payroll liabilities and compensated absences	178,535
Increase in deferred revenue	40,307
Increase in post-employment benefit	6,524
Net cash used in operating activities	<u>\$ (18,023,506)</u>
NON-CASH CAPITAL FINANCING AND INVESTING ACTIVITIES	
Premium on general obligation and refunding bonds	(99,290)
Amortization of premium on general obligation and refunding bonds	99,290
Book value of capital assets disposed	20,080
Loss on disposal of capital assets	(20,080)
Donation of capital asset	11,825
Capital assets	<u>(11,825)</u>
Net non-cash capital financing and investing activities	<u>\$ 0</u>

See notes to basic financial statements.

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Rogue Community College  
Grants Pass, Oregon

Notes to Basic Financial Statements

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**1. Summary of Significant Accounting Policies**

The financial statements of Rogue Community College (the College) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board is the accepted standards-setting body for establishing governmental accounting and reporting principles. The most significant accounting policies are described below.

Reporting Entity

Rogue Community College was established in November, 1970 in Josephine County, Oregon. On May 21, 1996, voters in Josephine and Jackson Counties approved the expansion of the College's boundaries to include both counties.

The College is an independent municipal corporation under the Oregon Revised Statutes. The College offers broad, comprehensive programs in academic and vocational-technical subjects to residents of Josephine and Jackson counties. The College is governed by an elected seven-member Board of Education.

As required by GAAP, the College's financial statements include the College and its component unit, the Rogue Community College Foundation (the Foundation).

The Foundation is a legally separate, tax-exempt component unit of the College. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. The Foundation Board of Directors is self-perpetuating. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon that the Foundation holds and invests, are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements.

The Foundation is a private nonprofit organization that reports under Financial Accounting Standards Board (FASB) standards, including FASB Accounting Standards Codification (ASC) 958-205, *Not-For-Profit Entities – Presentation of Financial Statements*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences.

During the year ended June 30, 2016, the Foundation provided scholarships and awards of \$299,951 and project grants of \$97,402 for the benefit of the College community. Complete financial statements for the Foundation can be obtained at: 3345 Redwood Highway, Building H, Grants Pass, Oregon 97527.

Measurement Focus and Basis of Accounting

For financial statement reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements are prepared using the economic resource measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized in the accounting periods in which they are earned and expenses are recognized in the periods liabilities are incurred, regardless of the timing of related cash flows. All significant intra-agency transactions have been eliminated.

1. Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting (continued)

Non-exchange transactions, in which the College receives value without directly giving equal value in return, include property taxes, federal, state, and local grants, state appropriations, and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants, State appropriations, and other contributions are recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, matching requirements, and expense requirements.

Timing requirements specify the year when the resources are required to be used or the fiscal year when use is first permitted. Matching requirements stipulate that the College provide local resources to be used for a specified purpose. Expense requirements stipulate the College will receive resources on a reimbursement basis.

Use of Estimates

The preparation of financial statements, in accordance with GAAP, requires management to make estimates and assumptions affecting amounts reported in the financial statements and related disclosures. Actual results could differ from the estimates.

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, cash with fiscal agent, demand deposits, the State of Oregon Treasurer's Local Government Investment Pool (LGIP) and short-term investments with original maturities of three months or less from the date of acquisition. The LGIP is stated at amortized cost, which approximates fair value. Fair value of the investment in the LGIP is substantially the same as the College's participant balance.

Investments

Oregon Revised Statutes authorize investment in general obligations of the U.S. government and its agencies, certain bonded obligations of Oregon municipalities, repurchase agreements and bankers' acceptances. As of June 30, 2016 and for the year then ended, the College was in compliance with the aforementioned State of Oregon statutes. Investments are stated at fair value, which is based on the individual investments' quoted market prices at year-end. As of June 30, 2016 the College does not have any outstanding investments.

Receivables

Student and agency receivables are shown net of an allowance for uncollectible accounts.

Property taxes are levied and become a lien on all taxable property as of July 1. Taxes are payable on November 15, February 15 and May 15. Discounts are allowed if the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established.

Allowable unreimbursed expenses from grantor agencies are reflected in the 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 unearned revenue.



1. Summary of Significant Accounting Policies (continued)

Inventory

The value of the Bookstores' inventory is calculated using the retail inventory method. This method calculates inventory value by taking the total retail value of the items that were originally in inventory, subtracting the total sales, then multiplying that dollar amount by the cost-to-retail ratio (the percentage by which goods are marked up from their wholesale purchase price to their retail sales price). Physical inventory is performed periodically to ensure the value of the inventory is calculated accurately.

Capital Assets

Capital assets include land, buildings and building improvements, furniture and equipment, infrastructure (which includes utility systems), library collections, Software and construction in progress. The College's capitalization threshold for library collections is \$0, furniture and equipment is \$5,000, and for all of the other categories is \$50,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Per GASB 72 donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value or functionality of the assets life are not capitalized; instead they are expensed as incurred.

Buildings, furniture and equipment, infrastructure, library collections and Software are depreciated using the straight-line method over the following useful lives:

Building and building improvements	35 - 60 years
Infrastructure	25 - 100 years
Furniture and equipment	5 - 10 years
Library collections	7-10 years
Software	5 years

Under GASB, governments are encouraged, but not required to capitalize and depreciate artwork and historical treasures if it meets all of the following conditions:

1. The collection is held for public exhibition, education, or research in furtherance of public service, rather than financial gain.
2. The collection is protected, kept unencumbered, cared for and preserved.
3. The collection is subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections.

The College meets all of the above criteria and has chosen not to capitalize and depreciate artwork and historical treasures.

Deferred Outflow/Inflow of Resources

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future period(s) and will not be recognized as an outflow of resources (expense) until then. The College has two items that qualifies

1. Summary of Significant Accounting Policies (continued)

Deferred Outflow/Inflow of Resources (continued)

for reporting in this category: the pension obligation and deferred charge on refunding, both are reported on the statement of net position. The pension obligation results from changes in assumptions or other inputs in the actuarial calculation of the College's net pension asset. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow or resources (revenue) until that time. The College has one item that qualifies for reporting in this category: the employer pension assumption. The employer pension assumption results from the differences between the expected and actual experience and the net difference between projected and actual earnings on pension plan investments derived from the actuarial calculation of the College's net pension liability.

Compensated Absences

Employees accumulate vacation and sick leave in accordance with their related bargaining agreement or employee handbook. Accumulated and unused vacation balances are accrued at the end of the year. Used vacation is expensed when incurred. Unused sick balances are not accrued at the end of the year; as they are forfeited when an employee separates from service. Used sick leave is expensed when incurred.

Short-Term Obligations

Oregon Revised Statutes Section 287A.180 authorizes the College to borrow money by issuing notes with a maturity date of no more than thirteen months. In addition, the principal amount of the obligations cannot exceed eighty percent (80%) of the amount of taxes and other revenues budgeted to be received in that fiscal year. As of June 30, 2016 there were no outstanding short-term obligations.

Long-Term Obligations

Premiums and discounts related to bonds are deferred and amortized over the life of the obligation using straight-line amortization, which approximates the effective interest method.

Pensions

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

**1. Summary of Significant Accounting Policies (continued)**Operating Revenues and Expenses

Operating revenues and expenses are distinguished from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the College's ongoing operations. The principal operating revenues of the College are charges to students for tuition and fees, grants and contracts for specific operating activities of the College, and sales of goods and services. Operating expenses include the cost of the faculty, staff, administration, support expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Federal Financial Assistance Program

The College participates in federally funded Pell Grants, Federal Work-Study, Supplemental Educational Opportunity Grant and Direct Loans. Federal programs are audited in accordance with the Single Audit Act, the U.S. Office of Management and Budget Uniform Guidance, Audit of States, Local Governments and Non-Profit Organizations, and the Compliance Supplement.

Net Position

Net position is classified according to external donor restrictions or availability of assets for satisfaction of College obligations. Expendable restricted net position represents funds restricted for specific purposes. When both restricted and unrestricted resources are available for use, it is the college's practice to use restricted resources first, then unrestricted resources as they are needed.

Budgetary Information

In accordance with Oregon Revised Statutes, the College adopts an annual budget and makes appropriations for each fund. The resolution authorizing appropriations for each fund sets the level by which expenses cannot legally exceed appropriations. The level of budgetary control for appropriations is by function. Transfers of appropriations may be made between legally authorized appropriations when approved by Board resolution. Annual appropriations lapse on June 30.

**2. Cash and Investments**

The College's cash and investments are comprised of the following at June 30, 2016:

Cash on hand	\$	4,600
Cash with fiscal agent		142,496
Deposits with Financial Institutions		2,671,554
Investments		20,470,405
Total	\$	<u>23,289,055</u>

**2. Cash and Investments (continued)**Deposits with Financial Institutions

Deposits with financial institutions consist of bank demand deposits. The College's demand deposits at June 30, 2016 included:

Insured (FDIC)	\$ 250,000
Collateralized by depository qualified by the Oregon State Treasurer	<u>2,934,060</u>
Total	<u>\$ 3,184,060</u>

Effective July 1, 2008 the Oregon State Treasurer became responsible for monitoring public funds held by bank depositories in excess of FDIC insured amounts, and for assuring that public funds on deposit are collateralized to the extent required by Oregon Revised Statutes (ORS) Chapter 295. ORS Chapter 295 requires depository banks to place and maintain on deposit with a third-party custodian bank, securities having a value of 10%, 25% or 110% of public funds depending primarily on the capitalization level of the depository bank. Although the College is in compliance with ORS 295, the College does not have a custodial credit risk policy and its demand deposits are still subject to custodial credit risk. Custodial credit risk is the risk, that in the event of a bank failure, the College's deposits may not be returned to it.

Investments

State statutes authorize the College to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon Municipalities, bank repurchase agreements, bankers' acceptances, commercial paper and the Oregon Local Government Investment Pool, among others. The College does not have an investment policy that would broaden its investment choices beyond the state statute.

At June 30, 2016, the College's investments consisted of:

Oregon Local Government Investment Pool	\$ 20,470,231
Other	<u>174</u>
Total Investments	<u>\$ 20,470,405</u>

The Oregon Local Government Investment Pool (LGIP) is an external investment pool which is part of the Oregon Short-Term Fund. Investment policies of this fund are governed by the Oregon Revised Statutes and the Oregon Investment Council (Council).

LGIP is an open-ended, no-load diversified portfolio pool. The fair value of the College's position in the pool is substantially the same as the value of the College's participant balance. The College's investment in the Oregon Local Government Investment Pool is nearly 100% of total investments. The College does not have a formal policy regarding concentration of credit risk.

**2. Cash and Investments (continued)**Investments (continued)

The State Treasurer is the investment officer for the Council. Investments are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board. The Oregon Short-Term Fund does not receive credit quality ratings from nationally recognized statistical rating organizations. The College does not have a formal policy regarding credit risk.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Oregon Short-Term Fund manages this risk by limiting the maturity of the investments held by the fund. Weighted average maturities of investments in the Oregon Short-Term Fund at June 30, 2016 were: 72% mature within 93 days, 12% mature from 94 days to one year, and 16% mature from one to three years. The College does not have a formal policy regarding interest rate risk.

Foundation Cash and Investments

The Rogue Community College Foundation maintains cash balances at a single financial institution. The Federal Deposit Insurance Corporation insures account balances at each institution for amounts up to \$250,000 and the Foundation did not have deposits that exceeded the FDIC insured limit. The Foundation's cash and cash equivalents were \$435,983 at June 30, 2016.

The Foundation's investments totaling \$7,939,347 at June 30, 2016 are stated at fair value and consist of the following:

	Fair Value	(Level 1)	(Level 2)	(Level 3)
Equity funds	\$ 4,644,500	\$ 4,644,500	\$ -	\$ -
Fixed income funds	1,745,413	-	1,745,413	-
Mutual funds	934,619	934,620	-	-
Other assets	614,815	-	614,815	-
Total Investments	<u>\$ 7,939,347</u>	<u>\$ 5,579,120</u>	<u>\$ 2,360,228</u>	<u>\$ -</u>

The Foundation's investments are reported at fair value using quoted market prices in active markets for identical assets (stock market quotes). This measurement standard is based on three levels. Level 1 valuations are based on quoted prices obtained in actively traded markets for identical assets and are considered to be the most objective standard for fair value measurement. Level 2 valuations are based on quoted prices for similar active markets, quoted prices for identical or similar markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market. Level 3 valuations are based on model-based techniques for which some or all of the assumptions are obtained from indirect market information that is significant to the overall fair value measurement and which require a significant degree of management judgment.

Rogue Community College Foundation maintains accounts with a stock brokerage firm. The accounts contain cash and securities. The Securities Investor Protection Corporation (SIPC) insures account balances for amounts up to \$500,000 (with a limit of \$100,000 for cash).

**3. Capital Assets**

The following table presents the changes in the various capital assets categories:

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016
Capital assets not being depreciated:				
Land	\$ 3,827,853	\$ 0	\$ 0	\$ 3,827,853
Construction in progress	49,899	752,876	0	802,775
Total capital assets not being depreciated	<u>3,877,752</u>	<u>752,876</u>	<u>0</u>	<u>4,630,628</u>
Capital assets being depreciated:				
Buildings	40,645,537	0	0	40,645,537
Infrastructure	1,797,825	0	0	1,797,825
Furniture and equipment	3,820,538	772,024	399,618	4,192,944
Library collections	717,681	46,471	0	764,152
Software RogueNet	996,153	0	0	996,153
Total capital assets being depreciated	<u>47,977,734</u>	<u>818,495</u>	<u>399,618</u>	<u>48,396,611</u>
Less accumulated depreciation for:				
Buildings	13,850,176	936,912	0	14,787,088
Infrastructure	487,938	37,932	0	525,870
Furniture and equipment	2,801,329	276,891	377,839	2,700,381
Library collections	560,082	43,302	0	603,384
Software	863,249	23,257	0	886,506
Total accumulated depreciation	<u>18,562,774</u>	<u>1,318,294</u>	<u>377,839</u>	<u>19,503,229</u>
Total capital assets being depreciated, net	<u>29,414,960</u>	<u>(499,799)</u>	<u>21,779</u>	<u>28,893,382</u>
Total capital assets, net	<u>\$ 33,292,712</u>	<u>\$ 253,077</u>	<u>\$ 21,779</u>	<u>\$ 33,524,010</u>

**4. Accounts Receivable**

The College's student and agency receivables are shown net of an allowance for uncollectible accounts. As of June 30, 2016, the allowance for uncollectible accounts totaled \$1,894,202.

In 1999, the Foundation was bequeathed funds for the Helen M. Whitaker Education Fund. For the year ended June 30, 2016, they held a student loan receivable of \$160,094. The Foundation also received pledges from donors in the fiscal year 2015-16 and the total remaining receivable at June 30, 2016 consisted of \$321,264.

**5. Long-Term Obligations**

The following is a summary of long-term obligations transactions during the year:

	July 1, 2015	Additions	Deletions	June 30, 2016	Due Within One Year	Interest Matured and Paid
Pension bonds payable	\$ 17,790,000	\$ 0	\$ 710,000	\$ 17,080,000	\$ 805,000	\$ 850,843
General obligation and refunding bonds payable	17,835,000	0	1,230,000	16,605,000	1,340,000	722,625
Premium on general obligation and refunding bonds	992,897	0	99,290	893,607	0	0
Note payable	180,846	0	16,016	164,830	16,909	9,730
Compensated Absences	636,976	643,450	636,976	643,450	86,643	0
Total	<u>\$ 37,435,719</u>	<u>\$ 643,450</u>	<u>\$ 2,692,282</u>	<u>\$ 35,386,887</u>	<u>\$ 2,248,552</u>	<u>\$ 1,583,198</u>

5. Long-Term Obligations (continued)

Bonds and Notes Payable

Wells Fargo Bank, Limited Tax Pension Obligation Bonds, Series 2005, original principal of \$21,035,000 is payable in semi-annual interest and annual principal payments, interest at 4.643% to 4.831%, due June 30, 2028.	\$ 17,080,000
US Bank, General Obligation and Refunding Bonds, Series 2005, original principal of \$24,000,000 is payable in semi-annual interest and annual principal payments, interest at 3.25% to 5.0%, due June 15, 2025.	7,640,000
US Bank, General Obligation and Refunding Bonds, Series 2012, original principal of \$9,430,000 is payable in semi-annual interest and annual principal payments, interest at 5.0%, due June 15, 2025.	8,965,000
United States Department of Education, original principal of \$376,176 is payable in semi-annual installments of \$12,873, including interest at 5.5%, due May 1, 2024, lien against real property.	164,830
Total Bonds and Notes Payable	<u><u>\$ 33,849,830</u></u>

Fiscal Year	PENSION BONDS		GENERAL OBLIGATION AND REFUNDING BONDS		NOTE PAYABLE		TOTAL	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016-17	\$ 805,000	\$ 817,878	\$ 1,340,000	\$ 662,725	\$ 16,909	\$ 8,836	\$ 2,161,909	\$ 1,489,439
2017-18	905,000	780,502	1,455,000	597,425	17,852	7,894	2,377,852	1,385,821
2018-19	1,015,000	738,483	1,585,000	526,375	18,847	6,898	2,618,847	1,271,756
2019-20	1,135,000	691,356	1,695,000	462,600	19,898	5,847	2,849,898	1,159,803
2020-21	1,260,000	638,658	1,815,000	400,450	21,008	4,738	3,096,008	1,043,846
2021-26	8,545,000	2,141,824	8,715,000	825,400	70,316	6,921	17,330,316	2,974,145
2026-31	3,415,000	221,984	0	0	0	0	3,415,000	221,984
TOTAL:	<u>\$17,080,000</u>	<u>\$6,030,685</u>	<u>\$16,605,000</u>	<u>\$3,474,975</u>	<u>\$164,830</u>	<u>\$41,134</u>	<u>\$33,849,830</u>	<u>\$ 9,546,794</u>

In June 2005, the College issued \$21,035,000 of Limited Tax Pension Obligation Bonds. The net proceeds from these bonds were transferred to PERS, to hold in trust. Each month a percent of the asset is used to offset the College's annual required contribution.

