

Comprehensive Annual Financial Report

Rogue Community College

Grants Pass, Oregon

For the Year Ended June 30, 2008

Report prepared by the Budget and Financial Services Department

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Rogue Community College

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Grants Pass, OR 97527-9298

Ph. (541) 956-7500

December 16, 2008

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, 2008, 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 Rogue Community College has established a comprehensive internal control framework that is designed both to protect the College's assets from loss, theft, or misuse; and, to compile sufficient reliable information for the preparation of Rogue Community College's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh their benefit, Rogue Community 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. Rogue Community College's Management Discussion and Analysis (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 organization chart.
2. The Financial Section includes the independent auditor's report, the MD&A, basic financial statements, including notes to the financial statements, and other supplementary information.
3. The Statistical Section includes selected financial and demographic information, 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 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) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

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 Financial 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 serves as the foundation for Rogue Community College's financial planning and control. Rogue Community 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 294.305 through 294.565. 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 committee is comprised of fourteen (14) members: seven (7) members of the advisory committee and seven (7) elected Board of Education members, each representing one of seven zones. In the 1996 regular session of the Oregon General Assembly, House Bill 2972 was enacted creating new provisions for the annexed Rogue Community College District. One provision was that the Rogue Community College Board of Education appoints an advisory committee of seven members, including three from Josephine County and three from Jackson County and one at-large member from persons nominated by the advisory committee. Members of the advisory committee are then appointed to the Rogue Community College District budget committee. Appointed members serve three-year terms.

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 at which citizens of the community are invited to give testimony on the budget before it is approved by the budget committee.

Following approval of the budget committee, the Rogue Community College Board of Education holds a public hearing on the budget. The purpose of this hearing is to provide the citizens of the community an opportunity to give testimony on the budget approved by the budget committee before it is adopted by the Rogue Community College Board of Education. The budget committee acts on fiscal matters, not on educational and personnel matters.

Rogue Community 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. Activities of all funds required by state law to be budgeted are included in the annual appropriated budget.

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 object level. Transfers of appropriations between existing budget categories 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

Rogue Community College was established in November 1970 by the vote of the electorate of Josephine County. 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.

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's full-time equivalent (FTE) number of students for 2007/08 was 4,277 and the unduplicated headcount for the same period was 17,782.

District Demographics

The Rogue Community College District covers a 4,453-square-mile area encompassing Josephine and Jackson counties. Total population for the two counties in 2007 is estimated at 284,700, which is a 10.7% increase since 2000.

The College's founding campus is located on an 88-acre wooded site five miles west of the city of Grants Pass. The campus was originally constructed in the late 1960's 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 with several more recently constructed buildings providing additional classrooms and modern laboratory space.

Upon annexation of Jackson County by the College district, the Riverside Campus was established in downtown Medford, where it plays a key role in the educational and cultural renaissance occurring in Medford. The Riverside Campus has grown to encompass seven buildings totaling more than 76,922 square feet. The College now owns four of these buildings.

The College, in conjunction with SOU, opened the Joint Higher Educational Center located in downtown Medford in September of 2008. The jointly financed, designed and constructed center will provide students a seamless transition from community college courses to university courses. 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 new RCC/SOU Higher Education Center 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, which is anticipated to provide a Leadership in Environmental Design (LEED) certification from the U.S. Green Building Council.

RCC also leases 12,000 square feet from the Jackson County Library in its Central Library in downtown Medford.

In fall 2005, the College opened the Table Rock Campus in White City, Oregon. The 102,000 square-foot building is home to the College's technical and professional training programs. Programs include manufacturing, electronics, fire science, construction, emergency medical technology and diesel technology.

Economic Outlook

The unemployment rate for the Rogue Valley is rising. The unemployment rate rose in the Rogue Valley from 6.45% in 2006 to 8.0% in 2008. The regions unemployment rate is a good indicator that the economy is slowing.

Even with a slowing economy, the Oregon Employment Department projects Southern Oregon to be one of the fastest-growing regions in Oregon, with employment forecasted to increase by 19.5%. The industries that are expected to add the most new jobs include health care, retail, professional and business services, and leisure and hospitality.

The economy in the Valley is showing steady diversification into business services, food manufacturing and finance and insurance companies. Diversification in an economy is generally considered an important stabilizing factor and a buffer against volatile business cycles.

Recent expansion of the region's industry leaders, Fire Mountain Gems and Amy's Kitchen, is another sign that the businesses have confidence in the quality of the local workforce and the economic future of the area.

The Rogue River, Crater Lake National Park and the Oregon Caves National Monument provide for many recreational opportunities in the region. Performing arts are also popular in the region including the world-famous Shakespeare Festival in Ashland, the Britt Music Festival in Jacksonville and Rogue Music Theater in Grants Pass. These recreational opportunities support a large tourism service economy.

One of the College's largest revenue sources is funding from the State of Oregon. The 2007-09 Community College Support fund biennial budget adopted by the Oregon Legislature was \$500 million. Although this is a 17%

increase for the Community College Support fund, Rogue's funding level from the state is still below the 2001-02 level. The reason for the decline is directly related to the current distribution formula. The current distribution formula for the Community College Support Fund is a Total Public Resource (TPR) per Full-Time Equivalence (FTE) model. Under this new model, all state resources and local property taxes are pooled together and within six years, will be distributed equally between all 17 Oregon Community College based upon FTE. The formula is based on a weighted average of 40/30/30 for the three prior years. Since the formula is based on a weighted average and the College saw a larger than average decline in FTE during 2002-2006, the 3.7% increase in FTE during 2006-07 will not provide a corresponding increase in FTE reimbursement. In addition, the Valley is experiencing rapid growth, causing property tax revenue to increase faster than the state average. Because the formula includes all property taxes, our TPR/FTE is higher than many other schools. These changes will reduce State support received per FTE.

Another issue affecting community colleges is the increasing costs of the employer paid portion of the Oregon Public Employees Retirement System (PERS). The College issued a Limited Tax Pension Obligation Bond in 2005 in an attempt to stabilize the ever increasing employer rates. The bond issue of \$21 million fully funded the College's Unfunded Actuarial Liability (UAL). PERS is holding the funds in a separate trust in the College's name. At December 31, 2007 the investment earned approximately 9.46% interest which still exceeds the 4.643% bond interest. The resources to repay the bonds are generated by charging departments in the College a rate that will ensure there are funds available for debt payment throughout the life of the bonds.

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 five-year financial plans to ensure the financial viability of the College and works with the Budget Advisory Group to develop the budget.

Long-Term Financial Planning

The Rogue Valley's population is expected to be 291,859 in 2009, a 14% increase from the 2000 population of 256,995. As the population grows, it is also expected to age over the next decade with the 50+ age group growing from 90,104 in 2000 to a projected 113,860 in 2009, an increase of 26%. With the increases in the older age groups, the College's workforce development programs will be the programs most likely to see the greatest impact. The Southern Oregon region is expected to be one of the most rapidly growing areas of the state in terms of job growth with the main industries experiencing the largest growth being health care, retail, professional and business services, and leisure and hospitality.

Accreditation

The Northwest Commission on Colleges and Universities (NWCCU) first granted full accreditation to Rogue Community College in 1976. Accreditation is reviewed every ten years thereafter. Furthermore, the Oregon Department of Education has approved all professional-technical programs and college transfer courses. Professional associations have also accredited those professional-technical programs requiring approval.

The College completed a successful three-day onsite visitation by NWCCU in 2001-02. The 12-member review team praised the staff for their openness and honesty. The team stated their optimism about the future of RCC and was impressed with Rogue's exceptionally talented and dedicated staff, faculty and management. They also praised the College for taking risks inherent with expansion and for building partnerships such as the linkage with the Jackson County Library. Subsequent visits and reports have focused mainly on planning. The College is scheduled for a full-scale evaluation in 2011.

Cash Management

The College maintains a cash management program with the aim of maximizing interest earnings while safeguarding capital. Available cash resources are invested and collateralized in accordance with the Rogue Community College Board of Education guidelines and the applicable Oregon Revised Statutes. The College is restricted by Oregon Revised Statutes as to the types of investments in which it may invest its cash balances. Statutes authorize the College to invest in obligations of the United States Treasury, agencies, and instrumentalities; commercial paper; bankers' acceptances; repurchase agreements; and the state treasurer's investment pool. All deposits and investments of the College are adequately secured either by collateral held by an outside party or by federal deposit insurance. The College also invests funds in the Oregon State Treasurer's Local Government

Investment Pool (LGIP). College funds are pooled and invested to the fullest extent possible. Interest earnings on pooled cash and investments are allocated to the various funds based upon monthly inter-fund balances.

Risk Management

Ongoing review and recommended changes in liability insurance, workers compensation loss review and recommendation of an agent of record to facilitate handling of claims is charged to the Dean of College Services/Chief Financial Officer (CFO). The Facilities Directors, in conjunction with the Safety Committee, reviews potential hazards and accidents and recommends corrections.

The Safety Committee's ongoing goal is to maintain a commitment and interest by all employees in occupational safety matters. In support of this goal, the following programs are in place: blood borne pathogens handling, training and an emergency procedure manual for every building and materials safety training.

Other Information

- Independent Audit - 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 Kenneth Kuhns & Co., who were selected by the Board of Education, has completed their examination of the College's basic financial statements and accordingly, has included their report in the financial section of this CAFR.
- Single Audit – The Single Audit Act and OMB Circular A-133 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, 2007. This was the fifth 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 we are submitting it to the GFOA to determine its eligibility for another certificate.

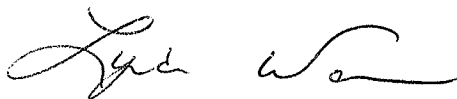
Acknowledgments

We wish to express our appreciation to the entire Budget and Financial Services 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 Kenneth Kuhns & Co. 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,



Peter Angstadt, President



Lynda Warren, Chief Financial Officer/Dean of College Services

Year ended June 30, 2008

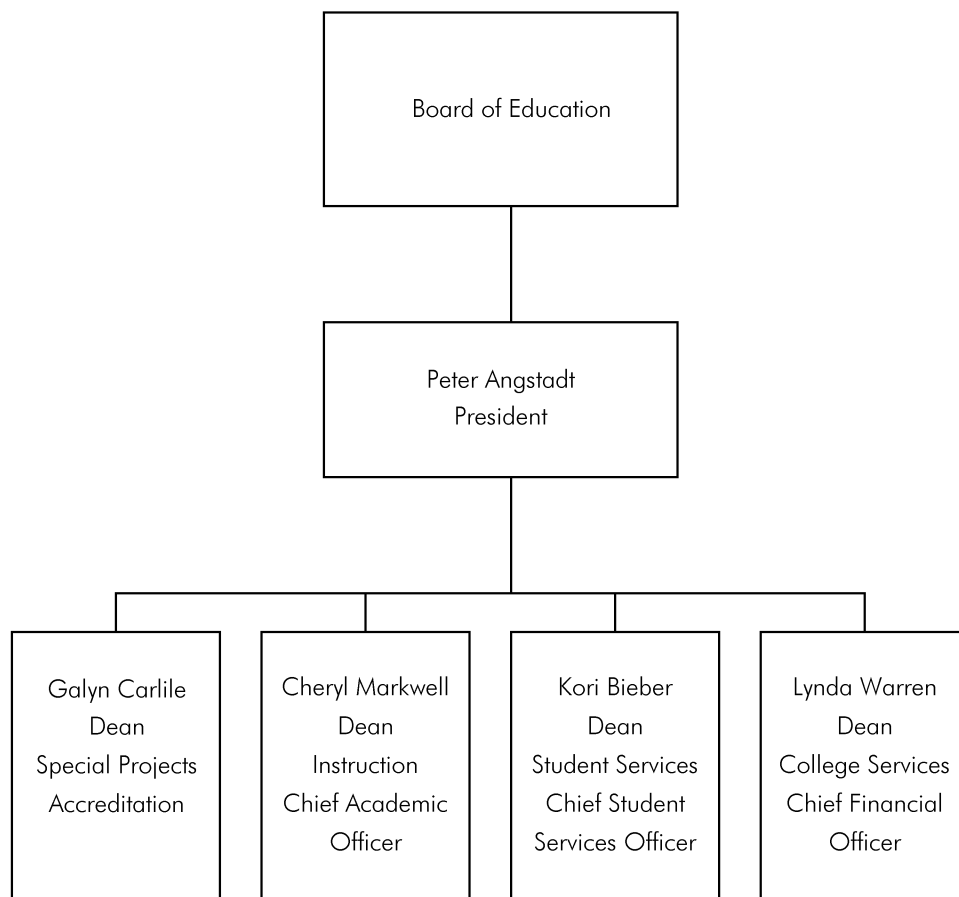
ELECTED/APPOINTED OFFICIALS

Mr. Dean Wendle P.O. Box 1988 Grants Pass, Oregon 97528	Chairperson
Mr. David Trump, M.D. 1277 Kubli Road Grants Pass, OR 97527	Vice-chairperson
Ms. Sharon Davidson 296 Covered Bridge Road Rogue River, Oregon 97537	Member
Mr. Pat Huycke, Esq. 823 Alder Creek Drive Medford, Oregon 97504	Member
Mr. Kevin Talbert, Ph.D. 1291 N. Valley View Road Ashland, OR 97520	Member
Ms. Patricia Ashley 3182 Rogue River Drive Eagle Point, OR 97524	Member
Mr. Joseph Zagorski, Ed.D. 521 Seclusion Loop Grants Pass, OR 97526	Member

ADMINISTRATION

3345 Redwood Highway
Grants Pass, Oregon 97527

Peter Angstadt	President
Lynda Warren	Budget Officer



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, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Charles S. Cox

President

Jeffrey R. Emer

Executive Director

KENNETH KUHNS & CO.
CERTIFIED PUBLIC ACCOUNTANTS
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SALEM OREGON 97301-3594
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INDEPENDENT AUDITOR'S REPORT

November 10, 2008

Board of Education
Rogue Community College
Grants Pass, Oregon

We have audited the statement of net assets of Rogue Community College as of June 30, 2008, and the related statements of revenues, expenses, and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Rogue Community College Foundation, a discretely presented component unit of Rogue Community College, as of and for the year ended June 30, 2008. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Rogue Community College Foundation, is based 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 *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 of material misstatement. The financial statements of Rogue Community College Foundation were not audited in accordance with *Government Auditing Standards*. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Rogue Community College as of June 30, 2008, and the changes in its financial position and, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 11 through 18 is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures,

which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2008 on our consideration of Rogue Community 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.


Kenneth Kuhns & Co.

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, 2008. 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 current known facts.

New Accounting Standards

The College adopted a new financial reporting model in fiscal year 2003 in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments". This reporting model provides entity-wide statements (also called the basic financial statements) that consolidate all activities into a single total and broaden the reporting focus to the College as a whole.