In February 2005 the College issued \$24,000,000 of General Obligation and Refunding bonds to provide funds (a) which were used and are continuing to be used for the acquisition and construction of major capital facilities, and (b) which were used to advance refund \$8,560,000 of Certificates of Participation (Series 1998 at 58% and Series 2000 and 2003 at 100%). The measure for authorizing the \$24,000,000 of general obligation bonds was on the November 2, 2004 ballot in Jackson County and was approved by a favorable vote of the District's Jackson County residents. The Bond measure was not on the ballot in Josephine County because the Project, defined herein, to be financed with Bond proceeds is located solely within Jackson County. Residents in the Josephine County portion of the District will not be assessed ad valorem taxes for payment of principal and interest on the Bonds. A portion of the proceeds from the General Obligation and Refunding Bonds were deposited in an irrevocable trust

**5. Long-Term Obligations (continued)**

to provide for all future debt service payments on the refunded Certificates of Participation. As a result, the refunded Certificates of Participation are considered defeased and the liability for those COPs has been removed from the College's basic financial statements. As of June 30, 2016, all defeased Certificate of Participations are paid in full.

In April 2012 the College issued \$9,430,000 of General Obligation and Refunding bonds to provide funds which were used to partially defease the existing General Obligation and Refunding Bond, Series 2005. This refunding reduces the College's total debt service payments over 14 years by \$815,939. As a result, the refunded Bonds are considered defeased and the liability for those Bonds has been removed from the College's basic financial statements. The re-acquisition price exceeded the net carrying amount of the old debt by \$905,000. As of June 30, 2016, \$8,525,000 of the defeased bonds is outstanding.

**6. Operating Leases**

The College leases building and office facilities and other equipment under non-cancelable operating leases. Payments under these leases totaled \$253,980 in 2015-16. The current and future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2017	\$ 197,903
2018	198,503
2019	193,923
2020	175,542
2021	117,862
2022-2024	<u>269,777</u>
Total	<u>\$ 1,153,510</u>

**7. Risk Management**

The College is exposed to various risks of loss related to general liability, property loss and workers' compensation. During the year 2015-16, the College purchased property and liability coverage through PACE. PACE is an insurance pool. PACE has a self-insured retention (SIR) of \$50,000 and purchased excess insurance from St. Paul Fire and Marine Insurance Company. PACE increased its pool Earthquake aggregate to \$300,000,000, but did not alter the per-member Earthquake limits. In the event of a federally declared disaster, FEMA will pay up to 75% of any uninsured loss. A major earthquake or flood would most likely be declared a federal disaster.

The pool member limits for liability coverage remain at \$10,000,000 per occurrence, \$20,000,000 aggregate. Currently, there is no pool aggregate cited on the PACE policy. Hart Insurance represents the College as its agent of record.

The College purchased workers' compensation insurance through SAIF Corporation for 2015-16. The coverage limits for workers' compensation under coverage A are statutorily limited and under coverage B is \$2,000,000 per occurrence.



**7. Risk Management (continued)**

The College is assessed an annual contribution/premium for general liability insurance, property loss and workers' compensation insurance coverage. The property and auto policy contributions are based upon annually updated property and auto schedules. The workers' compensation policy is a guaranteed cost plan, which means the College pays the premium based on an estimated payroll at the beginning of the fiscal year. The College accrues additional, or return, premiums based on the actual payroll which is audited at the end of the fiscal year.

**8. Pension Plans**

General Information about the Pension Plans

Plan descriptions: Employees of the College are provided with pensions through the Oregon Public Employees Retirement System, (OPERS), which is a cost-sharing multiple-employer defined benefit plan. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. The ORS Chapter 238 Defined Benefit Pension Plan, known as Tier 1. Tier 2 is closed to new members hired on or after August 29, 2003. A second program, the Chapter 238A-OPERS Pension Program (OPSRP-DB), is described in the second portion of this note. Membership in the programs is delineated based on date of hire.

OPERS issues a publically available financial report which can be obtained at:  
[http://www.oregon.gov/pers/Pages/section/financial\\_reports/financials.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx)

**8. Pension Plans (continued)**

General Information about the Pension Plans (continued)

Benefits Provided Under the Programs

	Chapter 238-Tier One and Tier Two	Chapter 238A-OPERS Pension Program (OPSRP-DB)
<b><i>Pension Benefits</i></b>	<p>Tier One/Tier Two Retirement Benefit plan is closed to new members hired on or after August 29, 2003.</p> <p>The PERS retirement allowance is payable monthly for life. The allowance 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 (2.0 percent for police and fire employees, 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 an annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.</p> <p>A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60.</p>	<p>The ORS 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003. This portion of the OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:</p> <p><b>General service:</b> 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 65, or age 58 with 30 years of retirement credit.</p> <p>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 of 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.</p>
<b><i>Death Benefits</i></b>	<p>Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:</p> <ol style="list-style-type: none"> <li>1. The member was employed by an OPERS employer at the time of death,</li> <li>2. The member died within 120 days after termination or PERS-covered employment,</li> <li>3. The member died as a result of injury sustained while employed in a PERS-covered job, or</li> <li>4. The member was on an official leave of absence from a PERS-covered job at the time of death.</li> </ol>	<p>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 which would otherwise have been paid to the deceased member.</p>

8. Pension Plans (continued)

General Information about the Pension Plans (continued)

	Chapter 238-Tier One and Tier Two	Chapter 238A-OPERS Pension Program (OPSRP-DB)
<b>Disability Benefits</b>	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 OPERS judge members) for disability benefits regardless of the length of OPERS-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.	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 the last full month of employment before the disability occurred.
<b>Benefit Changes after Retirement</b>	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 of equity investments.	No ability to change.
<b>Cost of Living Adjustments</b>	Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The cap on the COLA in fiscal year 2015 was capped at 1.5 percent for all benefit recipients. As a result of the <i>Moro</i> Decision ( <i>Everice Moro et al v. State of Oregon et al</i> ), the cap on the COLA will be restored to 2.0 percent for fiscal years 2016 and beyond.	Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

Contributions

OPERS 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. This funding policy applies to the OPERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Ultimate authority for setting and changing the laws governing contributions rests with the Oregon legislature.

Employer contribution rates during the period were based on the December 31, 2013 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2015. The state of Oregon and certain schools, community colleges, and political subdivisions have made lump sum payments to establish side accounts, and their rates have been reduced. Employer contributions for the year ended June 30, 2016 were \$3,566,173, of which \$1,600,742 are direct contributions from the college and the remainder is drawn from the College's Side Account held by OPERS. The rates, presented as a percentage of covered payroll, for the College in effect for the fiscal year ended June 30, 2016 were:

	Chapter 238-Tier One and Tier Two	Chapter 238A-OPERS Pension Program (OPSRP-DB)
General Service	11.33%	5.78%

**8. Pension Plans (continued)**

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

At June 30, 2016, the College reported a liability of \$9,485,128 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 and rolled forward to June 30, 2015. The College's proportion of the net pension liability was based on the College's projected long-term contribution effort as compared to the total projected long-term contribution effort of all employers.

Rates of every employer have at least two major components:

1. Normal Cost Rate: The economic value, stated as a percent of payroll, for the portion of each active member's total projected retirement benefit that is allocated to the upcoming year of service. The rate is in effect for as long as each member continues in OPERS-covered employment. The current value of all projected future Normal Cost Rate contributions is the Present Value of Future Normal Costs (PVFNC). The PVFNC represents the portion of the projected long-term contribution effort related to future service.
2. UAL Rate: If system assets are less than the actuarial liability, an Unfunded Actuarial Liability (UAL) exists. UAL can arise in a biennium when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises in a given biennium over a fixed period of time if future experience follows assumptions. The UAL Rate is the upcoming year's fixed component of the cumulative amortization schedules, stated as a percent of payroll.

The employer's PVFNC depends on both the normal cost rates charged on the employer's payrolls, and on the underlying demographics of the respective payrolls. For OPERS funding, employers have up to three different payrolls, each with a different normal cost rate: (1) Tier 1/Tier 2 payroll, (2) OPSRP general service payroll, and (3) OPSRP police and fire payroll.

Since many governments in Oregon have sold pension obligation bonds and deposited the proceeds with OPERS (referred to as side accounts or transitional liability or surplus), adjustments are required. After each employer's projected long-term contribution effort is calculated, that amount is reduced by the value of the employer's side account, transitional liability/surplus, and the pre-SLGRP liability/surplus (if any). This is done as those balances increase/decrease the employer's projected long-term contribution effort because side accounts are effectively pre-paid contributions.

Looking at both rate components, the projected long-term contribution effort is the sum of the PVFNC and UAL. The PVFNC part of the contribution effort pays for the value of future service while the UAL part of the contribution effort pays for the value of past service not already funded by accumulated contributions and investment earnings. Each of the two contribution effort components are calculated at the employer-specific level. The sum of these components across all employers is the total projected long-term contribution effort.

**8. Pension Plans (continued)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

At June 30, 2016, the College's proportion was 0.16520408 percent, and was 0.16757515 percent at the prior measurement date of June 30, 2015.

For the year ended June 30, 2016, the College recognized a pension expense of \$7,752,990. At June 30, 2016, the College reports deferred outflows of resources and deferred inflows of resources related to pensions from the following sources as shown below:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 511,486	\$ 0
Changes of assumptions	0	0
Net difference between projected and actual earnings on pension plan investments	0	1,988,298
Changes in proportion	0	40,710
Differences between College contributions and proportionate share of system contributions	0	370,783
College contributions subsequent to the measurement date	1,600,743	0
Total	<u>\$ 2,112,229</u>	<u>\$ 2,399,791</u>

\$1,600,743 of the College's contributions made subsequent to the measurement date will be recognized in the College's pension expense in the following year.

The net amount of the College's deferred outflows of resources and deferred inflows of resources that will be recognized in the College's pension expense in the subsequent five years in the aggregate are shown in the table below.

RCC Subsequent Fiscal Years	Deferred Outflow/ (Inflow) of Resources
2016-17	\$ (927,093)
2017-18	(927,093)
2018-19	(927,093)
2019-20	881,842
2020-21	11,132
Thereafter	0
Total	<u>\$ (1,888,305)</u>

**8. Pension Plans (continued)**Actuarial Assumptions

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 OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) 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 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for the 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 actuarially accrued liabilities, which are being amortized over a fixed period with new unfunded actuarially accrued liabilities being amortized over 16 years.

A summary of the economic assumptions approved for the December 31, 2013 actuarial valuations are shown below:

<u>Assumption</u>	<u>December 31, 2013 Valuation</u>
Inflation (other than healthcare)	2.75%
Real wage growth	Blend of 2.0% COLA and graded COLA (1.25%/0.15% in accordance with <i>Moro</i> decision; blend based on service
Payroll growth	3.75%
Regular investment return	7.75%
Variable account investment return	7.75%
OPSRP administrative expenses	\$5,500,000
Healthcare inflation rates	
2013 rate	8.00%
Ultimate inflation rate	4.70%
Year reaching ultimate rate	2083

Actuarial valuations of an on-going plan involve estimates of the 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<sup>st</sup> of even numbered years. The experience study used to develop assumptions and estimates for the December 2013 actuarial valuation upon which the GASB 68 reporting data is based was adopted on September 18, 2013.

**8. Pension Plans (continued)**

Actuarial Assumptions (continued)

Mortality assumptions are shown in the table below.

Assumption	December 31, 2013 Valuations
<b>Healthy Annuitant Mortality</b>  School District male Other General Service male (and male beneficiary) School District female Other female (and female beneficiary)	<b>RP 2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation</b>  No collar, set back 24 months  No change No change  No change
<b>Disabled Retiree Mortality</b>  Male Female	<b>RP 2000 Static, Disabled, No Collar, Sex distinct</b>  65% of Disabled table 90% of Disabled table
<b>Non-Annuitant Mortality</b>  School District male Other General Service male School District female Other female	<b>No change</b>  70% No change No change 55%

**8. Pension Plans (continued)**Actuarial Assumptions (continued)

The long-term expected rate of return on plan investments was developed based on the forward looking capital market economic model. The table below presents the assumptions related to asset allocation and expected rates of return by major asset class using the 50<sup>th</sup> percentile. The target allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Compound Annual Return</b>	<b>Annual Arithmetic Return</b>	<b>Standard Deviation</b>
Core Fixed Income	7.20%	4.50%	4.70%	6.60%
Short-Term Bonds	8.00%	3.70%	3.76%	3.45%
Intermediate-Term Bonds	3.00%	4.10%	4.23%	5.15%
High Yield Bonds	1.80%	6.66%	7.21%	11.10%
Large Cap US Equities	11.65%	7.20%	8.60%	17.90%
Mid Cap US Equities	3.88%	7.30%	9.38%	22.00%
Small Cap US Equities	2.27%	7.45%	10.38%	26.40%
Developed Foreign Equities	14.21%	6.90%	8.73%	20.55%
Emerging Market Equities	5.49%	7.40%	11.51%	31.70%
Private Equity	20.00%	8.26%	11.95%	30.00%
Hedge Funds/Absolute Return	5.00%	6.01%	6.46%	10.00%
Real Estate (Property)	13.75%	6.51%	7.27%	13.00%
Real Estate (REITS)	2.50%	6.76%	8.41%	19.45%
Commodities	1.25%	6.07%	7.71%	19.70%
Portfolio – Gross of Expenses	100.00%	7.62%	8.39%	13.01%
<b>Portfolio – Net of Expenses</b>	<b>100.00%</b>	<b>7.57%</b>	<b>8.34%</b>	<b>13.01%</b>

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 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.

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

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.75 percent) or 1-percentage point higher (8.75 percent) than the current rate:



**8. Pension Plans (continued)**

Sensitivity of the College's Proportionate share of the Net Pension Liability to Changes in the Discount Rate (continued)

	<u>1% Decrease (6.75%)</u>	<u>Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Proportionate share of Net Pension Liability (Asset)	\$ 22,892,004	\$ 9,485,128	\$ (1,813,346)

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report that can be found at [https://www.oregon.gov/pers/pages/section/financial\\_reports/financials.aspx](https://www.oregon.gov/pers/pages/section/financial_reports/financials.aspx).

**9. Post-Employment Health Care Costs**

Plan Description

The College administers a single-employer defined-benefit health care plan. The College's contributions toward retiree healthcare are as shown below. The College's post-employment health care plan does not issue a publicly available financial report.

Group	Hire Date	Years of Benefit Service	Age	The College Contribution for Retiree Health	Subsidized Coverage Level
Classified	Prior to 7-1-2006	10	58	100% of premiums, not to exceed the maximum College payment for active employees (by coverage level) in effect at the time of retirement.  The retiree pays for all subsequent increases in excess of the maximums in effect at the time of his or her retirement.	Retiree and covered spouse or child(ren), if any
		30	Any		
	On or after 7-1-2006	15	58		Retiree Only
Faculty	Prior to 6-30-2000	10	55		Retiree plus covered spouse and/or other dependents, if any
	On or after 6-30-2000, but before 10-1-2007	15	55		
	On or after 10/1/2007	15	55		Retiree Only
Management/ Administrative/ Exempt	Prior to 9-1-2003	15	55		Retiree only, except spouse benefits are provided for 2 years
	On or after 9-1-2003	15	62		Retiree Only

Funding Policy

Contribution requirements are established through College policy. In general, the College pays the premiums for eligible retirees and their eligible spouse up to the employer-paid maximum at the time of retirement with the retirees paying the remainder. Funding is on a pay-as-you-go basis. During 2015-16, the College contributed \$273,117.

Annual OPEB Cost and Net OPEB Obligation

The College's annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB.

**9. Post-Employment Health Care Costs (continued)**Annual OPEB Cost and Net OPEB Obligation (continued)

The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a 30-year period. The following table shows the components of the College's annual OPEB cost for the year, amounts actually contributed to the plan, and changes in the College's net OPEB obligation:

Annual Required Contribution	\$ 278,554
Interest on net OPEB obligation (asset)	(6,772)
Adjustment to annual required contribution	<u>7,859</u>
Annual OPEB cost	279,641
Contributions made	<u>273,117</u>
Increase (decrease) in net OPEB obligation	6,524
Net OPEB asset – beginning of year	<u>(169,292)</u>
Net OPEB asset – end of year	<u><u>\$ (162,768)</u></u>

The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligations for 2015-16, 2014-15 and 2013-14 were as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2016	\$ 279,641	97.67%	\$ (162,768)
6/30/2015	\$ 269,924	100.36%	\$ (169,292)
6/30/2014	\$ 250,268	117.23%	\$ (168,312)

As of January 1, 2015, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$3,072,277 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,072,277. The anticipated covered payroll (annual payroll of active employees covered by the plan) was \$16,933,149, and the ratio of the UAAL to the anticipated covered payroll was 18%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of future occurrence of events. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new forecasts are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**9. Post-Employment Health Care Costs (continued)**Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the College and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Actuarial Valuation Date	1/1/2015
Actuarial Cost Method	Entry Age Normal Cost
Amortization Method	Level Percent of Pay
Amortization Period	23 Years (closed)
General Inflation Rate	2.75%
Investment Rate of Return	4.00%
Projected Salary Increases	3.75%
Initial Healthcare Inflation Rates	5.90%
Ultimate Healthcare Inflation Rates	4.8% to 6.9%

**10. Contingencies**

The College receives grants from third parties, including the Federal Government. These funds are subject to audit and adjustment by these agencies, which may occur after the College's annual audit. Any disallowed costs, including amounts already collected, may constitute a liability of the College. This potential liability is deemed to be immaterial.

In December 2015, the College has purchased an existing 11,600 square foot building located in White City, Oregon. The building will be incorporated into the Table Rock Campus, housing welding, manufacturing, and associated technologies. The building has not yet been put into use as funding was needed to remodel the interior for the designated use. As stated below, the College obtained funding through a district wide General Obligation and Refunding Bond. The remodel should be completed in the 2016-17 fiscal year.

**11. Subsequent Events**

On May 17, 2016, Josephine and Jackson voters approved a \$20 million bond measure to provide for expansion in academic space and college programs within the College's district. In July 2016, the College issued \$20 million General Obligation Bonds, Series 2016B. The proceeds from the 2016B Bonds will be used to expand, modernize and construct facilities for additional students and programs, upgrade technology and pay for the costs of issuing the bonds.

Also in July 2016, the College issued \$7.04 million in General Obligation Refunding Bonds, Series 2016A. All proceeds from the bonds will be used to redeem a portion of the General Obligation and Refunding Bonds, Series 2005. The refunding took place to take advantage of current market yield which created a net economic gain of \$739,000.

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Rogue Community College  
Grants Pass, Oregon

Required Supplementary Information

Schedule of Funding Progress for Retiree Health Plan  
For the year ended June 30, 2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarial Valuation Date	01/01/2015	01/01/2015	01/01/2013	01/01/2013	01/01/2011
Actuarial value of assets (a)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Actuarial accrued liability (b)	<u>3,072,277</u>	<u>3,101,707</u>	<u>2,746,267</u>	<u>2,783,096</u>	<u>2,470,280</u>
Unfunded actuarial accrued liability (b-a)	<u>\$ 3,072,277</u>	<u>\$ 3,101,707</u>	<u>\$ 2,746,267</u>	<u>\$ 2,783,096</u>	<u>\$ 2,470,280</u>
Funded ratio (a/b)	0%	0%	0%	0%	0%
Covered payroll (c)	<u>\$ 16,933,149</u>	<u>\$ 16,321,107</u>	<u>\$ 17,459,753</u>	<u>\$ 16,828,677</u>	<u>\$ 17,305,153</u>
Unfunded actuarial accrued liability as a percentage of covered payroll ((b-a)/c)	<u>18%</u>	<u>19%</u>	<u>16%</u>	<u>17%</u>	<u>14%</u>

Note: See the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress. The College receives an actuarial valuation every two years.

Schedule of Employer's Share of Net Pension Liability/(Asset)  
 Oregon Public Employees Retirement System (OPERS)  
 Last Ten Fiscal Years\*

	<u>2016</u>	<u>2015</u>
Employer's proportionate share of the net pension liability/(asset)	0.16520408%	0.16757515%
Employer's proportionate share of the net pension liability/(asset)	\$ 9,485,128	\$ (3,798,451)
Employer's covered-employee payroll **	\$ 20,025,056	\$ 19,405,052
Employer's proportional share of the net pension liability/(asset) as a percentage of its covered-employee payroll	47.37%	(19.57%)
Plan fiduciary net position as a percentage of the total pension liability	91.88%	103.59%

Note: See the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPERS cost, net OPERS obligation, funded status and funding progress. The College receives an actuarial valuation every two years.

\* GASB Statement No. 68 requires ten years of information to be presented in this table, however, until a full ten year trend is compiled, the College will present information for those years for which information is available.

Data reported is measured as of June 30. The amounts presented have a measurement date of the previous fiscal yearend. Details on amounts presented can be obtained from OPERS at P.O. Box 23700, Tigard, OR 97281-3700.

\*\* This amount is equal to the covered payroll applicable to the proceeding year presented.

Rogue Community College

Schedule of Employer Contributions  
 Oregon Public Employees Retirement System (OPERS)  
 Last Ten Fiscal Years\*

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	<u>2016</u>	<u>2015</u>
Statutorily required contributions	\$ 1,600,743	\$ 1,540,025
Contributions in relation to the statutorily required contribution	\$ (1,600,743)	\$ (1,540,025)
Contribution (deficiency) excess	\$ 0	\$ 0
Employer's covered-employee payroll **	\$ 19,521,681	\$ 18,622,319
Contributions as a percentage of the covered-employee payroll	8.20%	8.27%

Note: See the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPERS cost, net OPERS obligation, funded status and funding progress. The College receives an actuarial valuation every two years.

\* GASB Statement No. 68 requires ten years of information to be presented in this table, however, until a full ten year trend is compiled, the College will present information for those years for which information is available.

Data reported is measured as of June 30.

\*\* Employer's covered-employee payroll is equal to the amount reported to PERS during the fiscal year presented. This amount includes adjustments from prior year's covered payroll.



Rogue Community College  
Grants Pass, Oregon

Other Supplementary Information

(Individual Fund Financial Schedules)

## Rogue Community College

### Other Supplementary Information Description of Budgeted College Funds

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Other supplementary information consists of schedules required by the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Oregon Secretary of State. Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual are presented on a Non-GAAP budgetary basis for each College fund required to be budgeted in accordance with Oregon Local Budget Law. The Non-GAAP budgetary basis reflects a modified accrual basis of accounting where revenues are reported when earned; expenditures are reported when liability is incurred; and taxes are accounted for on a cash basis.

The level of control established by the College's appropriation resolution is by function (i.e., Instruction, Instructional Support Services, Student Services, Community Services, College Support Services, Plant Operations and Maintenance, Financial Aid, Plant Additions and Contingencies and Reserves) for all funds.

Budgeted College funds are as follows:

General Fund – Accounts for the general operations of the College and accounts for all financial resources and expenditures of the College, except for those required to be accounted for in another fund. The principal sources of revenue include tuition, property taxes, and state community college support.

Capital Improvement Funds – Accounts for the receipt and disbursement of resources for buildings and land, buying or maintaining College facilities, and equipment. The principal revenues include transfers from the College Services Fund, bond levy proceeds and investment earnings.

Debt Service Funds – Accounts for the accumulation of resources for and payment of principal and interest on the College's long-term debt obligations. The principal revenues are transfers from the General Fund, College Services Fund and the PERS Fund and property taxes approved for bond levies.

College Services Fund – Accounts for non-technology fees charged to students. These fees include materials fees, the college services fee, testing fees, collection fees and the installment fee. The principal revenue is generated by fees remitted by students. The principal expenditures include facility lease, transportation costs, and transfers out to other funds.

Contract and Grant Fund – Accounts for grants and contracts for the U. S. Department of Education (which includes TRIO and Perkins funds), U. S. Department of Health and Human Services (SOHOPE), U. S. Department of Labor (TAACCT Path), Rogue Community College Foundation Department Projects and other contracts and grants. Revenues are primarily provided by federal, state and local sources.

Entrepreneurial Fund – Accounts for the development and growth of innovative instructional activities of the College. The principal revenue is transfers from the General Fund and tuition and fees.

Financial Aid Fund – Accounts for student aid in the form of federal grants (Federal Pell Grant, Federal Supplemental Education Opportunity Grant, Iraq and Afghanistan Service Grant), the Oregon Opportunity Grant (OOG), institutional scholarships (RCC Foundation), state scholarships administered by the Oregon Student Access Commission, third-party scholarships, federal work-study student employment, federal direct loans to students (subsidized and unsubsidized) and private student loans.

Higher Education Center Fund – Accounts for the day-to-day expenditures such as security, utilities, custodial services, copiers, maintenance services necessary to run the Higher Education Center building. Rogue Community College and Southern Oregon University share these costs.

Intra-College Fund – Accounts for activities performed by the College for the benefit of the College. Activities include Associated Student Government of Rogue Community College, Professional Growth, Staff Development and other departmental charges. The principal revenue for this fund is the college services fee remitted by students and transfers in from other funds.

## Rogue Community College

### Other Supplementary Information

#### Description of Budgeted College Funds (continued)

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PERS Fund – Accounts for the reserve held by the College for anticipated, future rate increases and the unfunded actuarial liability. The principal revenue is the PERS expense charged in other funds. Funds are transferred from this fund to the Debt Service Fund – Other to pay the Limited Tax Pension Obligation Series 2005.

Self-Support Fund – Accounts for the self-support instructional activities of the College. The principal revenue is tuition and fees.

Stability Reserve Fund – This fund accounts for the funds set aside by the College Board of Education to be used to stabilize the College's funding. The principal revenue is transfers from the General Fund.

Technology and Equipment Fund – This fund is designated for the replacement of the College's equipment and for distance delivery. The principal revenue is the per-credit and per-non-credit class technology fee, the distance education fee, host provider service fees and transfers from the General Fund and College Services Fund. The principal expenditure are upgrades/replacements for equipment and distance delivery services.

Unemployment Fund -- Accounts for the payments to the Oregon Employment Division for unemployment benefits paid to terminated employees. Principal revenues are the unemployment expense charged to other funds and investment earnings.

Auxiliary Services Fund – Accounts for the operation of the College's bookstore. Principal revenue from this fund is sales of text books and general merchandise.

Other Auxiliary Services Fund – Accounts for the operation of Art sales, Auto Technology, Diesel Technology, Disability Services, Early Childhood Education Facility, Facility Rental, Friends of the Library, Gallery Projects, Illinois Valley Business Entrepreneurial Center Facility, Manufacturing Engineering Technology, Massage, Math, Music and Music Ensembles, RogueNet intergovernmental agreements, Theater, and Welding.

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Rogue Community College

General Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 (Non-GAAP Budgetary Basis) - Budget and Actual  
 For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
State sources	\$ 9,666,342	\$ 9,666,342	\$ 9,782,060	\$ 115,718
Local sources	12,184,809	12,184,809	12,444,576	259,767
Tuition and fees	12,521,687	12,521,687	12,444,635	(77,052)
Other revenue sources	250,000	250,000	298,894	48,894
Total revenues	<u>34,622,838</u>	<u>34,622,838</u>	<u>34,970,165</u>	<u>347,327</u>
Expenditures:				
Instruction	15,898,066	15,799,316	15,086,469	712,847
Instructional support services	3,786,671	3,913,671	3,844,427	69,244
Student services	5,531,870	5,476,568	5,014,623	461,945
Community services	225,335	225,335	201,509	23,826
College support services	6,970,946	7,030,851	6,500,993	529,858
Plant operations and maintenance	2,991,795	2,969,795	2,484,647	485,148
Contingency	2,003,117	1,987,510	0	1,987,510
Reserved for future expenditures	1,534,991	1,534,991	0	1,534,991
Total expenditures	<u>38,942,791</u>	<u>38,938,037</u>	<u>33,132,668</u>	<u>5,805,369</u>
Revenues over (under) expenditures	<u>(4,319,953)</u>	<u>(4,315,199)</u>	<u>1,837,497</u>	<u>6,152,696</u>
Other financing sources (uses):				
Transfers in	1,283,760	1,283,760	0	(1,283,760)
Transfers out	<u>(1,662,655)</u>	<u>(1,667,409)</u>	<u>(1,667,409)</u>	<u>0</u>
Total other financing sources (uses)	<u>(378,895)</u>	<u>(383,649)</u>	<u>(1,667,409)</u>	<u>(1,283,760)</u>
Revenues and other sources over (under) expenditures and other uses	<u>(4,698,848)</u>	<u>(4,698,848)</u>	<u>170,088</u>	<u>4,868,936</u>
Fund balance, beginning of year	<u>4,698,848</u>	<u>4,698,848</u>	<u>4,706,367</u>	<u>7,519</u>
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,876,455</u>	<u>\$ 4,876,455</u>

Rogue Community College

Capital Improvement Fund - COPs and Bonds  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 (Non-GAAP Budgetary Basis) - Budget and Actual  
 For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Other revenue sources	\$ 150,000	\$ 150,000	\$ 138,820	\$ (11,180)
Expenditures:				
Plant additions	150,000	150,000	239,500	(89,500)
Total expenditures	150,000	150,000	239,500	(89,500)
Revenues over (under) expenditures	0	0	(100,680)	(100,680)
Other financing sources (uses):				
Bond proceeds	0	0	100,680	100,680
Total other financing sources (uses)	0	0	100,680	100,680
Revenues and other sources over (under) expenditures and other uses	0	0	0	0
Fund balance, beginning of year	0	0	0	0
Fund balance, end of year	\$ 0	\$ 0	\$ 0	\$ 0

Rogue Community College

Capital Improvement Fund - Maintenance  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 (Non-GAAP Budgetary Basis) - Budget and Actual  
 For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Other revenue sources	\$ 0	\$ 0	\$ 27,001	\$ 27,001
Expenditures:				
Plant operations and maintenance	2,289,383	2,289,383	1,029,011	1,260,372
Plant additions	1,090,101	1,090,101	10,238	1,079,863
Contingency	191,134	191,134	0	191,134
Total expenditures	3,570,618	3,570,618	1,039,249	2,531,369
Revenues over (under) expenditures	(3,570,618)	(3,570,618)	(1,012,248)	2,558,370
Other financing sources (uses):				
Transfers in	865,000	880,000	983,963	103,963
Revenues and other sources over (under) expenditures and other uses	(2,705,618)	(2,690,618)	(28,285)	2,662,333
Fund balance, beginning of year	2,705,618	2,690,618	2,547,284	(143,334)
Fund balance, end of year	\$ 0	\$ 0	\$ 2,518,999	\$ 2,518,999

Rogue Community College

Capital Improvement Fund - State and Local Funds  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 (Non-GAAP Budgetary Basis) - Budget and Actual  
 For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
State sources	\$ 500,000	\$ 500,000	\$ 500,000	\$ 0
Local sources	1,250,000	1,250,000	254,100	(995,900)
Total revenues	<u>1,750,000</u>	<u>1,750,000</u>	<u>754,100</u>	<u>(995,900)</u>
Expenditures:				
Plant operations and maintenance	1,000	1,000	0	1,000
Plant additions	1,749,000	1,749,000	504,100	1,244,900
Total expenditures	<u>1,750,000</u>	<u>1,750,000</u>	<u>504,100</u>	<u>1,245,900</u>
Revenues over (under) expenditures	0	0	250,000	250,000
Fund balance, beginning of year	0	0	0	0
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>



Rogue Community College

Debt Service Fund - General Obligation Bonds  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 (Non-GAAP Budgetary Basis) - Budget and Actual  
 For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Local sources	\$ 1,929,077	\$ 1,929,077	\$ 1,924,054	\$ (5,023)
Other revenue sources	15,891	15,891	18,839	2,948
Total revenues	<u>1,944,968</u>	<u>1,944,968</u>	<u>1,942,893</u>	<u>(2,075)</u>
Expenditures:				
Debt service	1,952,625	1,952,625	1,952,625	0
Unappropriated ending fund balance	<u>250,892</u>	<u>250,892</u>	<u>0</u>	<u>250,892</u>
Total expenditures	<u>2,203,517</u>	<u>2,203,517</u>	<u>1,952,625</u>	<u>250,892</u>
Revenues over (under) expenditures	(258,549)	(258,549)	(9,732)	248,817
Fund balance, beginning of year	258,549	258,549	267,299	8,750
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 257,567</u>	<u>\$ 257,567</u>
Summary of expenditures by appropriation:				
College support services	\$ 1,952,625	\$ 1,952,625	\$ 1,952,625	\$ 0
Unappropriated ending fund balance	<u>250,892</u>	<u>250,892</u>	<u>0</u>	<u>250,892</u>
Total expenditures	<u>\$ 2,203,517</u>	<u>\$ 2,203,517</u>	<u>\$ 1,952,625</u>	<u>\$ 250,892</u>