Pursuant to the standards of GASB No. 39 "Determining Whether Certain Organizations are Component Units", the College has determined that the Rogue Community College Foundation (the Foundation) is a component unit. Therefore, the Foundation is included in the entity-wide statements for 2008. For more information about the Foundation, please see the Notes to the Basic Financial Statements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Rogue Community 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. This report also contains other supplementary information in addition to the basic financial statements themselves.

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 statements focus on the financial condition of the College, the results of operations, and cash flows of the College as a whole. The entity-wide statements are comprised of the following:

- The *Statement of Net Assets* presents information on all of the College's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 Revenues, Expenses and Changes in Net Assets* presents the revenues earned and the expenses incurred during the year. All changes in net assets 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 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 assets 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 coming from tuition. State appropriations and property taxes are classified as non-operating revenues. Because of the College's dependency on state aid and property tax revenue, this statement presents an operating loss, although overall net assets remain positive.

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

Financial Highlights

Senate Bill (SB) 1022 canceled the State appropriation for Full-Time Equivalent (FTE) student reimbursement that it had intended to pay to the seventeen (17) Oregon community colleges in the last quarter of the fiscal year 2002-03. This is equivalent to one fourth of the state resources for all community colleges for the second year in the 2001-03 biennium. The state reappropriated the canceled amount in the following biennium. In the future, the state will appropriate the last payment of a biennium in the following biennium. SB 1022 specifically authorizes community colleges to record, on a budgetary basis, one quarter of the amount the college received as revenue from the State, in the second year of a biennium.

The College's overall financial position has improved for the fiscal year ended June 30, 2008 as evidenced by:

- The College's fourth quarter Full-Time Equivalent (FTE) student reimbursement from the State of Oregon for 2006-07 is recorded in 2007-08. This increase in non-operating revenue of approximately \$4.7 million in FTE reimbursements is the result of timing differences in the recognition of revenue, and does not represent an increase in FTE reimbursement.
- The College's Student Financial Aid Grants increased \$85,671 from the prior year. This increase is attributable to students taking more classes per term and accessing full time aid.
- The College's Student Tuition and Fees increased 2% or \$199,944 from the prior year. Reimbursable FTE enrollment increased by 152.84 FTE. The increase in enrollment will have a positive impact on FTE reimbursement from the State in future years. More information about enrollments is located in the Statistical Section.
- Property taxes increased approximately \$598,537 due to the increase in new construction in Josephine and Jackson Counties.
- As noted earlier, net assets may serve over time as an indicator of the College's financial position. This report shows that assets exceeded liabilities by \$22.4 million at the close of the fiscal year.

One of the College's largest net assets (\$13.3 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.

Analysis of the Statement of Net Assets As of June 30, 2008

The Statement of Net Assets 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 assets are the difference between assets and liabilities, and are one measure of the financial condition of the College.

Rogue Community College
Fiscal Year Ended June 30, 2008

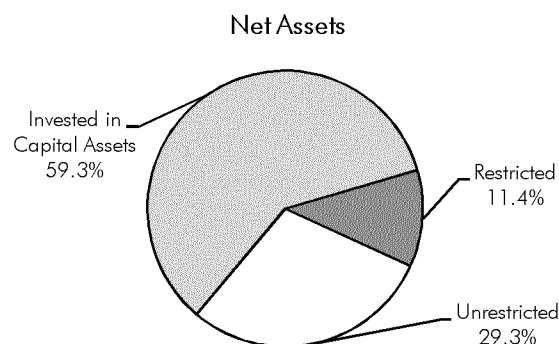
	2008	2007	% Change
Assets			
Current assets	\$ 18,505,810	\$ 18,250,958	1.40%
Capital assets, net of depreciation	34,936,003	28,678,983	21.82%
Other non-current assets	23,332,567	25,573,042	-8.76%
Total assets	\$ 76,774,380	\$ 72,502,983	5.89%
Liabilities			
Current liabilities	\$ 8,640,388	\$ 9,046,115	-4.49%
Long-term debt, non-current portion	45,657,206	46,673,657	-2.18%
Total liabilities	54,297,594	55,719,772	-2.55%
Net Assets			
Invested in capital assets, net of related debt	\$ 13,337,179	\$ 9,269,103	43.89%
Restricted	2,563,399	4,299,121	-40.37%
Unrestricted	6,576,208	3,214,987	104.55%
Total net assets	22,476,786	16,783,211	33.92%
Total Liabilities and Net assets	\$ 76,774,380	\$ 72,502,983	5.89%

At June 30, 2008, the College's assets were approximately \$76.8 million. The College's current assets of \$18.5 million were sufficient to cover current liabilities of \$8.6 million. This represents a current ratio of 2.14. Receivables consist of taxes, student accounts, interest and various operating receivables. The College's investment in capital assets is \$34.9 million, net of accumulated depreciation. Investment in capital assets has increased by \$6.3 million due to the construction of the joint Rogue Community College (RCC)/Southern Oregon University (SOU) Higher Education Center.

The College's current liabilities consist primarily of payroll, interest payables, various payables for operations and the current portion of long-term debt. Non-current liabilities consist primarily of long-term debt from the issuance of a General Obligation and Refunding Bond and a Limited Tax Pension Obligation Bond, both Series 2005.

Within net assets, the "invested in capital assets, net of debt" amount is \$13.3 million. In future years, the College's capital assets will continue to grow in relation to our capital expansion plan. This plan includes completion of the joint RCC/SOU Higher Education Center in downtown Medford. The unrestricted net assets consist of amounts for the continuing operation of the College.

The following graph shows the allocation of net assets for the College:



*Analysis of the Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended June 30, 2008*

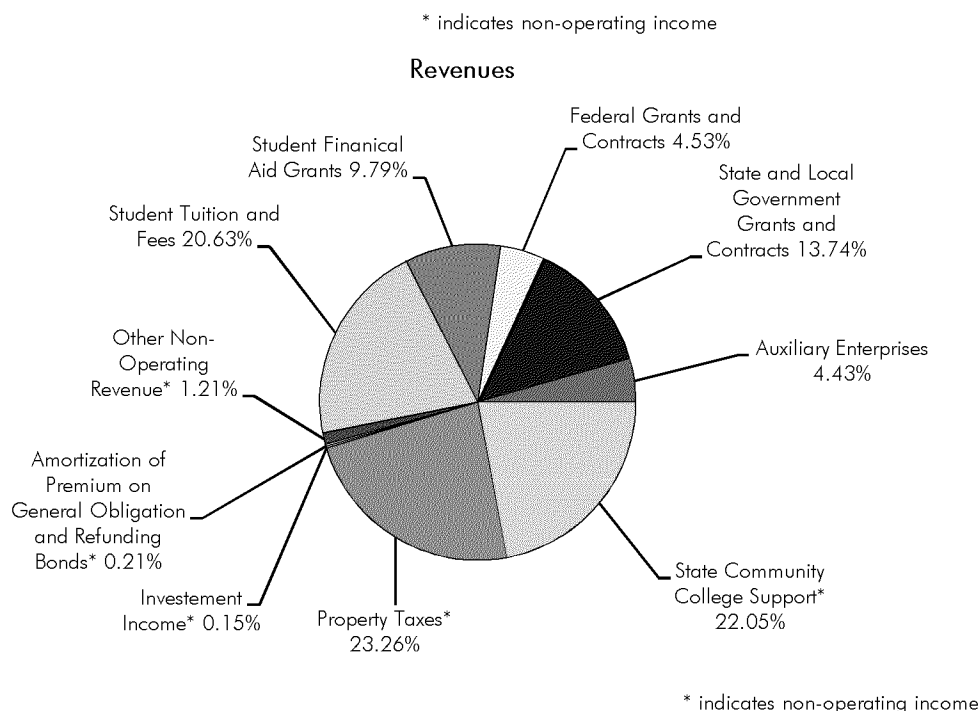
The Statement of Revenues, Expenses and Changes in Net Assets present the operating results of the College, as well as the non-operating revenues and expenses. Annual state reimbursements and property taxes, while budgeted for operations, are considered non-operating revenues according to accounting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

	2008	2007	% Change
Operating Revenues:			
Student tuition and fees	\$ 10,010,734	\$ 9,810,790	2.04%
Student financial aid grants	4,748,199	4,662,528	1.84%
Federal grants and contracts	2,197,465	2,142,110	2.58%
State and local government grants and contracts	6,666,795	2,691,544	147.69%
Auxiliary enterprises	2,148,596	2,142,221	0.30%
Other operating revenues	0	58,296	-100.00%
Total operating revenues	25,771,789	21,507,489	19.83%
Non-Operating Revenues:			
State community college support	10,700,936	5,919,914	80.76%
Property taxes	11,287,714	10,689,177	5.60%
Investment income	72,451	4,123,253	-98.24%
Gain on disposal of capital assets	2,382	184,580	-98.71%
Amortization of premium on general obligation and refunding bonds	97,430	97,430	0.00%
Other non-operating revenues	589,430	741,512	-20.51%
Total non-operating revenues	22,750,343	21,755,866	4.57%
Operating and Non-Operating Expenses:			
Instruction	13,191,336	12,204,951	8.08%
Community services	420,116	409,272	2.65%
Instructional support services	4,689,741	3,418,615	37.18%
Student services	4,191,697	4,562,729	-8.13%
College support services	7,453,270	10,590,384	-29.62%
Plant operations and maintenance	3,113,041	1,868,474	66.61%
Scholarships and grants	6,612,883	6,421,174	2.99%
Depreciation	883,083	909,319	-2.89%
Interest expense	2,236,097	2,280,643	-1.95%
Amortization of deferred charges	47,293	47,293	0.00%
Total operating and non-operating expenses	42,838,557	42,712,854	.29%
Income (loss) before contributions	5,683,575	550,501	932.44%
Capital contribution – donated assets	10,000	1,020,000	-99.02%
Change in net assets	5,693,575	1,570,501	262.53%
Net assets, beginning of year	16,783,211	15,212,710	10.32%
Net assets, end of year	\$ 22,476,786	\$ 16,783,211	33.92%

Revenues:

The most significant sources of operating revenue for the College are tuition and fees, financial aid, grants and contracts from federal, state, and local sources, and auxiliary services. Tuition and fees include all amounts paid for educational purposes and totaled \$10 million. Tuition and fees increased 2.04% or \$199,944. Federal, state, and local grants and contracts totaled approximately \$8.9 million, which is an 83.39% increase when compared to the prior year. This increase is directly related to the \$4.1 million received from the State of Oregon for the construction of the RCC/SOU Higher Education Center. The auxiliary enterprises furnish goods and/or services to students, faculty, staff or the general public and charge a fee directly related to the cost of these goods and/or services. They consist of bookstore and miscellaneous student-oriented operations. Auxiliary enterprises revenue remained flat at \$2.1 million when compared to the prior year. Other operating revenue will no longer be identified separately due to materiality.

The largest non-operating revenue is from the State of Oregon. Annually, the State of Oregon appropriates funding for K-16 education. The College received \$10.7 million for State Community College Support in this fiscal year. This represents a \$4.7 million increase from the prior year. As previously noted the decrease in FTE reimbursements is the result of timing differences in the recognition of revenue. Approximately \$11.3 million in non-operating revenues were received from property tax levies. This increase of 5.6% from prior year is due to new construction in Jackson and Josephine Counties. Investment income decreased 98.24% due to the decrease in interest earnings on the PERS bond investment when compared to prior year. The following graph shows the allocation of revenues for the College:



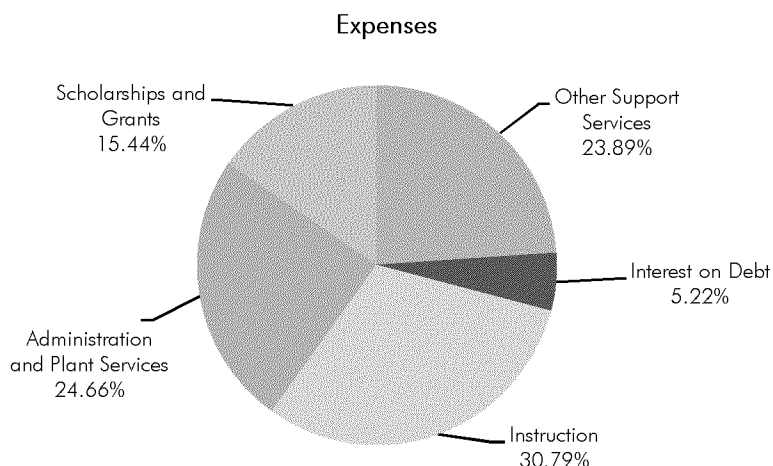
Expenses:

Operating expenses totaling \$40.5 million include salaries and benefits, materials and supplies, utilities, operating leases, scholarships and depreciation. Instruction expenses represent a large percentage of total expenses at \$13.1 million or 30.79% of total expenses. Support services, including auxiliary enterprises, contracted programs, and depreciation, represent \$10.2 million or 23.89% of total expenses. Administration expenses, including plant services, represent \$10.5 million or 24.66% of total expenses. Scholarship and grant expenses of \$6.6 million represent 15.44% of total expenses.

During 2007-08 the College re-categorized accounts between college support services and plant operations and maintenance. The 66% increase in plant operations and maintenance was mainly due to the accounting change and not due to an increase in expense.

The most significant non-operating expense was interest on debt of \$2,236,097, which represents 5.2% of total expenses.

The following graph shows the allocation of expenses for the College:



*Analysis of the Statement of Cash Flows
For the Year Ended June 30, 2008*

This statement provides an assessment of the financial health of the College. Its primary purpose is to provide relevant information about the cash receipts and cash payments of the College during a period. The Statement of Cash Flows also helps users assess the ability to meet obligations as they come due and the need for external financing.

	2008	2007	% Change
Cash Provided By (Used In):			
Operating activities	\$ (12,583,431)	\$ (16,146,513)	-22.07%
Non-capital financing activities	20,567,466	15,869,500	29.60%
Capital financing activities	(8,847,137)	(3,681,025)	140.34%
Investing activities	752,355	1,069,783	-29.67%
Net increase (decrease) in cash	(110,747)	(2,888,255)	-96.17%
Cash, beginning of year	13,424,360	16,312,615	-17.71%
Cash, end of year	\$ 13,313,613	\$ 13,424,360	-0.82%

The major sources of funds included in operating activities include student tuition and fees, financial aid, grants and contracts and auxiliary enterprises. Major uses were payments made to employees and suppliers, as well as for student financial aid and other scholarships.

State reimbursements and property taxes are the primary source of non-capital financing. The new accounting standards require that we reflect these sources of revenue as non-operating even though the College's budget depends on these revenues to continue the current level of operations. Property taxes increased by approximately 5.6% due to new construction in Jackson and Josephine Counties. State reimbursements increased by approximately 80.76% as a result of timing differences in the recognition of revenue.

The primary financing activities are the construction of the RCC/SOU Higher Education Center and payment of capital-related debt.

The primary cash flow from investing activities was the proceeds from interest received on investments.