Rogue Community College

Debt Service Fund - Other  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 (Non-GAAP Budgetary Basis) - Budget and Actual  
 For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Other revenue sources	\$ 0	\$ 0	\$ 18	\$ 18
Expenditures:				
Debt service	1,586,591	1,586,591	1,586,589	2
Contingency	34,240	34,240	0	34,240
Total expenditures	<u>1,620,831</u>	<u>1,620,831</u>	<u>1,586,589</u>	<u>34,242</u>
Revenues over (under) expenditures	(1,620,831)	(1,620,831)	(1,586,571)	34,260
Other financing sources (uses):				
Transfers in	1,586,591	1,586,591	1,586,571	(20)
Revenues and other sources over (under) expenditures and other uses	(34,240)	(34,240)	0	34,240
Fund balance, beginning of year	34,240	34,240	34,245	5
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 34,245</u>	<u>\$ 34,245</u>
Summary of expenditures by appropriation:				
College support services	\$ 1,586,591	\$ 1,586,591	\$ 1,586,589	\$ 2
Contingency	34,240	34,240	0	34,240
Total expenditures	<u>\$ 1,620,831</u>	<u>\$ 1,620,831</u>	<u>\$ 1,586,589</u>	<u>\$ 34,242</u>

Rogue Community College

College Services Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 (Non-GAAP Budgetary Basis) - Budget and Actual  
 For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Tuition and fees	\$ 1,639,341	\$ 1,639,341	\$ 1,659,072	\$ 19,731
Expenditures:				
College support services	238,000	238,000	53,498	184,502
Plant operations and maintenance	182,509	182,509	158,395	24,114
Contingency	100,000	100,000	0	100,000
Reserved for future expenditures	1,523,619	1,523,619	0	1,523,619
Total expenditures	2,044,128	2,044,128	211,893	1,832,235
Revenues over (under) expenditures	(404,787)	(404,787)	1,447,179	1,851,966
Other financing sources (uses):				
Transfers out	(1,888,736)	(1,888,736)	(700,728)	1,188,008
Total other financing sources (uses)	(1,888,736)	(1,888,736)	(700,728)	1,188,008
Revenues and other sources over (under) expenditures and other uses	(2,293,523)	(2,293,523)	746,451	3,039,974
Fund balance, beginning of year	2,293,523	2,293,523	2,768,243	474,720
Fund balance, end of year	\$ 0	\$ 0	\$ 3,514,694	\$ 3,514,694

Rogue Community College

Contract and Grant Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 (Non-GAAP Budgetary Basis) - Budget and Actual  
 For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Federal sources	\$ 5,873,512	\$ 5,671,176	\$ 3,028,295	\$ (2,642,881)
State sources	142,091	73,839	79,616	5,777
Local sources	115,000	151,245	144,332	(6,913)
Tuition and fees	97,386	101,296	162,124	60,828
Other revenue sources	163,315	117,814	322,994	205,180
Total revenues	<u>6,391,304</u>	<u>6,115,370</u>	<u>3,737,361</u>	<u>(2,378,009)</u>
Expenditures:				
Instruction	3,395,810	3,337,588	1,282,758	2,054,830
Instructional support services	1,633,401	1,678,179	1,198,399	479,780
Student services	1,528,670	1,502,208	1,193,130	309,078
Community services	5,000	5,000	0	5,000
College support services	5,000	17,900	3,889	14,011
Plant operations and maintenance	5,000	5,000	0	5,000
Plant additions	5,000	5,000	0	5,000
Contingency	124,390	151,396	0	151,396
Total expenditures	<u>6,702,271</u>	<u>6,702,271</u>	<u>3,678,176</u>	<u>3,024,095</u>
Revenues over (under) expenditures	(310,967)	(586,901)	59,185	646,086
Fund balance, beginning of year	310,967	586,901	586,893	(8)
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 646,078</u>	<u>\$ 646,078</u>

Rogue Community College

Entrepreneurial Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 (Non-GAAP Budgetary Basis) - Budget and Actual  
 For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Tuition and fees	\$ 100,000	\$ 100,000	\$ 0	\$ (100,000)
Other revenue sources	450,000	450,000	0	(450,000)
Total revenues	<u>550,000</u>	<u>550,000</u>	0	<u>(550,000)</u>
Expenditures:				
Instruction	150,000	150,000	0	150,000
Instructional support	450,000	450,000	0	450,000
Contingency	25,000	25,000	0	25,000
Total expenditures	<u>625,000</u>	<u>625,000</u>	0	<u>625,000</u>
Revenues over (under) expenditures	<u>(75,000)</u>	<u>(75,000)</u>	0	<u>75,000</u>
Other financing sources (uses):				
Transfers in	250,000	250,000	250,000	0
Transfers out	<u>(175,000)</u>	<u>(175,000)</u>	<u>(175,000)</u>	0
Total other financing sources (uses)	75,000	75,000	75,000	0
Revenues and other sources over (under) expenditures and other uses	0	0	75,000	75,000
Fund balance, beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 75,000</u>	<u>\$ 75,000</u>

Rogue Community College

Financial Aid Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 (Non-GAAP Budgetary Basis) - Budget and Actual  
 For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Federal sources	\$ 29,375,639	\$ 29,421,410	\$ 20,626,247	\$ (8,795,163)
State sources	3,100,000	3,100,000	2,519,948	(580,052)
Local sources	700,000	700,000	274,640	(425,360)
Other revenue sources	45,771	0	0	0
Total revenues	<u>33,221,410</u>	<u>33,221,410</u>	<u>23,420,835</u>	<u>(9,800,575)</u>
Expenditures:				
Student financial aid	33,175,639	33,175,639	23,420,835	9,754,804
Total expenditures	<u>33,175,639</u>	<u>33,175,639</u>	<u>23,420,835</u>	<u>9,754,804</u>
Revenues over (under) expenditures	45,771	45,771	0	(45,771)
Other financing sources (uses):				
Transfers out	<u>(45,771)</u>	<u>(45,771)</u>	<u>0</u>	<u>45,771</u>
Revenues and other sources over (under) expenditures and other uses	0	0	0	0
Fund balance, beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, end of year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

Rogue Community College

Higher Education Center Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 (Non-GAAP Budgetary Basis) - Budget and Actual  
 For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Other revenue sources	\$ 399,149	\$ 394,395	\$ 183,219	\$ (211,176)
Expenditures:				
Instructional support	39,074	36,124	31,182	4,942
College support services	107,752	109,835	70,338	39,497
Plant operations and maintenance	623,600	626,719	404,965	221,754
Contingency	50,000	47,748	0	47,748
Total expenditures	820,426	820,426	506,485	313,941
Revenues over (under) expenditures	(421,277)	(426,031)	(323,266)	102,765
Other financing sources (uses):				
Transfers in	421,277	426,031	323,266	(102,765)
Revenues and other sources over (under) expenditures and other uses	0	0	0	0
Fund balance, beginning of year	0	0	0	0
Fund balance, end of year	\$ 0	\$ 0	\$ 0	\$ 0

Rogue Community College

Intra-College Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 (Non-GAAP Budgetary Basis) - Budget and Actual  
 For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Tuition and fees	\$ 164,016	\$ 164,016	\$ 143,230	\$ (20,786)
Other revenue sources	21,700	11,400	23,398	11,998
Total revenues	<u>185,716</u>	<u>175,416</u>	<u>166,628</u>	<u>(8,788)</u>
Expenditures:				
Instructional support	132,419	147,878	83,246	64,632
Student services	413,208	413,208	349,259	63,949
College support services	127,685	112,226	70,210	42,016
Contingency	19,194	19,194	0	19,194
Total expenditures	<u>692,506</u>	<u>692,506</u>	<u>502,715</u>	<u>189,791</u>
Revenues over (under) expenditures	<u>(506,790)</u>	<u>(517,090)</u>	<u>(336,087)</u>	<u>181,003</u>
Other financing sources (uses):				
Transfers in	338,391	338,391	330,673	(7,718)
Transfers out	(5,500)	(5,500)	0	5,500
Total other financing sources (uses)	<u>332,891</u>	<u>332,891</u>	<u>330,673</u>	<u>(2,218)</u>
Revenues and other sources over (under) expenditures and other uses	<u>(173,899)</u>	<u>(184,199)</u>	<u>(5,414)</u>	<u>178,785</u>
Fund balance, beginning of year	<u>173,899</u>	<u>184,199</u>	<u>239,807</u>	<u>55,608</u>
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 234,393</u>	<u>\$ 234,393</u>



Rogue Community College

PERS Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 (Non-GAAP Budgetary Basis) - Budget and Actual  
 For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Other revenue sources	\$ 1,770,182	\$ 1,770,182	\$ 1,782,899	\$ 12,717
Expenditures:				
College support services	75,000	75,000	1,083	73,917
Contingencies	100,000	100,000	0	100,000
Reserved for future expenditures	5,429,389	5,429,389	0	5,429,389
Total expenditures	5,604,389	5,604,389	1,083	5,603,306
Revenues over (under) expenditures	(3,834,207)	(3,834,207)	1,781,816	5,616,023
Other financing sources (uses):				
Transfers out	(1,560,844)	(1,560,844)	(1,560,843)	1
Total other financing sources (uses)	(1,560,844)	(1,560,844)	(1,560,843)	1
Revenues and other sources over (under) expenditures and other uses	(5,395,051)	(5,395,051)	220,973	5,616,024
Fund balance, beginning of year	5,395,051	5,395,051	5,483,395	88,344
Fund balance, end of year	\$ 0	\$ 0	\$ 5,704,368	\$ 5,704,368

Rogue Community College

Self-Support Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 (Non-GAAP Budgetary Basis) - Budget and Actual  
 For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
State sources	\$ 100,000	\$ 100,000	\$ 134,205	\$ 34,205
Tuition and fees	1,249,374	1,249,374	1,442,618	193,244
Other revenue sources	271,473	226,473	12,651	(213,822)
Total revenues	<u>1,620,847</u>	<u>1,575,847</u>	<u>1,589,474</u>	<u>13,627</u>
Expenditures:				
Instruction	1,019,349	1,013,191	1,029,266	(16,075)
Instructional support services	643,531	649,689	500,521	149,168
Student services	19,854	19,854	7,000	12,854
Contingencies	85,864	85,864	0	85,864
Total expenditures	<u>1,768,598</u>	<u>1,768,598</u>	<u>1,536,787</u>	<u>231,811</u>
Revenues over (under) expenditures	<u>(147,751)</u>	<u>(192,751)</u>	<u>52,687</u>	<u>245,438</u>
Other financing sources (uses):				
Transfers in	2,500	47,500	44,442	(3,058)
Total other financing sources (uses)	<u>2,500</u>	<u>47,500</u>	<u>44,442</u>	<u>(3,058)</u>
Revenues and other sources over (under) expenditures and other uses	<u>(145,251)</u>	<u>(145,251)</u>	<u>97,129</u>	<u>242,380</u>
Fund balance, beginning of year	<u>145,251</u>	<u>145,251</u>	<u>130,180</u>	<u>(15,071)</u>
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 227,309</u>	<u>\$ 227,309</u>

Rogue Community College

Stability Reserve Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 (Non-GAAP Budgetary Basis) - Budget and Actual  
 For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Other revenue sources	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Reserved for future expenditures	3,161,052	3,161,052	0	3,161,052
Total expenditures	3,161,052	3,161,052	0	3,161,052
Revenues over (under) expenditures	(3,161,052)	(3,161,052)	0	3,161,052
Other financing sources (uses):				
Transfers in	500,000	500,000	500,000	0
Total other financing sources (uses)	500,000	500,000	500,000	0
Revenues and other sources over (under) expenditures and other uses	(2,661,052)	(2,661,052)	500,000	3,161,052
Fund balance, beginning of year	2,661,052	2,661,052	2,661,052	0
Fund balance, end of year	\$ 0	\$ 0	\$ 3,161,052	\$ 3,161,052

Rogue Community College

Technology and Equipment Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 (Non-GAAP Budgetary Basis) - Budget and Actual  
 For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Tuition and fees	\$ 1,103,045	\$ 1,071,463	\$ 1,110,627	\$ 39,164
Other income	0	0	1,700	1,700
Total revenues	<u>1,103,045</u>	<u>1,071,463</u>	<u>1,112,327</u>	<u>40,864</u>
Expenditures:				
Instruction	398,157	349,531	190,023	159,508
Instructional support services	650,510	656,361	527,724	128,637
Student services	35,000	37,200	2,072	35,128
College support services	871,275	880,632	726,034	154,598
Plant operations and maintenance	15,000	46,218	42,503	3,715
Contingency	123,685	123,685	0	123,685
Total expenditures	<u>2,093,627</u>	<u>2,093,627</u>	<u>1,488,356</u>	<u>605,271</u>
Revenues over (under) expenditures	<u>(990,582)</u>	<u>(1,022,164)</u>	<u>(376,029)</u>	<u>646,135</u>
Other financing sources (uses):				
Transfers in	276,490	276,490	276,490	0
Total other financing sources (uses)	<u>276,490</u>	<u>276,490</u>	<u>276,490</u>	<u>0</u>
Revenues and other sources over (under) expenditures and other uses	(714,092)	(745,674)	(99,539)	646,135
Fund balance, beginning of year	<u>714,092</u>	<u>745,674</u>	<u>698,041</u>	<u>(47,633)</u>
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 598,502</u>	<u>\$ 598,502</u>

Rogue Community College

Unemployment Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 (Non-GAAP Budgetary Basis) - Budget and Actual  
 For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Other revenue sources	\$ 98,921	\$ 98,921	\$ 80,308	\$ (18,613)
Expenditures:				
College support services	125,000	125,000	51,614	73,386
Contingencies	119,701	119,701	0	119,701
Total expenditures	244,701	244,701	51,614	193,087
Revenues over (under) expenditures	(145,780)	(145,780)	28,694	174,474
Fund balance, beginning of year	145,780	145,780	186,175	40,395
Fund balance, end of year	\$ 0	\$ 0	\$ 214,869	\$ 214,869

Rogue Community College

Auxiliary Services Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 (Non-GAAP Budgetary Basis) - Budget and Actual  
 For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Sales	\$ 3,217,561	\$ 3,217,561	\$ 2,374,964	\$ (842,597)
Other income	9,250	9,250	13,302	4,052
Total revenues	<u>3,226,811</u>	<u>3,226,811</u>	<u>2,388,266</u>	<u>(838,545)</u>
<b>Expenditures:</b>				
Personnel services	373,979	373,979	336,803	37,176
Other payroll expense	212,887	212,887	202,927	9,960
Materials and services	120,494	120,494	72,511	47,983
Materials for resale	2,478,171	2,478,171	1,887,129	591,042
Capital equipment	30,000	30,000	0	30,000
Contingency	191,280	191,280	0	191,280
Total expenditures	<u>3,406,811</u>	<u>3,406,811</u>	<u>2,499,370</u>	<u>907,441</u>
Revenues over (under) expenditures	(180,000)	(180,000)	(111,104)	68,896
<b>Other financing sources (uses):</b>				
Transfers out	<u>(70,000)</u>	<u>(70,000)</u>	<u>(20,000)</u>	<u>50,000</u>
Revenues and other sources over (under) expenditures and other uses	(250,000)	(250,000)	(131,104)	118,896
Fund balance, beginning of year	<u>250,000</u>	<u>250,000</u>	<u>902,897</u>	<u>652,897</u>
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 771,793</u>	<u>\$ 771,793</u>
 <b>Summary of expenditures by appropriation:</b>				
Student services	\$ 3,215,531	\$ 3,215,531	\$ 2,499,370	\$ 716,161
Contingency	191,280	191,280	0	191,280
Total expenditures	<u>3,406,811</u>	<u>3,406,811</u>	<u>2,499,370</u>	<u>907,441</u>
Transfers out	<u>70,000</u>	<u>70,000</u>	<u>20,000</u>	<u>50,000</u>
	<u>\$ 3,476,811</u>	<u>\$ 3,476,811</u>	<u>\$ 2,519,370</u>	<u>\$ 957,441</u>

Rogue Community College

Other Auxiliary Services Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 (Non-GAAP Budgetary Basis) - Budget and Actual  
 For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Other income	\$ 629,593	\$ 629,593	\$ 627,385	\$ (2,208)
Expenditures:				
Personnel services	347,438	347,438	288,470	58,968
Other payroll expense	190,862	190,862	148,876	41,986
Materials and services	583,788	519,889	118,704	465,084
Materials for resale	29,687	29,046	10,682	18,965
Capital equipment	6,234	10,774	4,590	6,184
Contingency	83,125	83,125	0	83,125
Total expenditures	1,241,134	1,181,134	571,322	670,012
Revenues over (under) expenditures	(611,541)	(551,541)	56,063	607,604
Other financing sources (uses):				
Transfers in	89,497	89,497	89,497	0
Transfers out	(205,000)	(265,000)	(260,922)	4,078
Total other financing sources (uses)	(115,503)	(175,503)	(171,425)	4,078
Revenues and other sources over (under) expenditures and other uses	(727,044)	(727,044)	(115,362)	611,682
Fund balance, beginning of year	727,044	727,044	700,886	(26,158)
Fund balance, end of year	\$ 0	\$ 0	\$ 585,524	\$ 585,524
Summary of expenditures by appropriation:				
Student services	\$ 62,724	\$ 62,724	\$ 20,873	\$ 41,851
Community services	799,332	799,332	477,408	321,924
Plant operations and maintenance	295,953	235,953	73,041	162,912
Contingency	83,125	83,125	0	83,125
Total expenditures	\$ 1,241,134	\$ 1,181,134	\$ 571,322	\$ 609,812