Budgetary Highlights

The College proactively managed its financial position and adopted budgetary guidelines and principles that addressed cost reductions and revenue enhancement. The development of the fiscal year 2008 budget adheres to the principles of maintaining access to educational programs and support for a diverse student population. On June 19, 2008, the College adopted a general fund budget of \$28 million. This budget is based upon the \$500 million community college support fund adopted by the Legislature for the 2007-09 biennium. Although this is a 17% increase for the Community College Support fund, Rogue's funding level from the state is still below the 2001-02 level. This continues to negatively affect the affordability and accessibility of RCC to Southern Oregon residents.

Capital Assets and Debt Administration

Capital Assets

The College's investment in capital assets as of June 30, 2008, amounts to \$34.9 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.

The College in conjunction with SOU is building a Higher Educational Center that will provide a stimulus for flexible post-secondary education, as well as economic and cultural development in the greater Medford area. The 68,700 square foot building is being developed at an estimated cost of \$22.2 million. RCC's share of this cost is \$11.1 million which includes \$4.1 million from state bonding authority and \$7 million in local bonds approved by Jackson County voters in 2005. Approximately one-third of the space will be operated by both institutions to provide shared services, such as a transfer center to assist students in making smooth transitions from RCC to SOU. The remaining space will be divided equally between RCC and SOU for programs and services unique to each institution, while continuing the practice of sharing spaces and resources for maximum effectiveness. In addition to being an example of cooperation and collaboration between the two institutions, the new RCC/SOU Higher Education Center 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, which is anticipated to provide a Leadership in Environmental Design (LEED) certification or higher from the U.S. Green Building Council.

Long-Term Obligations

At the end of the current fiscal year, the College had total outstanding debt of \$46,864,403. Of this amount, \$23 million is General Obligation and Refunding Bonds, \$20.6 million is Limited Tax Pension Obligation Bonds, and \$730,000 is Certificates of Participation (COP), all of which are backed by the full faith and credit of the College. In addition, \$271,619 is a note with the US Department of Education backed by the property; and there is a \$631,764 liability for the present value of retirees' health insurance benefits. The College's total debt decreased by \$856,506 in 2007-08.

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 district. The current legal debt limit is \$611,691,188, which is significantly higher than the College's outstanding debt. The College's outstanding debt is about 3.76% of the legal debt limit. Additional information on the College's long-term debt can be found in Note 5 of this report.

Economic Factors and Next Year's Budget

The College's enrollment has increased about 11% for summer and fall term 2008-09, and the College is currently on target to exceed its projected tuition and fee revenue of \$7.7 million.

During 2007-08 RCC embarked on an intensive strategic planning process. As part of this process, the College's Mission, Vision and Values, as well as its Goals and Objective, were updated to reflect its current environment. In responses to strategic planning and the current environment, the College made the following changes which

impacted the 2008-09 budget: (1) A return to a functional focus to more effectively serve students and the community, (2) The continuation of the Diesel program in a dual scheduling model with the Automotive program, (3) A reorganization of the Adult Basic Skills department to provide more efficient use of staff, (4) A shift of a vacant Humanities faculty position from Philosophy to Music, (5) A more definitive Information Technology structure to respond to data needs and RogueNet development, (6) Expansion of the Construction Technology training program.

Although College enrollment is up for 2008-09, the state of the national economy could have a negative impact on the College's funding status. Two of the Colleges largest funding sources have the potential to be impacted. As the economy declines, the growth experienced in the housing market will also decline, reducing property tax revenue. In addition, the State of Oregon is looking at a decline in revenue which could reduce the Community College Support Fund, in turn reducing the College's state support.

To sum up, the next few budget years will be challenging for the College as the economy continues to decline and costs continue to increase.

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

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Statement of Net Assets
June 30, 2008

	College	Foundation (Component Unit)
ASSETS		
Current Assets:		
Cash	\$ 3,090,138	\$ 445,451
Investments	10,223,475	0
Receivables:		
Property taxes	673,522	0
Accounts, net	4,072,426	282,900
Inventory	428,459	0
Prepaid expenses	17,790	0
Total current assets	<u>18,505,810</u>	<u>728,351</u>
Non-current Assets:		
Endowment investments	0	6,604,474
Land investments	0	182,977
Pension asset	22,564,882	0
Deferred charges, net of amortization	767,685	0
Capital assets	45,361,615	4,315
Less: accumulated depreciation	<u>(10,425,612)</u>	<u>(3,486)</u>
Capital assets, net	<u>34,936,003</u>	<u>829</u>
Total non-current assets	<u>58,268,570</u>	<u>6,788,280</u>
TOTAL ASSETS	<u>76,774,380</u>	<u>7,516,631</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	1,108,862	78,130
Accrued interest payable	61,403	0
Payroll liabilities	1,136,752	4,232
Deferred revenue	2,406,552	0
Compensated absences	435,089	0
Due to others	184,833	0
Tax and revenue anticipation note payable	2,100,000	0
Scholarships payable, net	0	803,653
Current portion of long-term obligations	<u>1,206,897</u>	<u>17,094</u>
Total current liabilities	<u>8,640,388</u>	<u>903,109</u>
Non-current liabilities - long-term obligations		
Pension bonds payable	20,590,000	0
General obligation and refunding bonds payable	23,025,000	0
Premium on general obligation and refunding bonds, net of amortization	1,615,720	0
Certificates of participation payable	730,000	0
Note payable	271,619	0
Post-retirement health care benefits	631,764	0
Obligation under Standard Unitrust	0	147,433
Less: Current portion of long-term obligations	<u>(1,206,897)</u>	<u>(17,094)</u>
Total non-current liabilities - long-term obligations	<u>45,657,206</u>	<u>130,339</u>
TOTAL LIABILITIES	<u>54,297,594</u>	<u>1,033,448</u>

See notes to basic financial statements.

Statement of Net Assets
June 30, 2008 (continued)

	College	Foundation (Component Unit)
NET ASSETS		
Invested in capital assets	\$ 34,936,003	\$ 0
Less: related debt	<u>(21,598,824)</u>	<u>0</u>
Investment in capital assets, net	<u>13,337,179</u>	<u>0</u>
Restricted - non-expendable		
Restricted - permanent endowment	0	3,028,646
Restricted - expendable		
Restricted temporarily - endowment income and scholarships	0	2,055,503
Restricted - pension obligations	1,974,882	0
Restricted - debt service	258,163	0
Restricted - contracts and grants	<u>330,354</u>	<u>0</u>
Total restricted net assets	<u>2,563,399</u>	<u>5,084,149</u>
Unrestricted	<u>6,576,208</u>	<u>1,399,034</u>
TOTAL NET ASSETS	<u>\$ 22,476,786</u>	<u>\$ 6,483,183</u>

See notes to basic financial statements.

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Statement of Revenues, Expenses, and Changes in Net Assets
For the year ended June 30, 2008

	College	Foundation (Component Unit)
OPERATING REVENUES		
Student tuition and fees	\$ 10,010,734	\$ 0
Federal student financial aid grants	4,748,199	0
Federal grants and contracts	2,197,465	0
State and local government grants and contracts	6,666,795	0
Auxiliary enterprises	2,148,596	0
Other operating revenues	0	958,507
Total operating revenues	25,771,789	958,507
OPERATING EXPENSES		
Instruction	13,191,336	0
Instructional support services	4,689,741	0
Student services	4,191,697	0
Community services	420,116	0
College support services	7,453,270	0
Plant operations and maintenance	3,113,041	0
Scholarships and grants	6,612,883	0
Foundation programs	0	1,180,576
Depreciation	883,083	0
Total operating expenses	40,555,167	1,180,576
Operating income (loss)	(14,783,378)	(222,069)
NON-OPERATING REVENUES (EXPENSES)		
State community college support	10,700,936	0
Property taxes	11,287,714	0
Investment income (loss)	72,451	(515,587)
Gain on disposal of capital assets	2,382	0
Interest expense	(2,236,097)	0
Amortization of deferred charges	(47,293)	0
Amortization of premium on general obligation and refunding bonds	97,430	0
Other non-operating revenues	589,430	0
Total non-operating revenues (expenses)	20,466,953	(515,587)
Income (loss) before contributions	5,683,575	(737,656)
Capital contribution - donated assets	10,000	0
Change in net assets	5,693,575	(737,656)
NET ASSETS		
Net assets, beginning of year	16,783,211	7,220,839
Net assets, end of year	\$ 22,476,786	\$ 6,483,183

See notes to basic financial statements.

Statement of Cash Flows
For the year ended June 30, 2008

	<u>College</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Student tuition and fees	\$ 9,990,339
Student financial aid grants	4,745,248
Federal grants and contracts	2,222,315
State and local government grants and contracts	6,691,918
Payments to suppliers for goods and services	(4,274,074)
Payments to employees	(25,828,298)
Payments for student financial aid and other scholarships	(6,611,569)
Auxiliary enterprises:	
Cash received from customers	2,148,596
Paid to suppliers for resale materials	<u>(1,667,906)</u>
Net cash used in operating activities	<u>(12,583,431)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Cash received from property taxes	11,184,262
Cash received from State community college support	10,700,936
Cash from other sources	589,430
Proceeds from tax and revenue anticipation note	2,100,000
Payment of tax and revenue anticipation note	(2,750,000)
Interest paid on tax and revenue anticipation note	(119,350)
Principal paid on pension bonds	(150,000)
Interest paid on pension bonds	<u>(987,812)</u>
Net cash provided by non-capital financing activities	<u>20,567,466</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Proceeds from sale of capital assets	6,675
Purchase of capital assets	(7,071,740)
Principal paid on capital-related long-term debt	(630,377)
Interest paid on capital-related long-term debt	<u>(1,151,695)</u>
Net cash used in capital financing activities	<u>(8,847,137)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	<u>752,355</u>
NET DECREASE IN CASH	(110,747)
Cash and cash equivalents, beginning of year	<u>13,424,360</u>
Cash and cash equivalents, end of year	<u><u>\$ 13,313,613</u></u>

See notes to basic financial statements.

Statement of Cash Flows

For the year ended June 30, 2008 (continued)

	<u>College</u>
RECONCILIATION TO AMOUNTS SHOWN ON STATEMENT OF NET ASSETS	
Cash	\$ 3,090,138
Investments	<u>10,223,475</u>
	<u>\$ 13,313,613</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	\$ (14,783,378)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	883,083
Amortization of pension asset	1,513,278
Changes in assets and liabilities:	
Increase in accounts receivable	(209,192)
Increase in inventory	(37,691)
Increase in prepaid expenses	(15,264)
Decrease in accounts payable	(276,096)
Increase in payroll liabilities and compensated absences	85,755
Decrease in amounts due to others	(1,046)
Increase in deferred revenue	235,819
Increase in post-retirement health care	<u>21,301</u>
Net cash used in operating activities	<u>\$ (12,583,431)</u>
NON-CASH CAPITAL FINANCING AND INVESTING ACTIVITIES	
Other assets - deferred charges	\$ 47,293
Amortization of deferred charges	(47,293)
Premium on general obligation and refunding bonds	(97,430)
Amortization of premium on general obligation and refunding bonds	97,430
Earnings (loss) from pension asset	(679,904)
Pension asset	679,904
Acquisition of capital assets	(10,000)
Capital contributions	10,000
Disposal of capital assets	(2,382)
Gain on disposal of capital assets	<u>2,382</u>
Net non-cash 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. Special legislation, House Bill 2972, was enacted by the legislature to provide for a 10-year transition period in governance of the College, to a two member Josephine County and a five member Jackson County elected Board of Education. This bill also requires that facilities and programs be maintained in Josephine County for a period of 20 years.

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 generally accepted accounting principles, the College's financial statements present the College and its component unit, the Rogue Community College Foundation (the Foundation) for which the College is considered to be financially accountable. The Foundation is a discretely presented component unit and is reported in a separate column in the financial statements.

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 Board of Directors of the Foundation 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 FASB standards, including FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations*. 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, 2008, the Foundation provided scholarships and awards of \$787,156 and project grants of \$99,854 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 resources 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)

The College's basic financial statements have applied all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures, issued on or before November 30, 1989 unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements. The College has elected not to follow subsequent private-sector guidance.

Non-exchange transactions, in which the College receives value without directly giving equal value in return, includes 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 expenditure requirements. Timing requirements specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requires the College to provide local resources to be used for a specified purpose; and expenditure requirements expect the resources to be provided to the College on a reimbursement basis.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those 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 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, 2008 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 investment's quoted market prices at year-end.

Receivables

All accounts receivable; student accounts, agency accounts, and grants, 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. Property taxes receivable are recognized as revenues when levied.

1. Summary of Significant Accounting Policies (continued)

Receivables (continued)

Student accounts receivables are recorded when enrollment occurs. Agency accounts receivables are recorded when a voucher is applied to a student's account.

Non-reimbursed 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 deferred revenue.

Inventory

Inventory is stated at the lower of cost or market. Cost is determined by the retail cost method for the bookstore and first-in/first-out method for all other inventory.

Capital Assets

Capital assets include land, buildings and building improvements, furniture and equipment, infrastructure (which includes utility systems), library collections, RogueNet Software and construction in progress. The College's capitalization threshold for furniture and equipment is \$5,000 and for all of the other categories except library collections is \$50,000. Library collections are capitalized regardless of cost. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at fair market 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' lives are not capitalized, but are expensed as incurred.

Buildings, furniture and equipment, infrastructure, library collections and RogueNet 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 RogueNet	5 years

Under GASB 34, 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.

1. Summary of Significant Accounting Policies (continued)

Compensated Absences

It is the College's policy to permit employees to accumulate earned but unused vacation and sick pay. There is no liability for unpaid accumulated sick leave since the College does not have a policy to pay any amounts when an employee separates from service. Vacation pay is recorded as a liability and an expense when earned.

Short-Term Obligations

Oregon Revised Statutes Section 287A.180 authorizes the College to borrow money by issuing notes, so long as the principal amount of the obligations does not exceed eighty percent (80%) of the amount of taxes and other revenues which the College has budgeted to receive in that fiscal year, and so long as the notes mature not later than thirteen months after the date the notes are issued.

The College issued Tax Revenue Anticipation Notes (TRANS) to fund temporary anticipated cash flow deficits that arise during the fiscal year. The deficits are caused by timing issues related to the inflow of State Revenue and Property Taxes not lining up with the necessary monthly outflows for budgeted expenditures.

Long-Term Obligations

Bond and Certificate of Participation (COP) premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bond or COP using the straight-line method, which approximates the effective interest method. The loss on reacquired debt for COPs which were advance refunded is being amortized over the life of the refunding bonds or the life of the refunded COPs, whichever is shorter.

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 and support expenses, bookstore and food services, 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 Academic Competitiveness Grant. Federal programs are audited in accordance with the Single Audit Act, the U.S. Office of Management and Budget Circular A-133, Audit of States, Local Governments and Non-Profit Organizations, and the Compliance Supplement.

Net Assets

GASB Statement No. 34 reports equity as "Net Assets" rather than "Fund Balance". Net assets are classified according to external donor restrictions or availability of assets for satisfaction of College obligations. Expendable restricted net assets represent funds restricted for specific purposes.

The unrestricted net assets balance is \$6,576,208 at June 30, 2008.

1. Summary of Significant Accounting Policies (continued)

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 expenditures cannot legally exceed appropriations. The level of budgetary control for appropriations is set at the object level. Transfers of appropriations may be made between legally authorized appropriations when authorized 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, 2008:

Cash on hand	\$	13,666
Cash with fiscal agent		107,011
Deposits with Financial Institutions		2,969,461
Investments		10,223,475
Total	\$	<u>13,313,613</u>

Deposits with Financial Institutions

Deposits with financial institutions consist of bank demand deposits. The total bank balance, as shown on the banks' records at June 30, 2008, is \$1,646,021. Of these deposits, \$100,000 was covered by federal depository insurance, and \$1,546,021 was collateralized to the extent required by state law. Oregon laws require municipal corporations to obtain certificates of participation issued by a pool manager for amounts on deposit in excess of federal depository insurance, and the College held certificates totaling \$25,000,000 at June 30, 2008. Oregon Revised Statutes require the depository institution to maintain on deposit with custodian bank collateral pool securities having a value of not less than 25% of the outstanding certificates of participation issued by the pool manager. Deposits in excess of federal depository insurance, even to the extent collateralized by certificates of participation, are considered uncollateralized by GASB Statement No. 40.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The College does not have a policy for deposits custodial credit risk. As of June 30, 2008, \$1,546,021 of the College's bank balance was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	1,159,516
Uninsured and collateral held by pledging bank's Collateral custodian but not in the College's name		<u>386,505</u>
Total	\$	<u>1,546,021</u>

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 has no investment policy that would further limit its investment choices.

2. Cash and Investments (continued)

Investments (continued)

At June 30, 2008, the College's investments consisted of:

Investment in Oregon Local Government Investment Pool	\$	10,199,632
Other		23,843
Total Investments	\$	<u>10,223,475</u>

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

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, 2008 were: 77% mature within 93 days, 3% mature from 94 days to one year, and 20% mature from one to three years.

Foundation Cash and Investments

Rogue Community College Foundation's cash of \$445,451 at June 30, 2008 consists of a demand deposit account held at a financial institution and a money market mutual fund account. The Foundation's investments totaling \$6,604,474 at June 30, 2008 are stated at fair value and consist of the following:

Equity Funds	\$	2,939,497
Real Estate Funds		324,415
International Funds		1,113,089
Fixed income funds		1,025,265
Select value funds		61,868
Short durations bond funds		928,591
Emerging market funds		202,895
Cash in brokerage account		1,797
Interest in charitable gift annuity		7,057
Total Investments	\$	<u>6,604,474</u>

Rogue Community College Foundation frequently maintains cash balances greater than \$100,000 in a single financial institution. The Federal Deposit Insurance Corporation insures account balances at each institution for amounts up to \$100,000.

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

Rogue Community College

Notes to Basic Financial Statements Year Ended June 30, 2008

3. Capital Assets

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

	Balance July 1, 2007	Increases	Decreases	Balance June 30, 2008
Capital assets not being depreciated:				
Land	\$ 2,908,177	\$ 0	\$ 0	\$ 2,908,177
Construction in progress	2,266,834	6,868,257	0	9,135,091
Total capital assets not being depreciated	5,175,011	6,868,257	0	12,043,268
Capital assets being depreciated:				
Buildings	28,052,018	86,735	0	28,138,753
Infrastructure	1,797,825	0	0	1,797,825
Furniture and equipment	1,994,432	131,292	22,287	2,103,437
Library collections	386,865	58,112	0	444,977
Software RogueNet	833,355	0	0	833,355
Total capital assets being depreciated	33,064,495	276,139	22,287	33,318,347
Less accumulated depreciation for:				
Buildings	7,106,812	603,254	0	7,710,066
Infrastructure	184,479	37,932	0	222,411
Furniture and equipment	1,190,580	205,183	17,994	1,377,769
Library collections	245,297	36,714	0	282,011
Software RogueNet	833,355	0	0	833,355
Total Accumulated depreciation	9,560,523	883,083	17,994	10,425,612
Total capital assets being depreciated, net	23,503,972	(606,944)	4,293	22,892,735
Total capital assets, net	\$ 28,678,983	\$ 6,261,313	\$ 4,293	\$ 34,936,003

4. Short-Term Obligations

During the year ended June 30, 2008, the College obtained a tax and revenue anticipation note (TRAN) for \$2,100,000 through U.S. Bank. The TRAN provides funding for temporary cash flow deficits that are anticipated to arise during the fiscal year. The \$2,100,000 note plus interest of \$55,985 will be paid on the maturity date of May 31, 2009.

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

	Balance July 1, 2007	Increases	Decreases	Balance June 30, 2008
Short-Term Obligations				
TRAN 2007	\$ 2,750,000	\$ 0	\$ 2,750,000	\$ 0
TRAN 2008	0	2,100,000	0	2,100,000
Total Short-Term Obligations	\$ 2,750,000	\$ 2,100,000	\$ 2,750,000	\$ 2,100,000

Notes to Basic Financial Statements

Year Ended June 30, 2008

5. Long-Term Obligations

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

	July 1, 2007	Additions	Deletions	June 30, 2008	Due Within One Year	Interest Matured and Paid
Pension bonds payable	\$ 20,740,000	\$ 0	\$ 150,000	\$ 20,590,000	\$ 205,000	\$ 987,812
General obligation and Refunding bonds payable	23,540,000	0	515,000	23,025,000	605,000	1,101,812
Premium on general obligation and refunding bonds	1,713,150	0	97,430	1,615,720	97,430	0
Certificates of participation payable (COPs)	835,000	0	105,000	730,000	110,000	34,514
Note payable	281,996	0	10,377	271,619	10,955	15,369
Post-retirement health care benefits	610,463	201,700	180,399	631,764	178,512	0
Total	\$ 47,720,609	\$ 201,700	\$ 1,058,206	\$ 46,864,103	\$ 1,206,897	\$ 2,139,507

Bonds, COPs & 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. \$ 20,590,000

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 3.0% to 5.0%, due June 15, 2025. 23,025,000

Wells Fargo Bank, Full Faith and Credit Obligations, Series 1998, original principal of \$4,015,000 is payable in semi-annual interest payments and annual principal payments, interest at 4.3% to 4.5%, due September 1, 2013. 730,000

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. 271,619

Total Bonds, COPs & Notes Payable \$ 44,616,619

Post-retirement health care benefits payable to retired employees, less portion representing imputed interest at 8.25%. \$ 631,764

Future maturities of principal and interest are as follows:

Fiscal Year	PENSION BONDS PAYABLE		GENERAL OBLIGATION AND REFUNDING BONDS		COP PAYABLE		NOTE PAYABLE		TOTAL	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2008-09	205,000	980,847	605,000	1,086,363	110,000	29,918	10,955	14,791	930,955	2,111,919
2009-10	260,000	971,329	685,000	1,068,213	110,000	25,160	11,566	14,180	1,066,566	2,078,882
2010-11	325,000	959,257	735,000	1,046,662	120,000	20,127	12,211	13,535	1,192,211	2,039,581
2011-12	390,000	944,168	800,000	1,022,775	125,000	14,706	12,892	12,854	1,327,892	1,994,503
2012-13	460,000	926,060	880,000	984,525	130,000	9,000	13,610	12,135	1,483,610	1,931,720
2013-18	3,580,000	4,233,555	5,780,000	4,290,125	135,000	3,038	80,317	48,411	9,575,317	8,575,129
2018-23	6,345,000	3,156,680	8,925,000	2,567,225	0	0	105,348	23,380	15,375,348	5,747,285
2023-28	9,025,000	1,275,626	4,615,000	350,500	0	0	24,720	1,024	13,664,720	1,627,150
TOTAL:	20,590,000	13,447,522	23,025,000	12,416,388	730,000	101,949	271,619	140,310	44,616,619	26,106,169

The maturity schedule of future payments of post-retirement health care benefits has not been determined.

In June 2005, the College issued \$21,035,000 of Limited Tax Pension Obligation Bonds and transferred the net proceeds to the State of Oregon Public Employees Retirement System to pay the College's share of the cost sharing plan's unfunded actuarial liability. The resulting pension asset is being used to pay a portion of the College's annual required contribution.

5. Long-Term Obligations (continued)

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%). A portion of the proceeds from the General Obligation and Refunding Bonds were deposited in an irrevocable trust 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. At June 30, 2008, \$7,140,000 of Series 1998, 2000 and 2003 Certificates of Participation outstanding are considered defeased.

6. Operating Leases

The College leases building and office facilities and other equipment under non-cancelable operating leases. Payments under these leases totaled \$422,860 in 2007-08. The current and future minimum lease payments are as follows:

Year Ending June 30,	Amount
2009	\$ 302,473
2010	190,870
2011	95,858
2012	95,859
2013	94,054
Total	<u>\$ 779,114</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 2007-08, the College purchased property and liability coverage through United Schools Insurance Program of Oregon (USIPO), which is an insurance pool. The pool has a self insured retention (SIR) of \$50,000 and purchases excess insurance from St. Paul Fire and Marine Insurance Company. Hart Insurance is our agent of record. The pool limits for liability coverage have been increased to \$10,000,000 per occurrence, \$20,000,000 aggregate, with an annual pool aggregate of \$100,000,000.

The College purchased workers' compensation insurance through SAIF Corporation for 2007-08. The coverage limits for workers compensation under coverage A is statutory limits and under coverage B is \$2,000,000 per occurrence.

The College is assessed an annual premium for general liability insurance, property loss and workers' compensation insurance coverage. The property and auto policy premiums 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 premiums based on the actual payroll which is audited at the end of the fiscal year.

Amounts estimated to be payable, based on the estimated ultimate loss and actual claims incurred as of the balance sheet date, including incurred but not reported (IBNR) claims, are accounted for in the College's financial statements as part of the General Fund. Premium expenses and liabilities are reduced by amounts recovered or expected to be recovered through excess insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

GAAP requires inclusion of specific, incremental claim adjustment expenses and estimated recoveries in the determination of the liability for unpaid claims. GAAP also requires disclosure of whether other claim adjustment

7. Risk Management (continued)

expenses are included in the liability for unpaid claims. The College has accrued a total liability of \$151,340 which represents the maximum ultimate premium exposure for the year ended June 30, 2008.

8. Pension Plans

The College contributes to the Oregon Public Employees Retirement Fund (OPERF), a cost-sharing multiple-employer defined benefit pension plan administered by the Oregon Public Employees Retirement System (PERS). PERS provides retirement and disability benefits, post employment health care benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

PERS is administered under Oregon Revised Statutes (ORS) Chapter 238 and Chapter 238A. ORS 238.630 establishes the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report, which can be obtained by writing to PERS, PO Box 23700, Tigard, Oregon 97281-3700 or by calling (503) 598-7377.

Members of PERS are required to contribute 6% of their salary covered under the plan. The College is required to contribute at an actuarially determined rate. The current rate at June 30, 2008 for member employees of the State and Local Government Rate Pool is 5.62% of salary covered under the plan. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

During 2003, PERS reformed legislation created a new retirement plan for employees hired after the effective date of the legislation. These employees became members of the Oregon Public Service Retirement Plan (OPSRP). Members of PERS are required to contribute 6% of their salary covered under the plan. The College is required to contribute at an actuarially determined rate. The current rate at June 30, 2008 for member employees of the Oregon Public Service Retirement Plan is 8.09% of salary covered under the plan. The contribution requirements for plan members are established by ORS Chapter 238A and may be amended by an act of the Oregon Legislature.

The College's contributions to PERS for the three years ending June 30, 2008, 2007 and 2006, totaled \$971,857, \$1,120,542, and \$1,126,851, respectively, equal to the required contributions.

The pension asset is the result of the transfer of the College's pension bond proceeds to PERS to cover the College's share of the cost sharing plans unfunded actuarial liability. This pension asset is being used to pay a portion of the College's annual required contribution and in turn reducing the College's contribution rate. During the 2007-08 fiscal year, changes in the pension asset were as follows:

Asset balance – July 1, 2007	\$ 24,758,064
Investment income (loss)	(679,904)
Contributions to cost sharing pool	(1,513,278)
Asset Balance – June 30, 2008	<u>\$ 22,564,882</u>

9. Post Retirement Health Care Costs

Medical, dental, vision, and prescription coverage is offered to retirees who are eligible under the appropriate bargaining unit's contract. The College pays the premiums for eligible retirees and their eligible spouses up to the employer paid maximum at the time of retirement. The maximum monthly per-capita employer paid premium is \$1,053 as of October 2007, and expected to increase in future years.

The benefits from this program are partially funded by the College and the balance is required from the employees. The College is not obligated to fund these benefits in advance. Expenses of \$180,399 were recognized for post retirement health care costs during the year.

10. Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by these agencies, principally the federal government. Any disallowed costs, including amounts already collected, may constitute a liability of the College. The amount, if any, of expenses which may be disallowed by the grantor cannot be determined at this time, although College management expects such amounts, if any, to be immaterial.

The College is dependent on the State of Oregon for a substantial portion of its operating funds. Due to funding uncertainties at the State level, future funding for the College may be reduced. The ultimate effect of this possible reduction in funding on the College's future operations is not yet determinable.

11. Appropriation Over Expenditure

The College over expended the materials and services appropriation in the Debt Service Fund by \$3,849 during 2007-08.

12. Commitments

Rogue Community College (RCC) and Southern Oregon University (SOU) opened the RCC/SOU Higher Education Center in Medford on September 3, 2008. The Center represents a one-of-a-kind partnership in Oregon, housing both RCC and SOU classes, allowing students to easily transition from community college to university. The building houses classrooms, science labs, computer labs, a Prometric Testing Center and a Business Center. As of June 30, 2008 RCC's outstanding financial commitment to Adroit Construction Company was \$1.2 million.

The College broke ground on July 31, 2008 on the Illinois Valley Business Entrepreneurial Center Located in Kerby. The project will include remodeling roughly 1,300 square feet of the current building and adding 1,200 square feet of new space. The Business Entrepreneurial Center (BEC) will provide small and emerging businesses in the Illinois Valley with business development services to help them succeed in the global marketplace. OgdenRoemerWilderson Architecture of Medford designed the project and Ausland Builders of Grants Pass was awarded the construction contract. BEC is funded primarily through a USDA grant with supporting grants from the Four Way Foundation, the Ben B. Cheney Foundation, The RCC Foundation and Josephine County. The estimated cost of the Project is \$410,000.