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Rogue Community College  
Grants Pass, Oregon

Other Supplementary Information  
(Schedule of Property Tax Transactions)

Schedule of Property Tax Transactions - General Fund  
 For the year ended June 30, 2016

Fiscal Year Ended	Uncollected Balances July 1, 2015	Current Year's Levy	Adjustments and Discounts	Collections	Uncollected Balances June 30, 2016
2016	\$ 0	\$ 12,773,306	\$ (350,114)	\$ 12,052,892	\$ 370,300
2015	436,384	0	(40,180)	183,008	213,196
2014	215,061	0	(8,122)	71,440	135,499
2013	135,307	0	(6,810)	59,955	68,542
2012	83,364	0	(10,949)	28,408	44,007
2011	28,135	0	(1,447)	7,369	19,319
2010	22,615	0	(838)	5,413	16,364
Prior Years	27,833	0	(3,817)	2,669	21,347
Total	<u>\$ 948,699</u>	<u>\$ 12,773,306</u>	<u>\$ (422,277)</u>	<u>\$ 12,411,154</u>	<u>\$ 888,574</u>

Schedule of Property Tax Transactions - Debt Service Fund  
 For the year ended June 30, 2016

Fiscal Year Ended	Uncollected Balances July 1, 2015	Current Year's Levy	Adjustments and Discounts	Collections	Uncollected Balances June 30, 2016
2016	\$ 0	\$ 1,981,762	\$ (54,104)	\$ 1,875,062	\$ 52,596
2015	66,978	0	(9,935)	26,022	31,021
2014	32,092	0	(1,757)	9,775	20,560
2013	19,482	0	(1,430)	8,229	9,823
2012	12,043	0	(2,276)	3,193	6,574
2011	2,731	0	(280)	791	1,660
2010	1,781	0	(148)	425	1,208
Prior Years	4,226	0	(422)	556	3,248
Total	<u>\$ 139,333</u>	<u>\$ 1,981,762</u>	<u>\$ (70,352)</u>	<u>\$ 1,924,053</u>	<u>\$ 126,690</u>

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FINANCIAL TRENDS: .....86

*These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.*

REVENUE CAPACITY:.....90

*These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.*

DEBT CAPACITY: .....102

*These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.*

DEMOGRAPHIC AND ECONOMIC INFORMATION: .....107

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.*

OPERATING INFORMATION: .....109

*These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.*

Sources: Unless otherwise noted, the information in these schedules is derived from the published comprehensive annual financial reports for the relevant year. The College implemented GASB Statement No. 65 in fiscal 2014; schedules containing information for years prior to fiscal year 2014 have not been restated in accordance with GASB No. 65, unless otherwise stated. The College implemented GASB Statement No. 68 and No. 71 in fiscal 2015; schedules containing information for years prior to fiscal year 2015 have not been restated in accordance with GASB No. 68 and No 71, unless otherwise stated.

Net Position by Component  
Last Ten Fiscal Years - (unaudited)

	2015-16	2014-15	2013-14	2012-13
Net investment in capital assets	\$ 16,913,135	\$ 14,283,970	\$ 14,057,119	\$ 13,608,528
Restricted - expendable	927,191	881,954	993,992	592,876
Unrestricted	<u>(3,060,806)</u>	<u>1,607,452</u>	<u>22,310,498</u>	<u>16,945,296</u>
Total net position	<u>\$ 14,779,520</u>	<u>\$ 16,773,376</u>	<u>\$ 37,361,609</u>	<u>\$ 31,146,700</u>

Source: Rogue Community College Budget and Financial Services.

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<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
\$ 13,153,067	\$ 13,752,101	\$ 13,176,167	\$ 13,285,344	\$ 13,337,179	\$ 9,269,103
607,081	747,302	746,133	628,693	2,563,399	4,299,121
<u>16,428,065</u>	<u>12,038,388</u>	<u>10,149,312</u>	<u>2,718,379</u>	<u>6,576,208</u>	<u>3,214,987</u>
<u>\$ 30,188,213</u>	<u>\$ 26,537,791</u>	<u>\$ 24,071,612</u>	<u>\$ 16,632,416</u>	<u>\$ 22,476,786</u>	<u>\$ 16,783,211</u>

Changes in Net Position  
Last Ten Fiscal Years - (unaudited)

	2015-16	2014-15	2013-14	2012-13
Operating Revenues				
Student tuition and fees	\$ 16,962,306	\$ 17,160,540	\$ 19,189,090	\$ 18,951,762
Federal student financial aid grants	20,626,247	24,250,395	28,357,361	29,282,493
Federal grants and contracts	3,028,295	2,370,058	2,407,971	2,070,948
State and local grants and contracts	3,929,186	3,283,212	3,039,372	3,382,815
Auxiliary enterprises	2,290,647	2,600,729	2,886,688	3,012,341
Other operating revenues	0	0	0	0
Total operating revenues	\$ 46,836,681	\$ 49,664,934	\$ 55,880,482	\$ 56,700,359
Expenses:				
Instruction	\$ 21,071,960	\$ 14,706,052	\$ 16,944,686	\$ 16,959,707
Instructional support services	7,096,620	5,232,455	5,270,080	8,457,690
Student services	10,312,279	7,802,365	8,713,370	637,728
Community services	802,943	655,848	690,447	4,770,501
College support services	8,273,480	6,643,253	6,540,975	6,522,004
Plant operations and maintenance	4,197,801	3,531,257	3,775,239	3,485,631
Scholarships and grants	23,478,895	26,639,338	30,818,208	31,995,666
Depreciation	1,318,294	1,383,795	1,249,414	1,232,604
Total Expenses	\$ 76,552,272	\$ 66,594,363	\$ 74,002,419	\$ 74,061,531
Operating Income(loss)	\$ (29,715,591)	\$ (16,929,429)	\$ (18,121,937)	\$ (17,361,172)
Non-operating Revenues and Expenses:				
State community college support	\$ 11,792,670	\$ 6,419,845	\$ 8,812,032	\$ 3,902,363
Property taxes	14,273,517	13,893,310	13,363,178	12,779,883
Investment income	230,823	196,146	3,050,295	2,327,212
Interest expense	(1,481,265)	(1,665,064)	(1,730,889)	(1,791,596)
Amortization of deferred charges	(118,835)	(21,313)	(121,865)	(151,950)
Gain (Loss) on disposal of capital assets	(20,080)	(5,602)	(14,745)	(1,040)
Gain (Loss) on pension asset	0	0	0	0
Other non-operating revenue	3,033,080	3,186,377	1,318,307	1,237,287
Total non-operating revenue and expenses	\$ 27,709,910	\$ 22,003,699	\$ 24,676,313	\$ 18,302,159
Income (loss) before contributions	(2,005,681)	5,074,270	6,554,376	940,987
Capital contribution - donated assets	11,825	20,700	40,500	17,500
Change in net position	\$ (1,993,856)	\$ 5,094,970	\$ 6,594,876	\$ 958,487

Source: Rogue Community College Budget and Financial Services



2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
\$ 19,980,687	\$ 17,396,805	\$ 15,611,574	\$ 11,848,151	\$ 10,010,734	\$ 9,810,790
31,128,994	29,517,520	12,812,538	6,581,276	4,748,199	4,662,528
2,306,020	2,627,174	2,586,851	2,560,624	2,197,465	2,142,110
3,315,112	3,832,881	6,977,045	5,461,820	6,666,795	2,691,544
3,263,140	3,446,288	3,227,307	2,726,353	2,148,596	2,142,221
0	0	0	0	0	58,296
<u>\$ 59,993,953</u>	<u>\$ 56,820,668</u>	<u>\$ 41,215,315</u>	<u>\$ 29,178,224</u>	<u>\$ 25,771,789</u>	<u>\$ 21,507,489</u>
\$ 17,602,427	\$ 17,036,563	\$ 14,699,340	\$ 14,152,736	\$ 13,191,336	\$ 12,204,951
4,763,229	4,621,373	4,646,151	4,908,709	4,689,741	3,418,615
8,757,710	8,821,596	8,100,885	7,292,340	4,191,697	4,562,729
696,173	635,513	521,995	619,193	420,116	409,272
6,578,074	5,917,232	5,866,887	5,648,526	7,453,270	10,590,384
3,864,283	4,915,125	4,825,340	4,820,046	3,113,041	1,868,474
33,719,682	30,816,983	16,945,400	9,265,555	6,612,883	6,421,174
1,177,785	1,137,160	1,152,375	1,087,950	883,083	909,319
<u>\$ 77,159,363</u>	<u>\$ 73,901,545</u>	<u>\$ 56,758,373</u>	<u>\$ 47,795,055</u>	<u>\$ 40,555,167</u>	<u>\$ 40,384,918</u>
<u>\$ (17,165,410)</u>	<u>\$ (17,080,877)</u>	<u>\$ (15,543,058)</u>	<u>\$ (18,616,831)</u>	<u>\$ (14,783,378)</u>	<u>\$ (18,877,429)</u>
\$ 7,690,282	\$ 4,099,976	\$ 8,803,430	\$ 6,229,361	\$ 10,700,936	\$ 5,919,914
12,708,580	12,816,782	12,500,363	11,816,153	11,287,714	10,689,177
674,452	3,637,636	2,788,708	350,437	72,451	4,123,253
(1,818,453)	(2,036,715)	(2,113,088)	(2,166,204)	(2,236,097)	(2,280,643)
(148,952)	(47,295)	(47,295)	(47,293)	(47,293)	(47,293)
(5,323)	(3,688)	0	0	2,382	184,580
0	0	0	(5,003,419)	0	0
1,715,246	1,080,360	1,050,136	961,662	686,860	838,942
<u>\$ 20,815,832</u>	<u>\$ 19,547,056</u>	<u>\$ 22,982,254</u>	<u>\$ 12,140,697</u>	<u>\$ 20,466,953</u>	<u>\$ 19,427,930</u>
3,650,422	2,466,179	7,439,196	(6,476,134)	5,683,575	550,501
0	0	0	0	10,000	1,020,000
<u>\$ 3,650,422</u>	<u>\$ 2,466,179</u>	<u>\$ 7,439,196</u>	<u>\$ (6,476,134)</u>	<u>\$ 5,693,575</u>	<u>\$ 1,570,501</u>

Assessed and Estimated Actual Value of Taxable Property  
 Josephine and Jackson Counties - Last Ten Fiscal Years - (unaudited)

Fiscal Year	Total Direct Tax Rate (2)	Assessed Value (1) (3)						Real Market Value (3)	Assessed Value as a Percent of Actual Value
		Real Property	Manufactured Structures	Personal Property	Utilities	Other	Total		
Jackson County:									
2015-16	0.6197	\$ 17,011,213	\$ 148,818	\$ 452,579	\$ 675,537	\$ 227,750	\$ 18,515,897	\$ 25,101,286	73.8%
2014-15	0.6216	16,336,982	149,974	438,182	636,656	221,296	17,783,090	23,512,803	75.6%
2013-14	0.6252	15,564,230	144,879	428,371	572,796	221,874	16,932,150	21,365,297	79.3%
2012-13	0.6231	15,018,426	148,002	423,276	575,197	208,255	16,373,156	20,963,860	78.1%
2011-12	0.6193	15,253,569	170,153	439,403	586,330	0	16,449,455	22,526,553	73.0%
2010-11	0.6319	15,059,656	161,634	459,830	569,936	0	16,251,056	24,611,610	66.0%
2009-10	0.6278	14,732,599	180,529	463,067	534,132	0	15,910,327	28,365,972	56.1%
2008-09	0.6256	14,204,195	200,989	500,594	500,517	0	15,406,295	31,152,479	49.5%
2007-08	0.6323	13,546,749	199,723	484,839	469,797	0	14,701,108	31,687,849	46.4%
2006-07	0.6365	12,699,118	223,533	452,600	464,471	0	13,839,722	28,839,149	48.0%
Josephine County:									
2015-16	0.5128	\$ 6,557,658	\$ 58,753	\$ 117,364	\$ 212,676	0	\$ 6,946,451	\$ 8,209,105	84.6%
2014-15	0.5128	6,355,768	54,208	109,899	186,685	0	6,706,560	8,063,237	83.2%
2013-14	0.5128	6,110,168	54,858	108,816	171,861	0	6,445,703	7,405,558	87.0%
2012-13	0.5128	5,934,113	55,862	112,494	164,801	0	6,267,270	7,275,734	86.1%
2011-12	0.5128	5,811,113	88,261	114,715	168,844	0	6,182,933	7,574,999	81.6%
2010-11	0.5128	5,682,170	117,201	122,550	165,070	0	6,086,991	8,446,480	72.1%
2009-10	0.5128	5,509,036	128,920	116,701	153,834	0	5,908,491	9,182,834	64.3%
2008-09	0.5128	5,267,002	137,774	119,351	131,097	0	5,655,224	10,271,803	55.1%
2007-08	0.5128	5,015,175	139,087	110,375	119,151	0	5,383,788	10,626,563	50.7%
2006-07	0.5128	4,717,457	135,530	103,837	120,485	0	5,077,309	9,900,996	51.3%

(1) Beginning in 1997-98 the assessed value of property in Oregon is determined by statute under Measure 50.

(2) Tax rates are per \$1,000 of assessed valuation.

(3) \$ values are presented to the nearest \$1,000.

Source: County Assessor's Office

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Property Tax Rates - All Direct and Overlapping Governments  
 Last Ten Fiscal Years (Dollars per \$1,000) - (unaudited)

	2015-16	2014-15	2013-14	2012-13
Jackson County:				
Jackson County	2.1805	2.1883	2.1988	2.2040
4-H Ag Extension District	0.0388	0.0500	0.0000	0.0000
Jackson ESD	0.3524	0.3524	0.3524	0.3524
Jackson County Library District	0.5200	0.5200	0.0000	0.0000
Rogue Community College	0.6197	0.6216	0.6252	0.6231
Rogue Valley Transit District	0.1772	0.1772	0.1772	0.1772
Vector Control	0.0429	0.0429	0.0429	0.0429
White City Enhanced LED	2.0211	2.0211	2.0211	2.0211
White City Lighting District	0.3500	0.4000	0.4000	0.4700
White City Soil and Water Conservation	0.0500	0.0500	0.0500	0.0500
Cities and Towns:				
Ashland	4.4070	4.4169	4.4254	4.4331
Butte Falls	7.2494	7.2494	7.2494	7.2494
Central Point	4.4700	4.4700	4.4700	4.4700
Eagle Point	2.6854	2.6991	2.7063	2.7076
Gold Hill	2.3053	2.3032	2.3348	2.4378
Jacksonville	2.4450	2.4474	2.4625	2.4673
Medford	5.3658	5.3688	5.3733	5.3760
Phoenix	3.6463	3.6463	3.6463	3.6463
Rogue River	3.7916	3.7994	3.8477	3.5216
Shady Cove	0.8706	0.8598	0.8989	0.9224
Talent	3.4548	3.4429	3.4310	3.4270
Fire Districts:				
Applegate #9	1.6800	1.6787	1.6787	1.6787
Central Point #3	3.1194	3.1194	3.1194	3.1194
Colestine RFPD	1.9455	1.9455	1.9455	1.9455
Evans Valley #6	1.2905	1.2905	1.2905	1.2905
Lake Creek RFPD	1.4740	1.4740	1.4740	1.4740
Medford #2	2.4938	2.4938	2.4938	2.4938
Prospect	0.9902	0.9902	0.9902	0.9902
Rogue River #1	1.9313	1.9313	2.1901	2.1887
Shady Cove/Trail #4	2.0181	2.0181	2.0181	2.0181
Talent #5	3.1976	3.1976	3.1976	3.1976
School Districts:				
Applegate #40	4.2677	4.2739	4.2838	4.2861
Ashland #5	6.1483	6.0643	6.0676	6.1370
Butte Falls #91	4.5749	4.5749	4.5749	4.5749
Central Point #6	5.5043	5.5491	5.5921	5.6479
Eagle Point #9	6.3080	6.2823	6.3143	6.2575
Medford #549C	6.0959	6.2713	6.3651	6.3127
Phoenix #4	5.2051	5.0440	5.1095	5.0473
Pinehurst #94	4.8235	4.8235	4.8235	4.8235
Prospect #59	4.3628	4.3628	4.3628	4.3628