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Rogue Community College
Grants Pass, Oregon

Other Supplementary Information

(Individual Fund Financial Schedules)

Other Supplementary Information
Description of Budgeted College Funds

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 level of control established by the College's appropriation resolution is by object (i.e., Personnel Services, Materials & Services, Capital Outlay, Contingency & Reserves and Transfers) for all funds.

Budgeted College funds are as follows:

General Fund - 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 property taxes, tuition and state community college support.

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

Debt Service Fund - 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 a transfer from the General Fund and property taxes approved for bond levies.

College Services Fund – Accounts for the College building remodel, building lease and/or building purchase. The principal revenue is from half of College Services fees remitted by students.

Contract and Grant Fund - Accounts for grants and contracts for Vocational Education, Small Business Development Center, JOBS programs, U. S. Department of Education (which includes TRIO), RCC Foundation Projects and other activities. Revenues are primarily provided by federal, state and local sources.

Financial Aid Fund - Accounts for the provision of grants, stipends, and other aid to enrolled students, including Pell Grants, Supplemental Educational Opportunity Grants, Oregon State Scholarship Commission Grants, College Work-Study and awards from the Rogue Community College Foundation. Revenues are primarily provided by federal government grants.

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

PERS Fund – Accounts for the potential PERS unfunded actuarial liability reserve being held by the College. The principal revenue is the PERS expense charged in other funds. Funds are transferred from this fund to the Debt Service Fund to pay the Series 2005 Limited Tax Pension Obligation Bonds.

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

Rogue Community College

Other Supplementary Information

Description of Budgeted College Funds (continued)

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 \$4 per credit and the \$4 per non-credit class technology fee, the \$25 per course distance education fee, host provider service fees and transfer in from the General Fund. The principal expenditure is upgrades/replacements for equipment and distance delivery services.

Unemployment Reserve Fund - Accounts for the payments to the Oregon Employment Division for unemployment benefits paid to terminated employees. Principal revenues are transfers from the General Fund and investment earnings.

Auxiliary Services Fund - Accounts for the operation of the College's bookstore. Principal revenue for this fund is book sales.

Other Auxiliary Services Fund - Accounts for the operation Auto Artist, Black White and Blues, Facility Rentals, RogueNet and other miscellaneous activities.

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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, 2008

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
State sources	\$ 8,996,712	\$ 8,996,712	\$ 9,227,166	\$ 230,454
Local sources	9,752,540	9,752,540	9,747,016	(5,524)
Tuition and fees	7,639,368	7,639,368	7,583,416	(55,952)
Other revenue sources	400,869	400,869	443,452	42,583
Total revenues	<u>26,789,489</u>	<u>26,789,489</u>	<u>27,001,050</u>	<u>211,561</u>
Expenditures:				
Instruction	10,916,215	11,319,215	11,412,141	(92,926)
Instructional support services	2,262,809	3,578,156	3,125,373	452,783
Student services	3,148,954	3,183,747	3,094,699	89,048
Community services	455,411	367,884	347,014	20,870
College support services	7,867,984	5,076,547	4,519,603	556,944
Plant operations and maintenance	1,600,109	2,685,905	2,481,953	203,952
Reserves	1,170,010	1,002,850	0	1,002,850
Total expenditures	<u>27,421,492</u>	<u>27,214,304</u>	<u>24,980,783</u>	<u>2,233,521</u>
Revenues over (under) expenditures	<u>(632,003)</u>	<u>(424,815)</u>	<u>2,020,267</u>	<u>2,445,082</u>
Other financing sources (uses):				
Transfers in	110,000	110,000	26,492	(83,508)
Transfers out	(598,997)	(806,185)	(757,399)	48,786
Total other financing sources (uses)	<u>(488,997)</u>	<u>(696,185)</u>	<u>(730,907)</u>	<u>(34,722)</u>
Revenues and other sources over (under) expenditures and other uses	<u>(1,121,000)</u>	<u>(1,121,000)</u>	<u>1,289,360</u>	<u>2,410,360</u>
Fund balance, beginning of year	<u>1,121,000</u>	<u>1,121,000</u>	<u>946,778</u>	<u>(174,222)</u>
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,236,138</u>	<u>\$ 2,236,138</u>
Summary of expenditures by appropriation:				
Personnel services	\$ 21,759,349	\$ 21,771,910	\$ 21,153,146	\$ 618,764
Materials and services	4,460,805	4,413,147	3,804,516	608,631
Capital equipment	31,328	26,397	23,121	3,276
Contingency	<u>1,170,010</u>	<u>1,002,850</u>	<u>0</u>	<u>1,002,850</u>
Total expenditures	<u>27,421,492</u>	<u>27,214,304</u>	<u>24,980,783</u>	<u>2,233,521</u>
Transfers out	<u>598,997</u>	<u>806,185</u>	<u>757,399</u>	<u>48,786</u>
	<u>\$ 28,020,489</u>	<u>\$ 28,020,489</u>	<u>\$ 25,738,182</u>	<u>\$ 2,282,307</u>

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, 2008

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other revenue sources	\$ 391,503	\$ 133,645	\$ 37,384	\$ (96,261)
Expenditures:				
Instructional support	0	40,000	0	40,000
Plant operations and maintenance	0	100,411	79,360	21,051
Plant additions	750,756	582,178	142,246	439,932
Reserves	257,912	286,079	0	286,079
Total expenditures	1,008,668	1,008,668	221,606	787,062
Revenues over (under) expenditures	(617,165)	(875,023)	(184,222)	690,801
Other financing sources (uses):				
Transfers in	158,497	365,685	312,497	(53,188)
Revenues and other sources over (under) expenditures and other uses	(458,668)	(509,338)	128,275	637,613
Fund balance, beginning of year	458,668	509,338	509,338	0
Fund balance, end of year	\$ 0	\$ 0	\$ 637,613	\$ 637,613
Summary of expenditures by appropriation:				
Materials and services	\$ 750,756	\$ 507,262	\$ 74,063	\$ 433,199
Capital Equipment	0	215,327	147,543	67,784
Contingency	257,912	286,079	0	286,079
Total expenditures	\$ 1,008,668	\$ 1,008,668	\$ 221,606	\$ 787,062

Rogue Community College

Capital Improvement Fund - COPs & Bonds
Schedule of Revenues, Expenditures and Changes in Fund Balance
(Non-GAAP Budgetary Basis) - Budget and Actual
For the year ended June 30, 2008

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other revenue sources	\$ 200,000	\$ 200,000	\$ 260,317	\$ 60,317
Expenditures:				
Plant additions	4,896,291	4,946,291	3,171,773	1,774,518
Reserves	406,082	356,082	0	356,082
Total expenditures	5,302,373	5,302,373	3,171,773	2,130,600
Revenues over (under) expenditures	(5,102,373)	(5,102,373)	(2,911,456)	2,190,917
Fund balance, beginning of year	5,102,373	5,102,373	6,954,971 *	1,852,598
Fund balance, end of year	\$ 0	\$ 0	\$ 4,043,515	\$ 4,043,515
Summary of expenditures by appropriation:				
Personnel services	\$ 215,305	\$ 215,305	\$ 166,825	\$ 48,480
Materials and services	0	438,804	434,636	4,168
Capital equipment	4,680,986	4,292,182	2,570,312	1,721,870
Contingency	406,082	356,082	0	356,082
Total expenditures	\$ 5,302,373	\$ 5,302,373	\$ 3,171,773	\$ 2,130,600

* Beginning fund balance has been decreased by \$5,295 for property tax interest revenue moved to the Debt Service Fund.

Rogue Community College

Capital Improvement Fund - State Funds
Schedule of Revenues, Expenditures and Changes in Fund Balance
(Non-GAAP Budgetary Basis) - Budget and Actual
For the year ended June 30, 2008

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
State sources	\$ 4,100,000	\$ 4,100,000	\$ 3,895,000	\$ (205,000)
Expenditures:				
Plant Additions	4,100,000	4,100,000	3,895,000	205,000
Revenues over (under) expenditures	0	0	0	0
Fund balance, beginning of year	0	0	0	0
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Summary of expenditures by appropriation:				
Capital Equipment	<u>\$ 4,100,000</u>	<u>\$ 4,100,000</u>	<u>\$ 3,895,000</u>	<u>\$ 205,000</u>

Rogue Community College

Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
(Non-GAAP Budgetary Basis) - Budget and Actual
For the year ended June 30, 2008

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Local sources	\$ 1,616,813	\$ 1,616,813	\$ 1,685,528	\$ 68,715
Other revenue sources	400,000	400,000	34,135	(365,865)
Total revenues	<u>2,016,813</u>	<u>2,016,813</u>	<u>1,719,663</u>	<u>(297,150)</u>
Expenditures:				
Debt service	3,035,385	3,035,385	3,039,234	(3,849)
Reserves	434,240	434,240	0	434,240
Total expenditures	<u>3,469,625</u>	<u>3,469,625</u>	<u>3,039,234</u>	<u>430,391</u>
Revenues over (under) expenditures	(1,452,812)	(1,452,812)	(1,319,571)	133,241
Other financing sources (uses):				
Transfers in	<u>1,418,572</u>	<u>1,418,572</u>	<u>1,421,652</u>	<u>3,080</u>
Revenues and other sources over (under) expenditures and other uses	(34,240)	(34,240)	102,081	136,321
Fund balance, beginning of year	<u>34,240</u>	<u>34,240</u>	<u>136,121</u> *	<u>101,881</u>
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 238,202</u>	<u>\$ 238,202</u>
Summary of expenditures by appropriation:				
Materials and services	\$ 3,035,385	\$ 3,035,385	\$ 3,039,234	\$ (3,849)
Contingency	<u>434,240</u>	<u>434,240</u>	<u>0</u>	<u>434,240</u>
Total expenditures	<u>\$ 3,469,625</u>	<u>\$ 3,469,625</u>	<u>\$ 3,039,234</u>	<u>\$ 430,391</u>

* Beginning fund balance has been increased by \$5,295 for property tax interest revenue moved from the Capital Improvement Fund - COPs & Bonds

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, 2008

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Tuition and fees	\$ 325,000	\$ 325,000	\$ 310,328	\$ (14,672)
Expenditures:				
College support services	240,480	0	0	0
Plan operations and maintenance	0	240,681	231,772	8,909
Reserves	21,191	20,990	0	20,990
Total expenditures	261,671	261,671	231,772	29,899
Revenues over (under) expenditures	63,329	63,329	78,556	15,227
Other financing sources (uses):				
Transfers out	(165,260)	(165,260)	(164,490)	770
Revenues and other sources over (under) expenditures and other uses	(101,931)	(101,931)	(85,934)	15,997
Fund balance, beginning of year	101,931	101,931	108,337	6,406
Fund balance, end of year	\$ 0	\$ 0	\$ 22,403	\$ 22,403
Summary of expenditures by appropriation:				
Materials and services	\$ 240,480	\$ 240,681	\$ 231,772	\$ 8,909
Contingency	21,191	20,990	0	20,990
Total expenditures	261,671	261,671	231,772	29,899
Transfers out	165,260	165,260	164,490	770
	\$ 426,931	\$ 426,931	\$ 396,262	\$ 30,669

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, 2008

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Federal sources	\$ 2,305,073	\$ 2,722,403	\$ 2,197,465	\$ (524,938)
State sources	176,864	339,860	209,944	(129,916)
Local sources	188,073	344,301	347,676	3,375
Tuition and fees	115,000	138,000	133,219	(4,781)
Other revenue sources	<u>2,265,039</u>	<u>1,399,427</u>	<u>253,670</u>	<u>(1,145,757)</u>
Total revenues	<u>5,050,049</u>	<u>4,943,991</u>	<u>3,141,974</u>	<u>(1,802,017)</u>
Expenditures:				
Instruction	828,718	1,063,132	927,361	135,771
Instructional support services	583,776	1,014,860	899,151	115,709
Student services	2,631,359	2,009,700	1,018,325	991,375
Community services	390	72,112	65,447	6,665
College support services	192,402	119,521	114,829	4,692
Plant operations and maintenance	0	72,651	11,284	61,367
Financial aid	0	2,147	0	2,147
Plant additions	0	7,985	56,280	(48,295)
Reserves	<u>988,404</u>	<u>862,941</u>	<u>0</u>	<u>862,941</u>
Total expenditures	<u>5,225,049</u>	<u>5,225,049</u>	<u>3,092,677</u>	<u>2,132,372</u>
Revenues over (under) expenditures	<u>(175,000)</u>	<u>(281,058)</u>	<u>49,297</u>	<u>330,355</u>
Fund balance, beginning of year	<u>175,000</u>	<u>281,058</u>	<u>281,057</u>	<u>(1)</u>
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 330,354</u>	<u>\$ 330,354</u>
Summary of expenditures by appropriation:				
Personnel services	\$ 2,999,146	\$ 2,917,400	\$ 2,400,759	\$ 516,641
Materials and services	1,228,667	1,413,658	691,129	722,529
Capital equipment	8,832	31,050	789	30,261
Contingency	<u>988,404</u>	<u>862,941</u>	<u>0</u>	<u>862,941</u>
Total expenditures	<u>\$ 5,225,049</u>	<u>\$ 5,225,049</u>	<u>\$ 3,092,677</u>	<u>\$ 2,132,372</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, 2008

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Federal sources	\$ 5,491,938	\$ 5,491,938	\$ 4,748,199	\$ (743,739)
State sources	2,600,000	2,600,000	1,469,141	(1,130,859)
Local sources	400,000	400,000	400,721	721
Other revenue sources	1,000,000	1,000,000	0	(1,000,000)
Total revenues	9,491,938	9,491,938	6,618,061	(2,873,877)
Expenditures:				
Student financial aid	9,456,938	9,456,938	6,611,569	2,845,369
Revenues over (under) expenditures	35,000	35,000	6,492	(28,508)
Other financing sources (uses):				
Transfers out	(35,000)	(35,000)	(6,492)	28,508
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
Summary of expenditures by appropriation:				
Personnel services	\$ 316,938	\$ 316,938	\$ 167,955	\$ 148,983
Materials and services	8,140,000	8,140,000	6,443,614	1,696,386
Contingency	1,000,000	1,000,000	0	1,000,000
Total expenditures	9,456,938	9,456,938	6,611,569	2,845,369
Transfers out	35,000	35,000	6,492	28,508
	\$ 9,491,938	\$ 9,491,938	\$ 6,618,061	\$ 2,873,877

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, 2008

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Local revenue	\$ 0	\$ 1,000	\$ 2,000	\$ 1,000
Tuition and fees	82,442	82,442	84,445	2,003
Other revenue sources	631,611	570,633	49,472	(521,161)
Total revenues	<u>714,053</u>	<u>654,075</u>	<u>135,917</u>	<u>(518,158)</u>
Expenditures:				
Instruction	4,925	0	0	0
Instructional support	0	79,794	46,983	32,811
Student services	109,789	331,993	92,572	239,421
College support services	376,857	116,681	72,376	44,305
Reserves	480,139	443,242	0	443,242
Total expenditures	<u>971,710</u>	<u>971,710</u>	<u>211,931</u>	<u>759,779</u>
Revenues over (under) expenditures	<u>(257,657)</u>	<u>(317,635)</u>	<u>(76,014)</u>	<u>241,621</u>
Other financing sources (uses):				
Transfers in	130,600	130,600	104,863	(25,737)
Transfers out	(10,600)	(10,600)	0	10,600
Total other financing sources (uses)	<u>120,000</u>	<u>120,000</u>	<u>104,863</u>	<u>(15,137)</u>
Revenues and other sources over (under) expenditures and other uses	<u>(137,657)</u>	<u>(197,635)</u>	<u>28,849</u>	<u>226,484</u>
Fund balance, beginning of year	<u>137,657</u>	<u>197,635</u>	<u>213,909</u>	<u>16,274</u>
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 242,758</u>	<u>\$ 242,758</u>
Summary of expenditures by appropriation:				
Personnel services	\$ 243,291	\$ 263,476	\$ 46,822	\$ 216,654
Materials and services	248,280	244,992	145,504	99,488
Capital equipment	0	20,000	19,605	395
Contingency	<u>480,139</u>	<u>443,242</u>	<u>0</u>	<u>443,242</u>
Total expenditures	<u>971,710</u>	<u>971,710</u>	<u>211,931</u>	<u>759,779</u>
Transfers out	<u>10,600</u>	<u>10,600</u>	<u>0</u>	<u>10,600</u>
	<u>\$ 982,310</u>	<u>\$ 982,310</u>	<u>\$ 211,931</u>	<u>\$ 770,379</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, 2008

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other revenue sources	\$ 1,398,483	\$ 1,398,483	\$ 1,410,849	\$ 12,366
Expenditures:				
College support services	0	10,000	(177)	10,177
Reserves	640,671	630,671	0	630,671
Total expenditures	640,671	640,671	(177)	640,848
Revenues over (under) expenditures	757,812	757,812	1,411,026	653,214
Other financing sources (uses):				
Transfers out	(1,137,812)	(1,137,812)	(1,137,812)	0
Revenues and other sources over (under) expenditures and other uses	(380,000)	(380,000)	273,214	653,214
Fund balance, beginning of year	380,000	380,000	559,666	179,666
Fund balance, end of year	\$ 0	\$ 0	\$ 832,880	\$ 832,880
Summary of expenditures by appropriation:				
Personnel services	\$ 0	\$ 10,000	\$ (177)	\$ 10,177
Contingency	640,671	630,671	0	630,671
Total expenditures	640,671	640,671	(177)	640,848
Transfers out	1,137,812	1,137,812	1,137,812	0
	\$ 1,778,483	\$ 1,778,483	\$ 1,137,635	\$ 640,848

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, 2008

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
State sources	\$ 100,000	\$ 100,000	\$ 93,030	\$ (6,970)
Local sources	0	6,000	1,000	(5,000)
Tuition and fees	2,700,533	2,686,916	1,283,623	(1,403,293)
Other revenue sources	0	7,617	16,387	8,770
Total revenues	<u>2,800,533</u>	<u>2,800,533</u>	<u>1,394,040</u>	<u>(1,406,493)</u>
Expenditures:				
Instruction	1,319,809	1,404,218	858,648	545,570
Instructional support services	372,324	506,652	506,362	290
Student services	13,095	22,997	17,601	5,396
Community service	0	5,095	6,387	(1,292)
College support services	95,305	0	1,540	(1,540)
Reserves	1,000,000	861,571	0	861,571
Total expenditures	<u>2,800,533</u>	<u>2,800,533</u>	<u>1,390,538</u>	<u>1,409,995</u>
Revenues over (under) expenditures	0	0	3,502	3,502
Other financing sources (uses):				
Transfers in	0	0	6,642	6,642
Revenues and other sources over (under) expenditures and other uses	0	0	10,144	10,144
Fund balance, beginning of year	0	0	118,909	118,909
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 129,053</u>	<u>\$ 129,053</u>
Summary of expenditures by appropriation:				
Personnel services	\$ 1,190,185	\$ 1,253,343	\$ 1,071,471	\$ 181,872
Materials and services	600,000	666,441	304,342	362,099
Capital equipment	10,348	19,178	14,725	4,453
Contingency	<u>1,000,000</u>	<u>861,571</u>	<u>0</u>	<u>861,571</u>
Total expenditures	<u>\$ 2,800,533</u>	<u>\$ 2,800,533</u>	<u>\$ 1,390,538</u>	<u>\$ 1,409,995</u>

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, 2008

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
State sources	\$ 3,000	\$ 3,000	\$ 0	\$ (3,000)
Tuition and fees	627,000	627,000	615,703	(11,297)
Other revenue sources	91,000	43,385	2,924	(40,461)
Total revenues	<u>721,000</u>	<u>673,385</u>	<u>618,627</u>	<u>(54,758)</u>
Expenditures:				
Instructional support services	110,691	238,085	223,918	14,167
Student services	500,000	0	0	0
College support services	5,000	418,902	317,915	100,987
Plant operations and maintenance	10,000	10,000	2,500	7,500
Reserves	285,309	244,013	0	244,013
Total expenditures	<u>911,000</u>	<u>911,000</u>	<u>544,333</u>	<u>366,667</u>
Revenues over (under) expenditures	(190,000)	(237,615)	74,294	311,909
Other financing sources (uses):				
Transfers in	15,000	15,000	24,047	9,047
Revenues and other sources over (under) expenditures and other uses	(175,000)	(222,615)	98,341	320,956
Fund balance, beginning of year	<u>175,000</u>	<u>222,615</u>	<u>269,852 *</u>	<u>47,237</u>
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 368,193</u>	<u>\$ 368,193</u>
Summary of expenditures by appropriation:				
Personnel services	\$ 32,691	\$ 32,691	\$ 12,431	\$ 20,260
Materials and services	578,000	535,986	440,689	95,297
Capital equipment	15,000	98,310	91,213	7,097
Contingency	285,309	244,013	0	244,013
Total expenditures	<u>\$ 911,000</u>	<u>\$ 911,000</u>	<u>\$ 544,333</u>	<u>\$ 366,667</u>

* Beginning fund balance has been increased by \$2,205 for programs transferred from other funds.

Rogue Community College

Unemployment Reserve Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
(Non-GAAP Budgetary Basis) - Budget and Actual
For the year ended June 30, 2008

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other revenue sources	\$ 400,000	\$ 400,000	\$ 31,106	\$ (368,894)
Expenditures:				
College support services	300,000	300,000	153,251	146,749
Reserves	590,000	590,000	0	590,000
Total expenditures	890,000	890,000	153,251	736,749
Revenues over (under) expenditures	(490,000)	(490,000)	(122,145)	367,855
Other financing sources (uses):				
Transfers in	200,000	200,000	200,000	0
Revenues and other sources over (under) expenditures and other uses	(290,000)	(290,000)	77,855	367,855
Fund balance, beginning of year	290,000	290,000	429,282	139,282
Fund balance, end of year	\$ 0	\$ 0	\$ 507,137	\$ 507,137
Summary of expenditures by appropriation:				
Personnel services	\$ 300,000	\$ 300,000	\$ 153,251	\$ 146,749
Contingency	590,000	590,000	0	590,000
Total expenditures	\$ 890,000	\$ 890,000	\$ 153,251	\$ 736,749

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, 2008

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Sales	\$ 2,851,700	\$ 2,851,700	\$ 2,186,867	\$ (664,833)
Other income	6,600	6,600	(17,008)	(23,608)
Total revenues	<u>2,858,300</u>	<u>2,858,300</u>	<u>2,169,859</u>	<u>(688,441)</u>
Expenditures:				
Personnel services	313,380	313,380	234,308	79,072
Other payroll expense	143,115	143,115	101,686	41,429
Materials and services	92,214	92,214	55,541	36,673
Materials for resale	2,023,575	2,023,575	1,624,007	399,568
Capital equipment	75,000	75,000	0	75,000
Reserves	511,016	511,016	0	511,016
Total expenditures	<u>3,158,300</u>	<u>3,158,300</u>	<u>2,015,542</u>	<u>1,142,758</u>
Revenues over (under) expenditures	(300,000)	(300,000)	154,317	454,317
Other financing sources (uses):				
Transfers out	<u>(85,000)</u>	<u>(85,000)</u>	<u>(30,000)</u>	<u>55,000</u>
Revenues and other sources over (under) expenditures and other uses	(385,000)	(385,000)	124,317	509,317
Fund balance, beginning of year	<u>385,000</u>	<u>385,000</u>	<u>451,460</u>	<u>66,460</u>
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 575,777</u>	<u>\$ 575,777</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, 2008

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other income	\$ 694,307	\$ 696,512	\$ 325,025	\$ (371,487)
Expenditures:				
Personnel services	61,201	78,825	69,848	8,977
Other payroll expense	28,260	29,122	32,119	(2,997)
Materials and services	167,832	200,157	144,385	55,772
Materials for resale	3,500	4,500	2,960	1,540
Capital equipment	850	41,053	39,515	1,538
Reserves	647,229	555,215	0	555,215
Total expenditures	908,872	908,872	288,827	620,045
Revenues over (under) expenditures	(214,565)	(212,360)	36,198	248,558
Fund balance, beginning of year	214,565	212,360	259,978 *	47,618
Fund balance, end of year	\$ 0	\$ 0	\$ 296,176	\$ 296,176

* Beginning fund balance has been decreased by \$2,205 for programs transferred to other funds.

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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, 2008

Fiscal Year Ended	Uncollected Balances July 1, 2007	Current Year's Levy	Adjustments and Discounts	Collections	Uncollected Balances June 30, 2008
2008	\$ 0	\$ 9,879,788	\$ (300,622)	\$ 9,210,075	\$ 369,091
2007	317,127		972	199,997	118,102
2006	98,835		(367)	46,846	51,622
2005	40,712		(332)	25,814	14,566
2004	17,273		(983)	10,592	5,698
2003	6,285		(552)	1,226	4,507
2002	4,150		(249)	854	3,047
2001	7,905		(582)	463	6,860
2000	181		(13)	52	116
1999	90		0	21	69
Prior Years	446		0	87	359
Total	<u>\$ 493,004</u>	<u>\$ 9,879,788</u>	<u>\$ (302,728)</u>	<u>\$ 9,496,027</u>	<u>\$ 574,037</u>

Schedule of Property Tax Transactions - Debt Service Fund
For the year ended June 30, 2008

<u>Fiscal Year Ended</u>	<u>Uncollected Balances July 1, 2007</u>	<u>Current Year's Levy</u>	<u>Adjustments and Discounts</u>	<u>Collections</u>	<u>Uncollected Balances June 30, 2008</u>
2008	\$ 0	\$ 1,764,076	\$ (57,194)	\$ 1,639,308	\$ 67,574
2007	59,083		1,121	38,385	21,819
2006	<u>17,983</u>		<u>(55)</u>	<u>7,836</u>	<u>10,092</u>
Total	<u>\$ 77,066</u>	<u>\$ 1,764,076</u>	<u>\$ (56,128)</u>	<u>\$ 1,685,529</u>	<u>\$ 99,485</u>

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FINANCIAL TRENDS:	66
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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:.....	70
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These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

DEBT CAPACITY:.....	82
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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:	87
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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:	89
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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 comprehensive annual financial reports for the relevant year.

Net Assets by Component
Last Six Fiscal Years - (unaudited)

	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>
Invested in capital assets, net of related debt	\$ 13,337,179	\$ 9,269,103	\$ 8,246,031	\$ 6,089,802
Restricted - expendable	2,563,399	4,299,121	2,427,171	1,140,596
Unrestricted	<u>6,576,208</u>	<u>3,214,987</u>	<u>4,539,508</u>	<u>2,463,479</u>
Total net assets	<u>\$ 22,476,786</u>	<u>\$ 16,783,211</u>	<u>\$ 15,212,710</u>	<u>\$ 9,693,877</u>

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2003-2008 are presented.

Source: Rogue Community College Budget and Financial Services.

<u>2003-04</u>	<u>2002-03</u>
\$ 5,672,900	\$ 6,488,461
374,327	8,281
<u>4,008,081</u>	<u>480,900</u>
<u>\$ 10,055,308</u>	<u>\$ 6,977,642</u>

Changes in Net Assets Last Six Fiscal Years - (unaudited)

	2007-08	2006-07	2005-06	2004-05
Operating Revenues				
Student tuition and fees	\$ 10,010,734	\$ 9,810,790	\$ 9,783,177	\$ 9,846,121
Federal student financial aid grants	4,748,199	4,662,528	4,920,645	5,638,000
Federal grants and contracts	2,197,465	2,142,110	2,105,626	2,635,301
State and local government grants and contracts	6,666,795	2,691,544	2,523,472	2,720,192
Auxiliary enterprises	2,148,596	2,142,221	2,275,656	2,302,389
Other operating revenues	0	58,296	83,745	55,825
Total operating revenues	\$ 25,771,789	\$ 21,507,489	\$ 21,692,321	\$ 23,197,828
Expenses:				
Instruction	\$ 13,191,336	\$ 12,204,951	\$ 12,633,646	\$ 11,300,840
Community services	420,116	409,272	445,083	435,517
Instructional support services	4,689,741	3,418,615	3,568,539	3,126,831
Student services	4,191,697	4,562,729	4,564,064	4,178,159
College support services	7,453,270	10,590,384	11,002,128	10,630,067
Plant operations and maintenance	3,113,041	1,868,474	2,620,063	1,673,169
Scholarships and grants	6,612,883	6,421,174	6,646,918	6,830,239
Depreciation	883,083	909,319	833,359	833,881
Total Expenses	\$ 40,555,167	\$ 40,384,918	\$ 42,313,800	\$ 39,008,703
Operating Income(loss)	\$ (14,783,378)	\$ (18,877,429)	\$ (20,621,479)	\$ (15,810,875)
Non-operating Revenues and Expenses:				
State community college support	\$ 10,700,936	\$ 5,919,914	\$ 11,282,157	\$ 7,078,497
Property taxes	11,287,714	10,689,177	10,093,371	8,033,238
Investment income	72,451	4,123,253	4,628,356	334,262
Other non-operating revenue	686,860	838,942	647,498	400,324
Gain (Loss) on disposal of capital assets	2,382	184,580	(340,649)	(150)
Interest expense	(2,236,097)	(2,280,643)	(2,273,793)	(702,002)
Amortization of deferred charges	(47,293)	(47,293)	(47,296)	(23,725)
Total non-operating revenue and expenses	\$ 20,466,953	\$ 19,427,930	\$ 23,989,644	\$ 15,120,444
Income (loss) before contributions	5,683,575	550,501	3,368,165	(690,431)
Capital contribution - donated assets	10,000	1,020,000	2,150,668	329,000
Change in net assets	\$ 5,693,575	\$ 1,570,501	\$ 5,518,833	\$ (361,431)

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2003-2008 are presented.