2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
2.2056	2.3276	2.3674	2.3433	2.2534	2.2426
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0352	0.3524	0.3524	0.3524	0.3524	0.3524
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.6193	0.6319	0.6278	0.6256	0.6323	0.6365
0.1772	0.1772	0.1772	0.1772	0.1772	0.1772
0.0429	0.0429	0.0429	0.0429	0.0429	0.0429
2.0211	2.0211	2.0211	2.0211	2.0211	2.0211
0.4700	0.4700	0.4700	0.4700	0.4700	0.4700
0.0500	0.0500	0.0500	0.0500	0.0500	0.0000
4.5147	4.4115	4.3964	4.2886	4.1425	4.1826
7.2494	7.2494	7.2494	7.2494	7.2494	7.2494
4.4700	4.4700	4.4700	4.4700	4.4470	4.4699
2.7123	2.7168	2.7172	2.7328	2.7509	2.7854
2.4169	2.3744	2.4179	2.4637	2.4174	2.4745
2.4447	2.4653	2.5487	2.5745	2.6478	2.6852
5.3753	5.3814	5.3695	5.3709	5.3751	5.3713
3.6463	3.6463	3.6463	3.6463	3.6463	3.6463
3.6422	3.6425	3.6302	3.6477	3.5900	3.6302
0.9044	0.9145	0.9202	0.9283	0.9488	0.9493
3.4346	3.4056	3.4205	3.4185	3.4654	3.2316
1.6787	1.6787	1.6787	1.6787	1.6787	1.6787
3.1194	3.1194	3.1194	3.1194	3.1194	3.1194
1.9455	1.9455	1.9455	1.9455	1.9455	1.9455
1.2905	1.2905	1.2905	1.2905	1.2905	1.2905
1.4740	1.4740	1.4740	1.4740	1.4740	1.4740
2.4938	2.4938	2.4938	2.4938	2.4920	2.4680
0.9902	0.9902	0.9902	0.9902	0.9902	0.9902
2.1849	2.2261	2.2159	2.2116	2.2018	2.2478
2.0181	2.0181	2.0181	2.0181	2.0181	2.0181
3.1976	3.1976	3.1976	3.1976	3.1976	3.1976
4.2460	4.2919	4.2764	4.2875	4.3035	4.3373
6.1272	6.1608	6.1627	6.0470	5.9395	5.4059
4.5749	4.5749	4.5749	4.5749	4.5749	4.5749
5.6745	5.5963	5.5661	5.7278	5.7252	5.7592
6.2443	6.3475	6.3233	6.5937	6.6287	6.5861
6.4663	6.4746	6.4882	6.5550	6.2424	5.0551
5.0777	5.1057	5.1358	5.0918	5.0617	5.6875
4.8235	4.8235	4.8235	4.8235	4.8235	4.8235
4.3628	4.3628	4.3628	4.3628	4.3628	4.3628

Property Tax Rates - All Direct and Overlapping Governments  
 Last Ten Fiscal Years (Dollars per \$1,000) - (unaudited) (continued)

	2015-16	2014-15	2013-14	2012-13
Rogue River #35	4.8275	4.7523	4.9170	4.6933
Special Levies:				
Jackson Cty Urban Renewal	0.0000	0.0000	0.0000	0.0000
Medford Urban Renewal	0.4396	0.4291	0.4400	0.4070
Talent Urban Renewal	1.3190	1.2845	1.3183	1.2504
Local Option Levies:				
Applegate Fire District #9	0.9200	0.9200	0.8500	0.8500
Ashland School Dist #5	1.2900	1.2900	1.2900	1.2900
City of Ashland	000000	0.0000	0.1921	0.1921
City of Gold Hill	000000	0.0000	0.0000	0.0000
City of Jacksonville	000000	0.0000	0.0000	0.0000
City of Phoenix	000000	0.0000	0.0000	0.0000
Evans Valley Fire District #6	0.3600	0.3600	0.3600	0.3600
Rogue River Fire District #1	0.7500	0.7500	0.5000	0.5000
Josephine County:				
4-H Extension	0.0459	0.0459	0.0459	0.0459
Southern Oregon ESD	0.3524	0.3524	0.3524	0.3524
Josephine County	0.7335	0.7447	0.7464	0.7542
Rogue Community College	0.5128	0.5128	0.5128	0.5128
Kerby Water District	2.7439	2.8605	3.0247	2.9764
Cities:				
Grants Pass	4.5235	4.5332	4.5192	4.5350
Cave Junction	1.8959	1.8959	1.8959	1.8959
Fire Districts:				
Applegate RFPD #9	1.6787	1.6787	1.6787	1.6787
Illinois Valley RFPD #1	2.2205	2.2852	2.1998	2.1772
Williams RFPD	1.0552	1.0552	1.0552	1.0552
Wolf Creek RFPD	2.1865	2.1865	2.1865	2.1865
School Districts:				
Grants Pass #7	4.5248	4.5248	4.5248	5.8968
Three Rivers	4.2677	4.2739	4.2838	4.2861
Local Option Levy:				
Applegate RFPD #9	0.9200	0.9200	0.8500	0.8500
City of Grants Pass	1.7900	1.7900	1.7900	1.7900
Josephine County	0.0800	0.0800	0.0000	0.0000
Illinois Valley RFPD #1	0.2500	0.2500	0.2500	0.2500
Williams RFPD	0.5300	0.5300	0.5300	0.5300
Wolf Creek RFPD	0.5900	0.5900	0.5900	0.6900

Note: Ballot Measure 50, approved by the voters in May 1997, recalculated taxing districts' levies into "permanent" tax rates and imposed reductions in assessed value. Districts may levy local option levies or bond repayment levies in addition to their permanent rates if approved by the voters. In addition to the College's permanent rate of 0.5128, voters in Jackson County approved a bond levy in 2004/05 which amounted to a bonded debt service rate of 0.1250 in 2005/06.

Source: County Tax Assessor's Office

2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
5.0023	5.0290	5.0304	4.9901	5.0307	5.0383
0.0000	0.0000	0.0000	0.0000	0.2726	0.2456
0.3806	0.3828	0.3855	0.4131	0.3938	0.4129
1.2298	1.2231	1.2189	1.2392	1.2556	1.1241
0.8500	0.8500	0.8500	0.8500	0.8500	0.8500
1.2900	1.2900	1.2900	1.2900	0.0000	0.0000
0.1921	0.1921	0.1900	0.1300	1.5800	1.3800
0.0000	0.0000	0.0000	0.0000	0.0000	0.9642
0.0000	0.0000	0.0000	0.0000	0.0000	1.0600
0.0000	0.0000	0.0000	0.0000	2.8500	2.8500
0.3600	0.0000	0.3600	0.3600	0.3600	0.3600
0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
0.0459	0.0459	0.0459	0.0459	0.0459	0.0459
0.3524	0.3524	0.3524	0.3524	0.3524	0.3524
0.7532	0.7583	0.7728	0.7873	0.8039	0.8104
0.5128	0.5128	0.5128	0.5128	0.5128	0.5128
3.1356	3.4055	3.3493	1.9045	0.0000	0.0000
4.5388	4.5401	4.5325	4.6338	4.6432	4.1335
1.8959	1.8959	1.8959	1.8959	1.8959	1.8959
1.6787	1.6787	1.6787	1.6787	1.6787	1.6787
2.1685	2.2220	2.2319	2.2615	2.3074	2.3462
1.0552	1.0552	1.0552	1.0552	1.0552	1.0552
2.1865	2.1865	2.1865	2.1865	2.1865	2.1865
5.9661	5.9206	6.4285	6.2061	6.4129	6.4794
4.2460	4.2919	4.2764	4.2875	4.3035	4.3373
0.8500	0.8500	0.8500	0.8500	0.8500	0.8500
1.7900	1.7900	1.7900	1.4900	1.4900	1.4900
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.5300	0.5300	0.5300	0.5300	0.5300	0.0000
0.6900	0.6900	0.6900	0.7900	0.7900	0.7900

Principal Taxpayers of Jackson County  
Current Year and Nine Years Ago

Taxpayer	June 30, 2016			June 30, 2007		
	Taxable Assessed Value	Rank	Percent of District's Total Taxable Value	Taxable Assessed Value	Rank	Percent of District's Total Taxable Value
Jackson County:						
Pacificorp (PP&L)	\$ 259,209,000	1	1.40%	\$ 179,848,000	1	1.30%
Avista Corp. DBA Avista Utilities	103,069,000	2	0.56%	60,815,100	6	0.44%
Rogue Valley Manor	101,996,055	3	0.55%	59,518,390	7	0.43%
Charter Communications	95,846,600	4	0.52%			
Boise Cascade Corp	64,727,820	5	0.35%	62,330,530	5	0.45%
Harry & David Operations Inc	61,930,908	6	0.33%			
Centurylink	59,341,000	7	0.32%			
Carestream Health	58,261,020	8	0.31%			
Rogue Valley Mall LLC	52,726,190	9	0.28%	46,974,190	8	0.34%
Amy's Kitchen	47,155,160	10	0.25%			
Eastman Kodak Company				122,092,700	2	0.88%
Biomass One Ltd Partnership				27,591,600	10	0.20%
Bear Creek Operations, Inc.				71,256,972	3	0.52%
Qwest Corporation				65,690,600	4	0.47%
Certainteed Corporation				41,222,320	9	0.30%
Total - principal tax payers	904,262,753		4.87%	737,340,402		5.33%
Other	\$ 17,611,634,119		95.13%	\$ 13,102,381,196		94.67%
Total - all taxpayers	\$ 18,515,896,872		100.00%	\$ 13,839,721,598		100.00%

Source: Jackson County Assessor's Office



Principal Taxpayers of Josephine County  
Current Year and Nine Years Ago

Taxpayer	June 30, 2016			June 30, 2007		
	Taxable Assessed Value	Rank	Percent of District's Total Taxable Value	Taxable Assessed Value	Rank	Percent of District's Total Taxable Value
Josephine County:						
Pacificorp (PP&L)	\$ 84,937,980	1	1.22%	\$ 49,055,000	1	0.97%
Charter Communications	28,779,300	2	0.41%			
S-H Forty-Nine Properties	25,001,230	3	0.36%			
Masterbrand Cabinets, Inc.	23,702,500	4	0.34%	8,538,210	10	0.17%
Frontier Communications	22,270,000	5	0.32%			
Nunn, Ronald C & Marcia K	20,791,990	6	0.30%	17,832,730	3	0.35%
Avista Corp dba Avista Utilities	20,236,000	7	0.29%	11,763,400	6	0.23%
Auerbach Grants Pass LLC & Freeman Grants Pass LLC	19,249,720	8	0.28%	11,846,370	5	0.23%
Asante	15,619,527	9	0.22%			
Johnson Trust	15,617,130	10	0.22%			
Lynn-Ann Development LLC				11,950,810	4	0.24%
Qwest Corporation				24,235,180	2	0.48%
Wal-Mart Stores, Inc				10,930,042	7	0.22%
Albertson's Inc.				10,880,578	9	0.21%
SPM - Grants LLC				10,916,500	8	0.22%
Total - principal taxpayers	276,205,377		3.96%	167,948,820		3.32%
Other	\$ 6,668,213,470		96.04%	\$ 4,909,359,950		96.68%
Total - all taxpayers	\$ 6,944,418,847		100.00%	\$ 5,077,308,770		100.00%

Source: Josephine County Assessor's Office

Property Tax Levies and Collections - General Fund  
Last Ten Fiscal Years - (unaudited)

	2015-16	2014-15	2013-14	2012-13
General Fund				
Levy extended by assessor	\$ 12,773,306	\$ 12,288,116	\$ 11,685,242	\$ 11,308,025
Reduction of taxes receivable:				
Current year	12,052,892	11,556,905	10,963,892	10,538,024
Percentage of levy	94.36%	94.05%	93.83%	93.19%
Tax roll adjustments and discounts	(350,113)	(294,827)	(316,620)	(339,368)
Beginning taxes receivable:				
Prior year	948,699	867,967	909,858	921,323
Reduction of taxes receivable:				
Prior year	358,262	360,359	553,083	505,122
Tax roll adjustments and discounts	(72,163)	4,707	106,463	63,024
Interest	85,891	91,638	99,755	97,330
Total taxes receivable end of year	<u>888,574</u>	<u>948,699</u>	<u>867,967</u>	<u>909,858</u>
Land sales severance tax and other revenues	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total received by College	<u>\$ 12,498,517</u>	<u>\$ 12,008,902</u>	<u>\$ 11,616,731</u>	<u>\$ 11,140,475</u>
Tax levy rate (per \$1,000 assessed value)	\$ 0.5128	\$ 0.5128	\$ 0.5128	\$ 0.5128
Total tax collections in subsequent years	\$ N/A	\$ 518,015	\$ 585,852	\$ 701,459
Total collections to date	\$ 12,052,892	\$ 12,074,920	\$ 11,549,744	\$ 11,239,483
Percentage of levy collected	94.36%	98.27%	98.84%	99.39%

Source: Rogue Community College Budget and Financial Services Office.

2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
\$ 11,355,208	\$ 11,267,815	\$ 11,034,251	\$ 10,419,011	\$ 9,879,788	\$ 9,358,508
10,559,245	10,468,814	10,194,500	9,675,014	9,210,075	8,734,514
93.00%	92.91%	92.39%	92.86%	93.22%	93.33%
(336,588)	(311,637)	11,040	(292,053)	300,622	(224,913)
903,928	826,255	729,457	574,037	493,004	414,255
433,201	386,759	440,494	297,111	285,952	212,408
(8,779)	(22,932)	22,813	581	(2,106)	(25,970)
91,119	72,938	66,005	52,366	54,088	55,264
921,323	903,928	826,255	729,457	574,037	493,004
0.00	0.00	4,166	345	2,706	5,222
<u>\$ 11,083,565</u>	<u>\$ 10,928,512</u>	<u>\$ 10,705,164</u>	<u>\$ 10,024,836</u>	<u>\$ 9,552,821</u>	<u>\$ 9,007,408</u>
\$ 0.5128	\$ 0.5128	\$ 0.5128	\$ 0.5128	\$ 0.5128	\$ 0.5128
\$ 751,955	\$ 779,682	\$ 823,387	\$ 722,650	\$ 669,713	\$ 623,994
\$ 11,311,200	\$ 11,248,496	\$ 11,017,887	\$ 10,397,664	\$ 9,879,788	\$ 9,358,508
99.61%	99.83%	99.85%	99.80%	100.00%	100.00%

Property Tax Levies and Collections - Debt Service Fund  
Last Ten Fiscal Years - (unaudited)

	2015-16	2014-15	2013-14	2012-13
Debt Service Fund				
Levy extended by assessor	\$ 1,981,762	\$ 1,935,996	\$ 1,910,095	\$ 1,807,962
Reduction of taxes receivable:				
Current year	1,875,062	1,815,528	1,784,301	1,685,217
Percentage of levy	94.62%	93.78%	93.4%	93.21%
Tax roll adjustments and discounts	(54,104)	(53,490)	(63,387)	(56,672)
Beginning taxes receivable:				
Prior year	139,333	125,112	137,289	139,254
Reduction of taxes receivable:				
Prior year	48,991	63,243	91,300	64,951
Tax roll adjustments and discounts	(16,248)	10,486	16,717	(3,087)
Interest	12,207	14,261	16,990	14,975
Total taxes receivable end of year	<u>126,690</u>	<u>139,333</u>	<u>125,112</u>	<u>137,289</u>
Land sales severance tax and other revenues	<u>0.00</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total received by College	<u>\$ 1,936,261</u>	<u>\$ 1,893,031</u>	<u>\$ 1,892,591</u>	<u>\$ 1,765,143</u>
Tax levy rate (per \$1,000 assessed value)	\$ 0.1069	\$ 0.1088	\$ 0.1124	\$ 0.1103
Total collections in subsequent years	\$ N/A	\$ 94,773	\$ 102,185	\$ 111,892
Total collections to date	\$ 1,875,062	\$ 1,879,074	\$ 1,787,402	\$ 1,743,744
Percentage of levy collected	94.62%	98.38%	98.86%	99.44%

Source: Rogue Community College Budget and Financial Services Office.

2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
\$ 1,753,567	\$ 1,938,022	\$ 1,833,643	\$ 1,742,972	\$ 1,764,076	\$ 1,722,600
1,631,852	1,800,335	1,690,821	1,613,969	1,639,308	1,601,632
93.06%	92.90%	92.21%	92.60%	92.93%	92.98%
(53,529)	(58,716)	(66,436)	(53,153)	(57,194)	(61,885)
143,509	130,706	122,544	99,485	77,066	44,601
79,034	62,508	65,423	51,235	46,221	25,374
(1,299)	(3,661)	(2,856)	(1,556)	1,066	(1,244)
15,608	11,688	11,316	8,073	7,006	5,880
139,254	143,509	130,706	122,544	99,485	77,066
0	0	0	0	0	0
<u>\$ 1,726,494</u>	<u>\$ 1,874,531</u>	<u>\$ 1,767,560</u>	<u>\$ 1,673,277</u>	<u>\$ 1,692,535</u>	<u>\$ 1,632,886</u>
\$ 0.1065	\$ 0.1191	\$ 0.1150	\$ 0.1128	\$ 0.1195	\$ 0.1237
\$ 131,113	\$ 141,162	\$ 127,795	\$ 121,520	\$ 121,969	\$ 89,029
\$ 1,931,448	\$ 1,831,893	\$ 1,741,764	\$ 1,760,828	\$ 1,722,600	\$ 1,634,536
99.66%	99.91%	99.93%	99.82%	100.00%	100.00%

Ratios of Outstanding Debt  
Last Ten Fiscal Years - (unaudited)

	2015-16	2014-15	2013-14	2012-13
General obligation and refunding bonds, net (1)	\$ 17,498,606	\$ 18,827,897	\$ 20,052,184	\$ 21,186,474
General bonded debt	17,498,606	18,827,897	20,052,184	21,186,474
Limited tax pension obligation bonds	\$ 17,080,000	\$ 17,790,000	\$ 18,410,000	\$ 18,950,000
Certificates of participation	0	0	0	135,000
Note payable	164,830	180,846	196,016	210,385
Other debt to be repaid by general government resources	17,244,830	17,970,846	18,606,016	19,295,385
Total outstanding debt	\$ 34,743,436	\$ 36,798,743	\$ 38,658,200	\$ 40,481,859
General Bonded Debt Ratios				
Per capita	\$ 58.86	\$ 64.07	\$ 69.35	\$ 73.72
Per FTE	\$ 3,838	\$ 3,857	\$ 3,790	\$ 3,881
As a percentage of taxable assessed value	0.07%	0.08%	0.09%	0.09%
Total Outstanding Debt Ratios				
Per capita	\$ 116.86	\$ 125.21	\$ 133.71	\$ 140.85
Per FTE	\$ 7,621	\$ 7,538	\$ 7,307	\$ 7,415
As a percentage of taxable assessed value	0.14%	0.15%	0.17%	0.18%

(1) Presented net of original issuance discounts and premiums

Note: Detail regarding the College's outstanding debt can be found in the notes to the financial statements.

Source: County Tax Assessor's Office and Rogue Community College Budget and Financial Services Office.

2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
\$ 23,025,763	\$ 22,893,181	\$ 23,058,429	\$ 23,840,859	\$ 24,543,289	\$ 25,155,720
23,025,763	22,893,181	23,058,429	23,840,859	24,543,289	25,155,720
\$ 19,410,000	\$ 19,800,000	\$ 20,125,000	\$ 20,385,000	\$ 20,590,000	\$ 20,740,000
265,000	390,000	510,000	620,000	730,000	835,000
223,996	236,887	249,098	260,664	271,619	281,996
19,898,996	20,426,887	20,884,098	21,265,664	21,591,619	21,856,996
\$ 42,924,759	\$ 43,320,068	\$ 43,942,527	\$ 45,106,523	\$ 46,134,908	\$ 47,012,716

\$ 80.29	\$ 78.58	\$ 79.33	\$ 82.61	\$ 86.21	\$ 89.93
\$ 4,027	\$ 3,691	\$ 3,938	\$ 4,792	\$ 5,738	\$ 5,694
0.10%	0.10%	0.11%	0.11%	0.12%	0.13%

\$ 149.68	\$ 148.69	\$ 151.17	\$ 156.30	\$ 162.05	\$ 168.06
\$ 7,508	\$ 6,985	\$ 7,504	\$ 9,066	\$ 10,786	\$ 10,642
0.19%	0.20%	0.20%	0.21%	0.23%	0.25%

Direct and Overlapping Governmental Activities Debt  
As of June 30, 2016 - (unaudited)

	Gross Property-tax Backed Debt	Net Property-tax Backed Debt	Percent Overlap
<b>Direct Debt</b>			
Rogue Community College	\$ 33,685,000	\$ 16,605,000	
Premium on general obligation and refunding bonds	893,606	893,606	
<b>Total Direct Debt</b>	<b>\$ 34,578,606</b>	<b>\$ 17,498,606</b>	
<b>Overlapping Debt</b>			
Jackson County	15,239,672	15,239,672	100.0%
Cities:			
Ashland	32,945,846	5,273,894	100.0%
Butte Falls	13,447	13,447	100.0%
Central Point	7,430,409	7,430,409	100.0%
Eagle Point	331,018	331,018	100.0%
Gold Hill	299,997	299,997	100.0%
Jacksonville	2,780,000	710,000	100.0%
Medford	96,481,000	39,640,000	100.0%
Phoenix	4,880,000	0	100.0%
Rogue River	2,867,708	2,867,708	100.0%
Shady Cove	1,361,750	1,079,750	100.0%
Talent	5,080,129	1,785,129	100.0%
Fire Districts and other:			
Jackson County RFPD 3	1,340,178	1,340,178	100.0%
Jackson County RFPD 5	1,510,000	1,510,000	100.0%
Jackson County Housing Authority	4,870,686	340,468	100.0%
Rogue Valley Transit District	247,600	247,600	100.0%
School Districts:			
Ashland #5	16,570,000	16,570,000	100.0%
Central Point #6	11,744,618	11,744,618	100.0%
Eagle Point #9	15,085,000	15,085,000	100.0%
Medford #549C	184,605,000	184,605,000	100.0%
Phoenix #4	19,567,000	19,567,000	100.0%
Rogue River #35	575,760	575,760	100.0%



Direct and Overlapping Governmental Activities Debt  
 As of June 30, 2016 - (unaudited) (continued)

	Gross Property-tax Backed Debt	Net Property-tax Backed Debt	Percent Overlap
Overlapping Debt (continued)			
Josephine County	10,665,437	10,070,000	100.0%
Cities:			
Grants Pass	9,275,000	2,875,000	100.0%
Fire Districts and other:			
Illinois Valley RFPD #1	1,281,829	1,187,829	100.0%
Williams RFPD	139,535	139,535	100.0%
School Districts:			
Grants Pass #7	8,500,000	8,500,000	100.0%
Three Rivers	34,965,636	34,965,636	100.0%
Total Overlapping Debt	<u>\$ 490,654,255</u>	<u>\$ 383,994,648</u>	
Total Direct and Overlapping Debt	<u><u>\$ 525,232,861</u></u>	<u><u>\$ 401,493,254</u></u>	

Source: Oregon State Treasury

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the counties that the College does business in. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the College. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government. The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the College's boundaries and dividing it by the County's total taxable assessed value.

Computations of Legal Debt Margin  
Last Ten Fiscal Years - (unaudited)

Fiscal Year	True Cash Value of Taxable Property	Legal Debt Limitation (1)	Bonded Indebtedness	Bonded Debt Margin	Bonded Indebtedness As a Percentage of Legal Debt Limit
<b>2015-16</b>					
Jackson County	\$ 25,101,285,743	\$ 376,519,286	\$ 16,605,000	\$ 359,914,286	4.41%
Josephine County	8,209,104,762	123,136,571	0	123,136,571	0
<b>2014-15</b>					
Jackson County	23,512,802,671	352,692,040	17,835,000	334,857,040	5.06%
Josephine County	8,063,236,663	120,948,550	0	120,948,550	0
<b>2013-14</b>					
Jackson County	21,365,297,099	320,479,456	18,960,000	301,519,456	5.92%
Josephine County	7,405,557,726	111,083,366	0	111,083,366	0
<b>2012-13</b>					
Jackson County	20,963,859,574	314,457,893	19,995,000	294,462,893	6.36%
Josephine County	7,275,733,739	109,136,006	0	109,136,006	0
<b>2011-12</b>					
Jackson County	22,526,552,961	337,898,294	20,950,000	316,948,294	6.20%
Josephine County	7,574,999,491	113,624,992	0	113,624,992	0
<b>2010-11</b>					
Jackson County	24,611,610,456	369,174,156	21,000,000	348,174,156	5.69%
Josephine County	8,446,479,564	126,697,193	0	126,697,193	0
<b>2009-10</b>					
Jackson County	28,365,971,987	425,489,579	21,735,000	403,754,579	5.11%
Josephine County	9,182,833,828	137,742,507	0	137,742,507	0
<b>2008-09</b>					
Jackson County	31,152,790,422	467,291,856	22,420,000	444,871,856	4.80%
Josephine County	10,271,803,111	154,077,047	0	154,077,047	0
<b>2007-08</b>					
Jackson County	31,687,848,811	475,317,732	23,025,000	452,292,732	4.84%
Josephine County	10,626,563,720	159,398,456	0	159,398,456	0
<b>2006-07</b>					
Jackson County	28,839,149,411	432,587,241	23,540,000	409,047,241	5.44%
Josephine County	9,900,996,388	148,514,945	0	148,514,945	0

(1) The legal debt limitation is calculated at 1.5% of true cash value of the property in the College according to ORS 341.613(2).

Note: Bonded indebtedness may be incurred for a specific service area only and not for the general benefit of the College.

Source: Rogue Community College Budget and Financial Services Office.

Demographic and Economic Statistics by County  
Last Ten Fiscal Years - (unaudited)

Year Ended	Estimated Population	Total Personal Income	Per Capita Income	Median Age	Percent of Population With A Bachelors Degree or Higher	Unemployment Rate
2015-16						
Jackson County	212,567	\$ N/A	\$ 24,460	42.0	15.6	6.2
Josephine County	84,745	N/A	22,412	47.0	11.0	6.9
2014-15						
Jackson County	210,287	7,914,576	24,378	42.0	8.6	7.0
Josephine County	83,599	2,806,979	21,791	47.0	8.9	7.9
2013-14						
Jackson County	206,412	7,687,191	24,449	42.0	14.8	8.5
Josephine County	82,930	2,654,901	21,028	47.0	10.0	9.6
2012-13						
Jackson County	203,206	7,490,481	24,263	42.0	14.9	9.5
Josephine County	82,713	2,600,748	21,535	47.0	10.6	11.2
2011-12						
Jackson County	203,950	7,087,194	24,410	42.1	18.4	10.8
Josephine County	82,820	2,498,196	21,539	47.3	17.1	11.7
2010-11						
Jackson County	207,745	6,951,654	24,182	42.1	21.5	11.4
Josephine County	83,600	2,450,499	21,256	47.3	12.2	12.5
2009-10						
Jackson County	207,010	6,907,021	23,933	42.0	21.5	12.7
Josephine County	83,665	2,429,273	19,644	47.2	16.0	14.3
2008-09						
Jackson County	205,305	6,911,440	24,001	40.7	24.5	13.1
Josephine County	83,290	2,377,327	20,257	44.6	13.4	14.7
2007-08						
Jackson County	202,310	6,669,870	23,460	40.6	22.8	7.4
Josephine County	82,390	2,247,384	22,389	44.6	17.3	8.4
2006-07						
Jackson County	198,615	6,255,659	22,546	40.4	25.1	5.5
Josephine County	81,125	2,119,741	20,495	43.8	15.6	6.9

Source: Rogue Community College Budget and Financial Services Office.

Principal Employers by Industry  
 Current Year and Nine Years Ago - (unaudited)

Industry	June 30, 2016			June 30, 2007		
	Rank	Total Employees	Percentage of Total Regional Employment	Rank	Total Employees	Percentage of Total Regional Employment
Rogue Valley:						
Nonfarm employment	1	111,240	27.6%	1	111,680	27.9%
Private Non-Classified	2	94,510	23.4%	2	95,280	23.8%
Trade, Transportation, & Utilities	3	48,120	11.9%	3	49,160	12.3%
Education & Health Services	4	46,060	11.4%	5	37,830	9.5%
Government	5	42,430	10.5%	4	41,900	10.5%
Leisure & Hospitality	6	24,550	6.1%	6	22,050	5.5%
Manufacturing	7	11,380	2.8%	7	12,010	3.0%
Professional & Business Services	8	9,060	2.3%	8	9,340	2.3%
Financial Activities	9	5,200	1.3%	10	6,130	1.5%
Construction	10	4,990	1.2%	9	7,500	1.9%
Other Services	11	3,930	1.0%	11	3,810	1.0%
Information	12	1,550	0.4%	12	2,070	0.5%
Natural Resources & Mining	13	600	0.1%	13	1,000	0.3%
Total		<u>403,620</u>	<u>100.0%</u>		<u>399,760</u>	<u>100.0%</u>

Source: Oregon Employment Department

Rogue Community College

Full-Time Equivalent (FTE) Employees  
Last Ten Fiscal Years - (unaudited)

<u>Fiscal Year</u>	<u>Management</u>	<u>Classified</u>	<u>Part-Time Classified</u>	<u>Faculty</u>	<u>Part-Time Faculty</u>	<u>Students</u>	<u>Total</u>
2015-16	45	155	9	109	150	108	576
2014-15	54	150	10	99	155	114	582
2013-14	52	148	13	97	158	106	574
2012-13	52	152	13	102	162	114	595
2011-12	54	159	14	109	166	130	632
2010-11	50	161	14	117	167	120	629
2009-10	45	158	15	106	161	120	605
2008-09	43	148	12	91	141	123	558
2007-08	41	147	9	84	130	142	553
2006-07	44	151	12	88	130	141	566

Source: Rogue Community College Budget and Financial Services Office.

Note: This report is reflective of the FTE-generated based on actual hours worked, not existing positions. Position vacancies will cause fluctuations above and beyond the addition and/or elimination of actual positions.

Tuition Rates and Enrollment Statistics  
 Last Ten Fiscal Years - (unaudited)

Fiscal Year	Tuition Rate Per Credit Hour		Total FTE	Total Reimbursable FTE	Unduplicated Headcount
	In-District	Out-Of-State			
2015-16	\$ 95	\$ 116 *	4,558.42	4,423.88	16,417
2014-15	91	111	4,881.60	4,747.72	16,584
2013-14	91	111	5,289.20	5,224.34	17,092
2012-13	87	107	5,459.40	5,363.14	16,643
2011-12	85	104	5,717.34	5,653.78	16,956
2010-11	75	91	6,201.91	6,097.74	18,647
2009-10	73	89	5,855.87	5,762.64	19,596
2008-09	68	83	4,975.21	5,012.23	19,061
2007-08	66	80	4,277.13	4,297.69	17,782
2006-07	64	77	4,417.78	4,144.85	19,737

\* Residents of Washington, Idaho, California, and Nevada pay an in-state tuition rate of \$95. International student tuition is \$318.

Note: Headcounts are much higher in 2006-07 than in all other years due to a large number of 2+2 students from prior years registered into Fall Term 06-07. Also, for the years 2007, 2008 and 2009, the State froze FTE so the Total FTE will be less than the Total Reimbursable FTE rates.

Source: Rogue Community College Budget and Financial Services Office.

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Operating Indicators by Function  
Last Ten Fiscal Years - (unaudited)

	2015-16	2014-15	2013-14	2012-13
Lower Division Transfer Courses	2501.20	2,634.49	2,890.48	2,965.64
Professional Technical Preparatory	853.13	946.29	1,005.03	942.69
Stand Alone CTE Prep	14.46	18.81	19.92	20.59
Professional Technical Supplemental	53.85	72.68	45.62	58.58
Professional Technical Apprentice	55.19	49.03	41.46	33.20
English as a Second Language	87.86	82.52	90.30	103.95
Adult Basic Education	176.64	188.05	206.27	272.90
General Equivalency Diploma	100.43	124.09	98.20	104.19
Post Secondary Remedial	64.90	77.98	113.29	143.09
Post Secondary Remedial Math	330.08	362.69	442.26	471.75
Post Secondary Remedial Electives	180.79	187.8	226.96	218.13
Self Improvement	33.74	28.3	44.55	56.93
Total Reimbursable FTE *	1,886.17	4,772.73	5,224.34	5,391.64
Non-reimbursable	106.15	108.87	64.86	67.76
Total FTE	1,992.32	4,881.60	5,289.20	5,459.40
State Appropriation	\$ 9,780,930	\$ 8,428,906	\$ 7,433,388	\$ 5,278,969
State Appropriation per Reimbursable FTE	\$ 2,145.6843	\$ 1,766.0555	\$ 1,422.8377	\$ 979.1027

\* Prior to 11-week Hold Harmless calculation done at the State level.

Source: Rogue Community College Budget and Financial Services Office.