Source: Rogue Community College Budget and Financial Services

2003-04	2002-03
\$ 9,898,750	\$ 8,393,173
6,137,770	6,045,880
1,957,758	1,793,059
1,725,630	1,075,370
2,292,442	2,346,452
69,107	106,038
<u>\$ 22,081,457</u>	<u>\$ 19,759,972</u>
\$ 11,168,605	\$ 9,818,628
490,353	490,899
4,558,976	5,253,235
4,622,926	3,798,292
7,390,772	8,870,484
1,438,608	1,285,587
7,278,436	6,553,282
786,340	795,128
<u>\$ 37,735,016</u>	<u>\$ 36,865,535</u>
<u>\$ (15,653,559)</u>	<u>\$ (17,105,563)</u>
\$ 11,803,307	\$ 6,798,771
7,640,754	7,340,571
184,097	130,996
217,089	817,326
(48,043)	0
(503,926)	(344,841)
(11,097)	(8,004)
<u>\$ 19,282,181</u>	<u>\$ 14,734,819</u>
<u>3,628,622</u>	<u>(2,370,744)</u>
<u>0</u>	<u>0</u>
<u><u>\$ 3,628,622</u></u>	<u><u>\$ (2,370,744)</u></u>

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

Fiscal Year	Assessed Valuation (1)	True Valuation	Assessed Value To True Value	Total Direct Tax Rate (2)
Jackson County:				
2007-08	\$ 14,701,107,721	\$ 31,687,848,811	46.4%	0.6323
2006-07	13,839,721,598	28,839,149,411	48.0%	0.6365
2005-06	13,026,545,466	23,570,940,813	55.3%	0.6378
2004-05	12,332,932,674	20,018,503,911	61.6%	0.5128
2003-04	11,677,455,461	17,054,270,266	68.5%	0.5128
2002-03	11,115,316,018	16,894,805,231	65.8%	0.5128
2001-02	10,561,017,484	15,325,492,855	68.9%	0.5128
2000-01	9,937,607,741	14,162,590,771	70.2%	0.5128
1999-00	8,954,010,340	13,032,967,136	68.7%	0.5128
1998-99	8,413,039,772	11,920,734,534	70.6%	0.5128
Josephine County:				
2007-08	\$ 5,383,788,015	\$ 10,626,563,720	50.7%	0.5128
2006-07	5,077,308,770	9,900,996,388	51.3%	0.5128
2005-06	4,762,774,263	8,017,637,670	59.4%	0.5128
2004-05	4,481,076,323	6,502,753,771	68.9%	0.5128
2003-04	4,234,049,236	5,478,748,706	77.3%	0.5128
2002-03	3,676,140,375	4,449,477,643	82.6%	0.5128
2001-02	3,828,997,720	4,436,423,374	86.3%	0.5128
2000-01	3,636,317,991	4,126,923,983	88.1%	0.5128
1999-00	3,479,847,954	3,882,418,254	89.6%	0.5128
1998-99	3,305,632,690	3,686,798,127	89.7%	0.5128

(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.

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)

	2007-08	2006-07	2005-06	2004-05
Jackson County:				
Jackson County	2.2534	2.2426	2.2692	2.4725
Jackson ESD	0.3524	0.3524	0.3524	0.3524
Rogue Community College	0.6323	0.6365	0.6378	0.5128
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	0.4700	0.4700	0.4700	0.0000
White City Soil and Water Conservation	0.0500	0.0000	0.0000	0.0000
Cities and Towns:				
Ashland	4.1425	4.1826	3.8691	3.8768
Butte Falls	7.2494	7.2494	7.2494	7.2494
Central Point	4.4470	4.4699	4.4699	4.4699
Eagle Point	2.7509	2.7854	2.8283	2.8949
Gold Hill	2.4174	2.4745	2.4879	2.4983
Jacksonville	2.6478	2.6852	2.7591	2.8297
Medford	5.3751	5.3713	5.2953	5.2953
Phoenix	3.6463	3.6463	3.6463	3.6463
Rogue River	3.5900	3.6302	3.6658	3.6906
Shady Cove	0.9488	0.9493	0.9290	1.0558
Talent	3.4654	3.2316	3.2316	3.2316
Fire Districts:				
Applegate #9	1.6787	1.6787	1.6787	1.6787
Central Point #3	3.1194	3.1194	3.1194	3.1194
Colestin 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	2.4920	2.4680	2.4884	2.2967
Prospect	0.9902	0.9902	0.9902	0.9902
Rogue River #1	2.2018	2.2478	2.2509	2.2609
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	4.3035	4.3373	4.3634	4.4285
Ashland #5	5.9395	5.4059	5.3125	5.4425
Butte Falls #91	4.5749	4.5749	4.5749	4.5749
Central Point #6	5.7252	5.7592	5.7436	5.8144
Eagle Point #9	6.6287	6.5861	6.6800	7.1679
Medford #549C	6.2424	5.0551	5.0043	5.0060
Phoenix #4	5.0617	5.6875	5.9467	6.1590
Pinehurst #94	4.8235	4.8235	4.8235	4.8235
Prospect #59	4.3628	4.3628	4.3628	4.3628
Rogue River #35	5.0307	5.0383	5.0723	5.0926
Special Levies:				
Jackson Cty Urban Renewal	0.2726	0.2456	0.2469	0.2509

2003-04	2002-03	2001-02	2000-01	1999-00	1998-99
2.5049	2.3789	2.3930	2.2798	1.9996	2.0018
0.3524	0.3524	0.3524	0.3524	0.3524	0.3524
0.5128	0.5128	0.5128	0.5128	0.5128	0.5128
0.1772	0.1772	0.1772	0.1772	0.1772	0.1772
0.0429	0.0429	0.0429	0.0429	0.0427	0.0427
2.0211	2.0211	2.0211	2.0211	2.0211	2.0211
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
3.9599	3.9799	3.9973	4.1031	3.8643	4.9185
7.2494	7.2494	7.2494	7.2494	7.2466	7.2468
4.4699	4.4699	4.4699	5.8328	5.8328	5.8328
3.1920	3.3187	3.4675	3.3011	3.7083	3.9652
2.5133	2.6270	2.6026	2.6754	2.6305	2.6962
2.9245	2.9804	3.0799	3.3953	3.5972	3.7518
5.3883	5.3927	5.3972	5.3990	5.4083	5.4136
3.6463	4.2275	4.2664	4.3118	4.3561	4.4211
3.7372	3.7588	3.7559	3.7923	3.8962	3.8146
1.0794	1.0847	1.1102	1.1371	1.1909	1.2404
3.2316	3.2316	3.2316	3.2316	3.2316	3.2316
1.6787	1.6787	1.6787	1.6787	1.6653	1.6625
3.1194	2.9900	2.6900	3.1194	3.1187	3.1182
1.9455	1.9455	1.9455	1.9455	1.9454	1.9453
1.2905	1.2905	1.2905	1.2905	1.2824	1.2799
1.4740	1.4740	1.4740	1.4740	1.4232	1.4239
2.1810	2.4630	2.4938	2.4938	2.4938	2.4937
0.9902	0.9902	0.9902	0.9902	0.9846	0.9877
2.2700	2.2747	2.2886	2.3115	2.3284	2.3493
2.0181	2.0181	2.0181	2.0181	2.0127	2.0115
3.1976	3.1976	3.1976	3.1976	3.1958	3.9925
4.4927	4.4584	4.4661	3.8994	4.1576	4.212
5.4899	5.5266	5.8263	5.9977	6.1057	6.0783
4.5749	4.5749	4.5749	4.5749	4.5749	4.5749
6.0497	5.9145	6.1331	6.0806	4.4134	4.4134
7.1936	7.0862	7.3775	4.7170	4.7170	4.7170
4.9855	5.0784	5.1449	5.1769	5.2371	5.2264
6.2346	6.3245	6.3034	5.3764	5.4122	5.5136
4.8235	4.8235	4.8235	4.8235	4.8235	4.8235
4.3628	4.3628	4.3628	4.3628	6.7751	6.1626
5.1048	5.0549	5.0515	4.1386	4.1532	4.0787
0.2551	0.2880	0.2642	0.2752	0.2538	0.2038

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

	2007-08	2006-07	2005-06	2004-05
Medford Urban Renewal	0.3938	0.4129	0.4439	0.4835
Talent Urban Renewal	1.2556	1.1241	1.0770	0.8767
Local Option Levies:				
Applegate Fire District #9	0.8500	0.8500	0.8500	0.8500
City of Ashland	1.5800	1.3800	1.3800	1.3800
City of Gold Hill	0.0000	0.9642	1.0156	1.0414
City of Jacksonville	0.0000	1.0600	1.0600	0.0000
City of Phoenix	2.8500	2.8500	2.8500	2.8500
City of Shady Cove	0.0000	0.0000	0.0000	0.0000
Evans Valley Fire District #6	0.3600	0.3600	0.3600	0.0000
Rogue River Fire District #1	0.5000	0.5000	0.5000	0.5000
Talent Fire District #5	0.0000	0.0000	0.0000	0.0000
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	0.8039	0.8104	0.8281	0.8478
Rogue Community College	0.5128	0.5128	0.5128	0.5128
Cities:				
Grants Pass	4.6432	4.1335	4.1335	4.1335
Cave Junction	1.8959	1.8959	1.8959	2.0374
Fire Districts:				
Applegate RFPD #9	1.6787	1.6787	1.6787	1.6787
Illinois Valley RFPD #1	2.3074	2.3462	2.3759	2.4093
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	6.4129	6.4794	6.6664	6.7555
Three Rivers	4.3035	4.3373	4.3634	4.4285
Local Option Levy:				
Applegate RFPD #9	0.8500	0.8500	0.8500	0.8500
City of Grants Pass	1.4900	1.4900	1.4900	0.8900
Josephine County	0.0000	0.0000	0.0000	0.0000
Williams RFPD	0.5300	0.0000	0.0000	0.0000
Wolf Creek RFPD	0.7900	0.7900	0.7900	0.0000

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

2003-04	2002-03	2001-02	2000-01	1999-00	1998-99
0.4575	0.4876	0.4726	0.4767	0.4211	0.4584
0.7164	0.6736	0.7218	0.8017	0.8119	1.0767
1.0000	1.0000	1.0000	1.0000	1.0000	0.0000
1.3800	1.3800	1.3800	1.3800	0.9496	1.0096
1.0906	1.1127	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
1.7200	1.7200	1.7200	1.7200	1.7200	0.0000
0.4131	0.4384	0.4591	0.4805	0.4066	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.5000	0.5000	0.5000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.7991
0.0459	0.0459	0.0459	0.0459	0.0455	0.0455
0.3524	0.3524	0.3524	0.3524	0.3524	0.3524
0.8799	0.7954	0.8266	0.7345	1.0219	0.5315
0.5128	0.5128	0.5128	0.5128	0.5128	0.5128
4.1335	4.1335	4.1335	4.1335	4.4283	3.5937
2.0426	2.0487	2.0483	2.0354	2.0596	2.0877
1.6787	1.6787	1.6787	1.6787	1.6653	1.6625
2.4353	1.8701	1.8701	1.8701	1.8274	1.8329
1.0552	1.0552	1.0552	1.0552	1.0353	1.036
2.1865	2.1865	2.1865	2.1865	1.9800	1.9587
6.4262	7.0575	7.1400	7.2314	7.4312	7.5553
4.4927	4.4584	4.4661	3.7262	3.7262	3.7262
0.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.8900	0.8500	0.8500	0.8500	0.8500	0.8500
0.0000	0.1300	0.1300	0.7867	0.1300	0.1300
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Principal Taxpayers of Jackson County
Current Year and Nine Years Ago

Taxpayer	June 30, 2008			June 30, 1999		
	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)	\$ 166,481,000	1	1.13%	\$ 46,541,200	1	0.55%
Carestream Health Inc.	115,529,360	2	0.79%			
Bear Creek Operations, Inc.	71,640,199	3	0.49%	33,716,540	2	0.4%
QWest Corporation	67,258,100	4	0.46%			
Rogue Valley Manor	61,322,070	5	0.42%	26,093,180	3	0.31%
Avista Corp.	61,251,800	6	0.42%			
Boise Building Solutions	55,586,075	7	0.38%			
Rogue Valley Mall, LLC	48,383,400	8	0.33%			
PK Sale LLC	44,837,180	9	0.3%			
Certainteed Corporation	41,479,960	10	0.28%			
U.S. West Comm., Inc.				25,577,960	4	0.3%
Washington Water Power Co.				12,545,870	5	0.15%
Pacific Gas Transmission Co.				10,210,460	6	0.12%
Commercial Printing Co.				10,137,030	7	0.12%
Windmill Inns/America, Inc.				9,011,480	8	0.11%
Ashland Community Hospital				5,695,220	9	0.07%
AT&T Corporation				5,651,950	10	0.07%
Total - principal tax payers	733,769,144		5%	185,180,890		2.2%
Other	13,967,338,577		95%	8,227,858,882		97.8%
Total - all taxpayers	<u>\$ 14,701,107,721</u>		<u>100%</u>	<u>\$ 8,413,039,772</u>		<u>100%</u>

Source: Jackson County Assessor's Office

Principal Taxpayers of Josephine County
Current Year and Nine Years Ago

Taxpayer	June 30, 2008			June 30, 1999		
	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)	\$ 43,788,210	1	0.81%	\$ 64,764,500	1	1.96%
Masterbrand Cabinets Inc.	20,802,375	2	0.39%			
QWest Corporation	25,082,780	3	0.47%			
Wal-Mart Stores, Inc.	15,048,318	4	0.28%			
Auerbach Grants Pass LLC & Freeman Grants Pass LLC	13,091,730	5	0.24%			
Lynn-Ann Development LLC	12,489,417	6	0.23%			
Grants Pass FMS LLC	12,213,080	7	0.23%			
Spring Village LLC & Spring Village Retirement LLC	15,712,339	8	0.29%			
Nunn, Ronald C. & Marcia K.	14,101,540	9	0.26%			
Albertson's, Inc.	10,351,648	10	0.19%			
U.S. West Comm.				29,315,500	2	0.89%
Spalding & Sons				11,836,840	3	0.36%
Grants Kent Partners LLP/Fred Meyer				10,059,720	4	0.3%
Grants Pass Associates - 1981				9,596,920	5	0.29%
Johnson, Carl				7,816,660	6	0.24%
Nations, Olen H & Mary Trustees				7,673,630	7	0.23%
Washington Water Power Co.				7,452,814	8	0.23%
Jensen, Robert A. & Shirley				6,368,790	9	0.19%
Morrison, C A ET AL				6,309,850	10	0.19%
Total - principal taxpayers	182,681,437		3.39%	161,195,224		4.88%
Other	5,201,106,578		96.61%	3,144,437,466		95.12%
Total - all taxpayers	\$ 5,383,788,015		100%	\$ 3,305,632,690		100%