2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
3,094.96	3,154.68	2,895.78	2,301.77	1,958.10	1,922.45
1,009.56	1,050.32	1,022.92	919.29	782.20	757.88
0.00	0.00	0.00	0.00	0.00	0.00
76.47	124.42	158.69	122.74	92.64	105.43
33.75	36.40	40.93	59.51	71.06	68.58
115.35	167.74	171.50	169.88	183.14	175.71
249.72	313.41	284.21	293.93	246.53	210.83
104.40	130.86	116.86	85.47	99.71	75.89
900.49	1,058.62	953.85	828.56	585.78	563.20
0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
69.08	101.23	141.10	118.50	184.53	170.49
5,653.78	6,137.68	5,785.84	4,899.65	4,203.69	4,050.46
63.56	64.23	70.03	75.56	73.44	367.32
5,717.34	6,201.91	5,855.87	4,975.21	4,277.13	4,417.78
\$ 5,967,177	\$ 5,821,722	\$ 7,175,209	\$ 7,857,286	\$ 9,227,167	\$ 7,393,684
\$ 1,055.4315	\$ 948.5216	\$ 1,240.1326	\$ 1,603.5423	\$ 2,195.0160	\$ 1,825.3937

Capital Assets Activity  
Last Ten Fiscal Years - (unaudited)

Fiscal Year	Beginning Balance	Additions	Deletions	Ending Balance
<b>2015-16</b>				
Land	\$ 3,827,853	\$ 0	\$ 0	\$ 3,827,853
Buildings	40,645,537	0	0	40,645,537
Equipment	3,820,538	772,024	399,618	4,192,944
Construction in progress	49,899	752,876	0	802,775
Infrastructure	1,797,825	0	0	1,797,825
Library collections	717,681	46,471	0	764,152
Software	996,153	0	0	996,153
Total capital and other assets	51,855,486	1,571,371	399,618	53,027,239
Less accumulated depreciation	18,562,774	1,318,294	377,839	19,503,229
Total	<u>\$ 33,292,712</u>	<u>\$ 253,077</u>	<u>\$ 21,779</u>	<u>\$ 33,524,010</u>
<b>2014-15</b>				
Land	\$ 3,827,853	\$ 0	\$ 0	\$ 3,827,853
Buildings	40,645,537	0	0	40,645,537
Equipment	3,590,850	333,106	103,418	3,820,538
Construction in progress	49,899	0	0	49,899
Infrastructure	1,797,825	0	0	1,797,825
Library collections	667,497	50,184	0	717,681
Software	996,153	0	0	996,153
Total capital and other assets	51,575,614	383,290	103,418	51,855,486
Less accumulated depreciation	17,270,296	1,383,795	91,317	18,562,774
Total	<u>\$ 34,305,318</u>	<u>\$ (1,000,505)</u>	<u>\$ 12,101</u>	<u>\$ 33,292,712</u>
<b>2013-14</b>				
Land	\$ 3,827,853	\$ 0	\$ 0	\$ 3,827,853
Buildings	40,645,537	0	0	40,645,537
Equipment	3,433,122	230,097	72,369	3,590,850
Construction in progress	49,899	0	0	49,899
Infrastructure	1,797,825	0	0	1,797,825
Library collections	626,516	40,981	0	667,497
Software	833,355	162,798	0	996,153
Total capital and other assets	51,214,107	433,876	72,369	51,575,614
Less accumulated depreciation	16,078,505	1,249,414	57,623	17,270,296
Total	<u>\$ 35,135,602</u>	<u>\$ (815,538)</u>	<u>\$ 14,746</u>	<u>\$ 34,305,318</u>

Capital Assets Activity  
Last Ten Fiscal Years - (unaudited) (continued)

Fiscal Year	Beginning Balance	Additions	Deletions	Ending Balance
<b>2012-13</b>				
Land	\$ 3,827,853	\$ 0	\$ 0	\$ 3,827,853
Buildings	40,366,219	279,318	0	40,645,537
Equipment	3,273,523	180,435	20,836	3,433,122
Construction in progress	6,206	323,011	279,318	49,899
Infrastructure	1,797,825	0	0	1,797,825
Library collections	586,424	40,092	0	626,516
Software	833,355	0	0	833,355
Total capital and other assets	50,691,405	822,856	300,154	51,214,107
Less accumulated depreciation	14,865,697	1,232,604	19,796	16,078,505
Total	<u>\$ 35,825,708</u>	<u>\$ (409,748)</u>	<u>\$ 280,358</u>	<u>\$ 35,135,602</u>
<b>2011-12</b>				
Land	\$ 3,827,853	\$ 0	\$ 0	\$ 3,827,853
Buildings	37,855,019	2,511,200	0	40,366,219
Equipment	2,964,863	333,366	24,706	3,273,523
Construction in progress	1,722,567	916,138	2,632,499	6,206
Infrastructure	1,797,825	0	0	1,797,825
Library collections	556,364	30,060	0	586,424
Software	833,355	0	0	833,355
Total capital and other assets	49,557,846	3,790,764	2,657,205	50,691,405
Less accumulated depreciation	13,701,293	1,177,785	13,381	14,865,697
Total	<u>\$ 35,856,553</u>	<u>\$ 2,612,979</u>	<u>\$ 2,643,824</u>	<u>\$ 35,825,708</u>
<b>2010-11</b>				
Land	\$ 3,827,853	\$ 0	\$ 0	\$ 3,827,853
Buildings	37,503,316	351,703	0	37,855,019
Equipment	2,760,326	244,339	39,802	2,964,863
Construction in progress	1,088,929	985,340	351,702	1,722,567
Infrastructure	1,797,825	0	0	1,797,825
Library collections	525,080	31,284	0	556,364
Software	833,355	0	0	833,355
Total capital and other assets	48,336,684	1,612,666	391,504	49,557,846
Less accumulated depreciation	12,600,247	1,137,160	36,114	13,701,293
Total	<u>\$ 35,736,437</u>	<u>\$ 475,506</u>	<u>\$ 355,390</u>	<u>\$ 35,856,553</u>

Capital Assets Activity  
Last Ten Fiscal Years - (unaudited) (continued)

Fiscal Year	Beginning Balance	Additions	Deletions	Ending Balance
<b>2009-10</b>				
Land	\$ 3,448,912	\$ 378,941	\$ 0	\$ 3,827,853
Buildings	37,503,316	0	0	37,503,316
Equipment	2,500,125	275,197	14,996	2,760,326
Construction in progress	0	1,088,929	0	1,088,929
Infrastructure	1,797,825	0	0	1,797,825
Library collections	496,491	28,589	0	525,080
Software	833,355	0	0	833,355
Total capital and other assets	46,580,024	1,771,656	14,996	48,336,684
Less accumulated depreciation	11,462,868	1,152,375	14,996	12,600,247
Total	<u>\$ 35,117,156</u>	<u>\$ 619,281</u>	<u>\$ 0</u>	<u>\$ 35,736,437</u>
<b>2008-09</b>				
Land	\$ 2,908,177	\$ 540,735	\$ 0	\$ 3,448,912
Buildings	28,138,753	9,955,992	591,429	37,503,316
Equipment	2,103,437	396,688	0	2,500,125
Construction in progress	9,135,091	850,467	9,985,558	0
Infrastructure	1,797,825	0	0	1,797,825
Library collections	444,977	51,514	0	496,491
Software	833,355	0	0	833,355
Total capital and other assets	45,361,615	11,795,396	10,576,987	46,580,024
Less accumulated depreciation	10,425,612	1,087,950	50,694	11,462,868
Total	<u>\$ 34,936,003</u>	<u>\$ 10,707,446</u>	<u>\$ 10,526,293</u>	<u>\$ 35,117,156</u>
<b>2007-08</b>				
Land	\$ 2,908,177	\$ 0	\$ 0	\$ 2,908,177
Buildings	28,052,018	86,735	0	28,138,753
Equipment	1,994,432	131,292	22,287	2,103,437
Construction in progress	2,266,834	6,868,257	0	9,135,091
Infrastructure	1,797,825	0	0	1,797,825
Library collections	386,865	58,112	0	444,977
Software	833,355	0	0	833,355
Total capital and other assets	38,239,506	7,144,396	22,287	45,361,615
Less accumulated depreciation	9,560,523	883,083	17,994	10,425,612
Total	<u>\$ 28,678,983</u>	<u>\$ 6,261,313</u>	<u>\$ 4,293</u>	<u>\$ 34,936,003</u>

Capital Assets Activity  
 Last Ten Fiscal Years - (unaudited) (continued)

Fiscal Year	Beginning Balance	Additions	Deletions	Ending Balance
2006-07				
Land	\$ 2,908,177	\$ 0	\$ 0	\$ 2,908,177
Buildings	26,889,816	1,389,969	227,767	28,052,018
Equipment	1,818,907	182,415	6,890	1,994,432
Construction in progress	470,320	2,426,117	629,603	2,266,834
Infrastructure	1,538,191	259,634	0	1,797,825
Library collections	369,051	17,814	0	386,865
Software	833,355	0	0	833,355
Total capital and other assets	34,827,817	4,275,949	864,260	38,239,506
Less accumulated depreciation	8,795,441	909,319	144,237	9,560,523
Total	\$ 26,032,376	\$ 3,366,630	\$ 720,023	\$ 28,678,983

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## Audit Comments - Disclosures and Comments Required by Oregon State Regulations

Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments and disclosures required in audit reports. The required financial statements and schedules are set forth in preceding sections of this report. Required comments and disclosures related to the audit of such statements and schedules are set forth following.



## **Independent Auditor's Report Required by Oregon State Regulations**

We have audited the basic financial statements of Rogue Community College (the College) as of and for the year ended June 30, 2016, and have issued our report thereon dated December 1, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

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

The College's expenditures exceeded appropriations for the following fund:

- a. Self-Support Fund: Instruction



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

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

*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 College'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



For Eide Bailly LLP  
Boise, Idaho  
December 1, 2016

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Rogue Community College  
Grants Pass, Oregon

Government Audit Standards and Uniform Guidance

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Rogue Community College  
Grants Pass, Oregon

Government Audit Standards Report



**Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Board of Education  
Rogue Community College  
Grants Pass, 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 Rogue Community College (the College) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the College’s basic financial statements, and have issued our report thereon dated December 1, 2016. Our report includes a reference to other auditors who audited the financial statements of Rogue Community College Foundation, as described in our report on the College’s financial statements. The audit of the financial statements of the Foundation were not performed in accordance with *Government Auditing Standard*, and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance that are reported on separately by those auditors of Rogue Community College Foundation.

**Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the College’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.

**Compliance and Other Matters**

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

**Purpose of this Report**

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

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Boise, Idaho  
December 1, 2016

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Rogue Community College  
Grants Pass, Oregon

Uniform Guidance (Single Audit) Report



## **Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance**

To the Board of Education  
Rogue Community College  
Grants Pass, Oregon

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

We have audited Rogue Community College's (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2016. Rogue Community College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

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

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

In our opinion, Rogue Community College complied, in all material respects, with the 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.

## **Report on Internal Control over Compliance**

Management of Rogue Community College is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered Rogue 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 the Rogue 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 compliance requirement 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 that might be material weaknesses or significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2016-001 that we consider to be a significant deficiency.

Rogue Community College's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Rogue Community College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.



Boise, Idaho  
December 1, 2016

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified?	No
Significant deficiency identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs	
Material weaknesses identified?	No
Significant deficiency identified not considered to be material weaknesses?	Yes
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	Yes

Identification of major programs:

Name of Federal Program	CFDA Number
U. S. Department of Education Direct Programs	
Student Financial Aid Cluster	
Pell Grant Program	84.063
Federal Work-Study Program	84.033
Direct Loan Program	84.268
Supplemental Educational Opportunity Grants Program	84.007
TRIO Programs Cluster	
TRIO - Student Support Services	84.042A
TRIO - Educational Opportunity Center	84.066A
TRIO - Talent Search	84.044A
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

**Section II – Financial Statement Findings**

None Reported

**Section III – Federal Award Findings and Questioned Costs**

2016-001

Direct Programs – Department of Education

CFDA# 84.063, 84.007, 84.268, 84.033

Student Financial Aid Cluster

Special Tests and Provisions: Return of Title IV Funds

Significant Deficiency in Internal Control Over Compliance

Criteria:

34 CFR Section 685.309 states that an Institution shall ensure that all information reported to the Secretary is within the required time frame. The NSLDS Enrollment Reporting Guide further states that the information that is reported to the Secretary is accurate in addition to timely.

**Condition:**

During our testing of students that were disbursed financial aid in fiscal year 2016, there was one instance out of 60 in which the student withdrawal date per the R2T4 calculation worksheets did not match the dates reported to NSLDS.

**Cause:**

The College's existing control procedures for reporting student withdrawal dates to National Student Clearinghouse (NSC) timely and accurately were not strong enough to identify all inaccuracies.

**Effect:**

The withdraw date reported to the NSLDS was incorrect.

**Questioned Costs:**

None reported

**Context/Sampling:**

A nonstatistical sampling was used. Sample size was 60 students out of 522 students were selected for special tests and provisions over Return of Title IV funds.

**Repeat Finding from Prior Year:**

Yes, prior year finding 2015-001.

**Recommendation:**

The College should implement a control process in which the information provided to the NSLDS is complete and accurate. The College should also periodically monitor this process to ensure that it is working effectively. Management should also review the withdraw date on all students that withdrew during the current year and verify that the information provided was accurate and if not, correct any incorrect information noted during the review.

**Management's Response:**

We agree with the findings of the audit. This instance appears to be due to limitations with the NSC system/processes, specifically related to the timing of their reporting and their inability to reflect interim status change reporting to NSLDS. The date reported reflects the following term's drop dates instead of the current term's enrollment change date. We believe that restricting enrollment reporting to not include future term activity will alleviate this issue.

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Rogue Community College  
Summary Schedule of Prior Year Findings  
Year Ended June 30, 2016

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2015-001

Direct Programs – Department of Education

CFDA# 84.063, 84.007, 84.268, 84.033

Student Financial Aid Cluster

Special Tests and Provisions: Student Status Change

Significant Deficiency in Internal Control Over Compliance

Initial Fiscal Year Finding Occurred: 2014

Finding Summary:

During our testing of students that were disbursed financial aid in fiscal year 2015, there were six instances out of 60 in which the student withdrawal date per the R2T4 calculation worksheets did not match the dates reported to NSLDS. The College's existing control procedures for reporting student withdrawal dates to National Student Clearinghouse (NSC) timely and accurately were not strong enough to identify all inaccuracies.

Status: In the current year, the same finding was present; however the findings were primarily due to limitations in reports to NSC where the most recent withdrawal date will override the previous withdrawal dates submitted to NSC.

Schedule of Expenditures of Federal Awards  
 Year ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
Direct Grants:			
Financial Aid Cluster:			
Pell Grant Program	84.063 (*)		\$ 10,778,718
Federal Work-Study Program	84.033 (*)		155,891
Direct Loan Program	84.268 (*)		9,529,235
Supplemental Educational Opportunity Grants Program	84.007 (*)		<u>162,403</u>
Total Financial Aid Cluster			<u>20,626,247</u>
TRIO Cluster:			
TRIO - Student Support Services	84.042A (*)		418,688
TRIO - Educational Opportunity Center	84.066A (*)		230,211
TRIO - Talent Search	84.044A (*)		<u>224,445</u>
Total Trio Cluster			<u>873,344</u>
Passed through Oregon Department of Education:			
Perkins Vocational Education	84.048	27382	499,216
Community College Assistance Grant	84.048	34265/0771	8,688
Passed through Southern Oregon Education Service District:			
Perkins Vocational Education	84.048	N/A	<u>52,272</u>
Total Perkins			<u>560,176</u>
Passed through Oregon Department of Community Colleges and Workforce Development:			
Adult Basic Education Program	84.002A	EE9131518	328,110
2015-16 Learning Standards Project	84.002	12503/12560	<u>10,000</u>
Total Title II			338,110
Total U.S. Department of Education			<u>\$ 22,397,877</u>
U.S. Department of Health and Human Services			
Direct Grants:			
Southern Oregon Health Occupations Poverty Elimination Project (SOHOPE)	93.093		549,101
Total U.S. Department of Health and Human Services			<u>\$ 549,101</u>



Schedule of Expenditures of Federal Awards  
 Year ended June 30, 2016 (continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Small Business Administration			
Passed through Oregon Small Business Development Center Network:			
Small Business Assistance	59.037	15-153	15,127
Small Business Assistance	59.037	16-153	15,125
Total U.S. Small Business Administration			\$ 30,252
U.S. Department of Labor			
Direct Grant:			
TAACCCT PATH - Trade Adjustment Assistance Community College and Career Training Pathways to Allied Health Professions			
	17.282		576,969
Total U.S. Department of Labor			\$ 576,969
National Science Foundation			
Direct Grant:			
Contextualizing CTE in Math	47.076		113,506
Total National Science Foundation			\$ 113,506
U.S. Department of Housing and Urban Development			
Passed through City of Grants Pass:			
Community Development Block Grant - Josephine County Microenterprise Assistance Program			
	14.218	M13009	2,381
Total U.S. Department of Housing and Urban Development			\$ 2,381
			<u>\$ 23,670,086</u>

(\*) Denotes a major program cluster.

The College does not provide funds to any subrecipients, therefore, we chose to not present the Amounts Passed-Through to Subrecipients column.

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the College, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. The College received federal awards both directly from federal agencies and indirectly through pass-through entities.

2. Significant Accounting Policies

Governmental fund types account for the College's federal grant activity. Therefore, expenditures in the schedule of expenditures of federal awards are recognized on the modified accrual basis – when they become a demand on current available financial resources. The College's summary of significant accounting policies is presented in Note 1 in the College's basic financial statements.

The College has not elected to use the 10% de minimis cost rate.

3. Career and Technical Education Grant

The Career and Technical Education Grant received by the College was passed through to the College by various agencies. The total expended by the College under CFDA 84.048 for the year ended June 30, 2016, was \$560,176.

4. Federal Student Loan Programs

The College does not directly administer any of the Federal Direct Loans that the students utilize at the College. Therefore, only the value of the loans made during the year are represented on the Schedule of Expenditures of Federal Awards (SEFA).