Source: Josephine County Assessor's Office

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

	2007-08	2006-07	2005-06	2004-05
General Fund				
Levy extended by assessor	\$ 9,879,788	\$ 9,358,508	\$ 8,770,235	\$ 8,277,703
Reduction of taxes receivable:				
Current year	9,210,075	8,734,514	8,290,870	7,727,728
Percentage of levy	93.22%	93.33%	94.53%	93.36%
Tax roll adjustments and discounts	(300,622)	(306,867)	(243,579)	(263,684)
Beginning taxes receivable:				
Prior year	493,004	414,255	506,751	502,616
Reduction of taxes receivable:				
Prior year	285,952	212,408	301,404	288,375
Tax roll adjustments and discounts	(2,106)	(25,970)	(26,878)	6,219
Interest	54,088	55,264	69,497	17,923
Total taxes receivable end of year	574,037	493,004	414,255	506,751
Land sales severance tax and other revenues	2,706	5,222	3,486	13,000
Total received by College	\$ 9,552,821	\$ 9,007,408	\$ 8,665,257	\$ 8,047,026
Tax levy rate (per \$1,000 assessed value)	\$ 0.5128	\$ 0.5128	0.5128	\$ 0.5128
Total tax collections in subsequent years	\$ N/A	\$ 199,997	\$ 182,709	\$ 532,976
Total collections to date	\$ 9,210,075	\$ 8,934,511	\$ 8,473,579	\$ 8,260,704
Percentage of levy collected	93.22%	95.47%	96.62%	99.79%

Source: Rogue Community College Budget and Financial Services

<u>2003-04</u>	<u>2002-03</u>	<u>2001-02</u>	<u>2000-01</u>	<u>1999-00</u>	<u>1998-99</u>
\$ 7,850,939	\$ 7,473,551	\$ 7,055,316	\$ 6,661,566	\$ 6,291,469	\$ 5,939,510
7,362,446	6,955,038	6,563,476	6,169,246	5,839,380	5,490,080
93.78%	93.06%	93.03%	92.61%	92.81%	92.43%
(209,635)	(190,121)	(184,747)	(183,977)	(160,460)	(148,379)
565,308	535,039	541,545	509,332	485,231	425,749
333,915	323,472	331,125	288,010	278,526	245,814
(7,635)	25,349	17,526	11,880	10,998	4,245
20,018	20,935	21,788	31,774	32,144	30,615
502,616	565,308	535,039	541,545	509,332	485,231
7,086	31,792	57,611	69,225	86,549	69,468
<u>\$ 7,723,465</u>	<u>\$ 7,331,237</u>	<u>\$ 6,974,000</u>	<u>\$ 6,558,255</u>	<u>\$ 6,236,599</u>	<u>\$ 5,835,977</u>
\$ 0.5128	\$ 0.5128	0.5128	\$ 0.5128	\$ 0.5128	\$ 0.5128
\$ 479,178	\$ 507,463	\$ 485,468	\$ 487,702	\$ 448,057	\$ 446,557
\$ 7,841,624	\$ 7,462,501	\$ 7,048,944	\$ 6,656,948	\$ 6,287,437	\$ 5,936,637
99.88%	99.85%	99.91%	99.93%	99.94%	99.95%

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

	2007-08	2006-07	2005-06
Debt Service Fund			
Levy extended by assessor	\$ 1,764,076	\$ 1,722,600	\$ 1,634,536
Reduction of taxes receivable:			
Current year	1,639,308	1,601,632	1,545,507
Percentage of levy	92.93%	92.98%	94.55%
Tax roll adjustments and discounts	(57,194)	(61,885)	(44,428)
Beginning taxes receivable:			
Prior year	77,066	44,601	0
Reduction of taxes receivable:			
Prior year	46,221	25,374	0
Tax roll adjustments and discounts	1,066	(1,244)	0
Interest	7,006	5,880	2,698
Total taxes receivable end of year	99,485	77,066	44,601
Land sales severance tax and other revenues	0	0	0
Total received by College	\$ 1,692,535	\$ 1,632,886	\$ 1,548,205
Tax levy rate (per \$1,000 assessed value)	\$ 0.1195	\$ 0.1237	\$ 0.1251
 Total collections in subsequent years	 \$ N/A	 \$ 38,385	 \$ 44,601
Total collections to date	\$ 1,639,308	\$ 1,640,017	\$ 1,597,944
Percentage of levy collected	92.93%	95.20%	97.76%

Note: Bond began in 2005-06, no prior history available.

Source: Rogue Community College Budget and Financial Services

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

	2007-08	2006-07	2005-06	2004-05
General obligation and refunding bonds	\$ 23,025,000	\$ 23,540,000	\$ 24,000,000	\$ 24,000,000
General bonded debt	23,025,000	23,540,000	24,000,000	24,000,000
Limited tax pension obligation bonds	\$ 20,590,000	\$ 20,740,000	\$ 20,950,000	\$ 21,035,000
Certificates of participation	730,000	835,000	935,000	1,030,000
Note payable	271,619	281,996	291,824	301,133
Capital leases	0	0	0	0
Other debt to be repaid by general government resources	21,591,619	21,856,996	22,176,824	22,366,133
Total outstanding debt	\$ 44,616,619	\$ 45,396,996	\$ 46,176,824	\$ 46,366,133
General Bonded Debt Ratios				
Per capita	\$ 80.87	\$ 84.15	\$ 87.54	\$ 88.95
Per FTE	\$ 5,383	\$ 5,328	\$ 5,994	\$ 6,062
As a percentage of taxable assessed value	.11%	.12%	.13%	.14%
Total Outstanding Debt Ratios				
Per capita	\$ 156.71	\$ 162.28	\$ 168.43	\$ 171.85
Per FTE	\$ 10,431	\$ 10,276	\$ 11,532	\$ 11,712
As a percentage of taxable assessed value	.22%	.24%	.26%	.28%

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

2003-04	2002-03	2001-02	2000-01	1999-00	1998-99
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
10,040,000	10,570,000	5,480,000	5,875,000	3,780,000	4,015,000
309,951	318,303	326,215	335,564	368,584	408,566
1,100	5,110	6,379	43,128	5,216	30,343
10,351,051	10,893,413	5,812,594	6,253,692	4,153,800	4,453,909
\$ 10,351,051	\$ 10,893,413	\$ 5,812,594	\$ 6,253,692	\$ 4,153,800	\$ 4,453,909
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0%	0%	0%	0%	0%	0%
\$ 38.7	\$ 41.07	\$ 22.22	\$ 24.33	\$ 16.16	\$ 17.74
\$ 2,517	\$ 2,452	\$ 1,172	\$ 1,327	\$ 915	\$ 1,042
.07%	.07%	.04%	.05%	.03%	.04%

Direct and Overlapping Governmental Activities Debt
As of June 30, 2008 - (unaudited)

	Gross Property-tax Backed Debt	Net Property-tax Backed Debt	Percent Overlap
Direct Debt			
Rogue Community College	\$ 43,615,000	\$ 23,025,000	
Total Direct Debt	\$ 43,615,000	\$ 23,025,000	
Overlapping Debt			
Jackson County	34,445,000	34,445,000	100.0%
Cities:			
Ashland	18,815,000	3,510,000	100.0%
Butte Falls	102,038	102,038	100.0%
Central Point	2,400,000	0	100.0%
Eagle Point	1,390,396	1,390,396	100.0%
Gold Hill	403,157	403,157	100.0%
Jacksonville	2,962,314	2,962,314	100.0%
Medford	57,385,000	5,225,000	100.0%
Rogue River	314,000	314,000	100.0%
Shady Cove	740,807	740,807	100.0%
Talent	980,000	980,000	100.0%
Fire Districts and other:			
Rogue River #1	785,000	785,000	100.0%
Jackson County Housing Authority	4,116,021	0	0.0%
School Districts:			
Ashland #5	44,775,000	44,775,000	100.0%
Central Point #6	25,200,000	25,200,000	100.0%
Eagle Point #9	28,685,000	28,685,000	100.0%
Medford #549C	204,470,000	204,470,000	100.0%
Phoenix #4	29,025,000	14,130,000	100.0%
Rogue River #35	4,160,000	4,160,000	100.0%

Direct and Overlapping Governmental Activities Debt
As of June 30, 2008 - (unaudited)

	Gross Property-tax Backed Debt	Net Property-tax Backed Debt	Percent Overlap
Overlapping Debt (continued)			
Josephine County	20,140,128	8,885,000	100.0%
Cities:			
Grants Pass	9,190,000	9,190,000	100.0%
Fire Districts and other:			
Illinois Valley RFPD #1	2,060,000	2,060,000	100.0%
Williams RFPD	250,000	2,060,000	100.0%
School Districts:			
Grants Pass District #7	18,125,000	18,125,000	100.0%
Three Rivers School District	47,455,000	20,545,000	100.0%
Total Overlapping Debt	\$ 558,373,861	\$ 431,332,712	
Total Direct and Overlapping Debt	\$ 601,988,861	\$ 454,357,712	

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
2007-08					
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
2006-07					
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
2005-06					
Jackson County	23,570,940,813	353,564,112	24,000,000	329,564,112	6.79%
Josephine County	8,017,637,670	120,264,565	0	120,264,565	0
2004-05					
Jackson County	20,018,503,911	300,277,559	24,000,000	276,277,559	7.99%
Josephine County	6,502,753,771	97,541,307	0	97,541,307	0
2003-04					
Jackson County	17,054,270,266	255,814,054	0	255,814,054	0
Josephine County	5,478,748,706	82,181,231	0	82,181,231	0
2002-03					
Jackson County	16,894,805,231	253,422,078	0	253,422,078	0
Josephine County	4,449,477,643	66,742,165	0	66,742,165	0
2001-02					
Jackson County	15,325,492,855	229,882,393	0	229,882,393	0
Josephine County	4,436,423,374	66,546,351	0	66,546,351	0
2000-01					
Jackson County	14,162,590,771	212,438,862	0	212,438,862	0
Josephine County	4,126,923,983	61,903,860	0	61,903,860	0
1999-00					
Jackson County	13,032,967,136	195,494,507	0	195,494,507	0
Josephine County	3,882,418,254	58,236,274	0	58,236,274	0
1998-99					
Jackson County	11,920,734,534	178,811,018	0	178,811,018	0
Josephine County	3,686,798,127	55,301,972	0	55,301,972	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.

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

Year Ended	Estimated Population	Total Personal Income	Per Capita Income	Median Age (1)	Percent of Population With A Bachelors Degree or Higher (1)	Unemployment Rate
2007-08						
Jackson	202,310	\$ N/A	\$ 23,460	40.6	22.8	5.7
Josephine	82,390	N/A	22,389	44.6	17.3	7.2
2006-07						
Jackson	198,615	6,255,659	22,546	40.4	25.1	5.8
Josephine	81,125	2,119,741	20,495	43.8	15.6	6.7
2005-06						
Jackson	194,515	5,901,191	22,412	39.7	23.7	6.0
Josephine	79,645	2,032,614	20,003	43.4	16.1	6.9
2004-05						
Jackson	191,200	5,599,137	28,531			6.6
Josephine	78,600	1,929,716	23,367			7.3
2003-04						
Jackson	189,100	5,214,284	27,089			6.4
Josephine	78,350	1,784,905	22,273			7.1
2002-03						
Jackson	187,600	4,939,787	26,398			7.9
Josephine	77,650	1,743,838	22,425			8.7
2001-02						
Jackson	184,700	4,780,747	25,968			7.4
Josephine	76,850	1,703,796	22,272			8.2
2000-01						
Jackson	181,269	4,530,926	24,914			5.9
Josephine	75,726	1,626,462	21,438			7.1
1999-00						
Jackson	181,269	4,286,867	23,914	39.2	22.3	6.6
Josephine	75,726	1,551,307	20,627	43.1	14.1	8.4
1998-99						
Jackson	176,570	4,000,885	22,649			6.8
Josephine	74,430	1,484,584	19,939			8.7

(1) Information only available in these years

Source: Rogue Community College Budget and Financial Services.

Principal Employers by County

Current Year and Nine Years Ago - (unaudited)

		June 30, 2008		June 30, 1999	
Company Name	Industry	Rank	Total Employees	Rank	Total Employees
Jackson County:					
Asante Health System	Health Care	1	3,782	2	2,400
Harry & David Operations Corp.	Direct Mail Merchandisers	2	3,500	1	2,000-5,000
Providence Medical Center	Healthcare	3	1,150	7	905
Medford School District #549C	Education	4	1,083	5	1,085
Jackson County	Government	5	1,023	3	1,278
Boise Building Solutions	Lumber	6	970	6	1,000
Southern Oregon University	Education	7	822		
Timber Products	Lumber	8	692	8	620
Central Point School District #6	Education	9	611		
Eagle Point School District #9	Education	10	510		
Naumes of Oregon, Inc.	Fruit Packing			4	1,100
Medford Clinic, P.C.	Health Care			9	610
Cascade Wood Products	Sawmill, Plywood			10	600
Josephine County:					
Master Brand Cabinets	Kitchen Cabinet Distributor	1	710		
Three Rivers School District	Education	2	682	2	719
Grants Pass School District	Education	3	641	4	611
Josephine County	Government	4	621	5	611
Wal-Mart	Retail	5	498	7	237
Rogue Valley Door	Door Manufacture	6	400		
Fire Mountain Gems	Gems/Beads	7	352		
Rogue Community College	Higher Education	8	341	3	672
ECS Composites	Composite Containers	9	300		
DCS Corporation	Collections	10	235		
Three Rivers Hospital	Health Care			1	747
U. S. Forest Industries	Plywood Mill			6	270
Fred Meyer	Retail			8	236
Royale Gardens	Health Care			9	215
Siskiyou National Forest	Government			10	190

Source: SOREDI

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

Fiscal Year	Management	Classified	Part-Time Classified	Faculty	Part-Time Faculty	Students	Total
2007-08	41	147	9	84	130	210	621
2006-07	44	151	12	88	130	141	566
2005-06	47	165	13	95	140	166	626
2004-05	48	161	17	92	120	176	614
2003-04	49	149	20	91	93	164	566
2002-03	49	150	21	95	87	163	565
2001-02	51	150	23	98	109	171	602

Note: Due to reporting format changes only fiscal years 2002-2008 are presented.

Source: Rogue Community College Budget and Financial Services

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			
2007-08	\$ 66	\$ 80 *	4,277.13	4,297.69	17,782
2006-07	64	77	4,417.78	4,144.85	19,737
2005-06	59	71	4,115.82	4,105.18	16,560
2004-05	59	71	4,088.41	4,053.10	14,591
2003-04	59	71	4,211.74	4,212.09	14,247
2002-03	49	59	4,513.24	4,537.70	14,942
2001-02	47	57	5,027.26	4,976.75	16,895
2000-01	45	55	4,789.46	4,624.53	18,270
1999-00	45	55	4,609.99	4,521.32	16,458
1998-99	38	48	4,344.28	4,204.62	15,370

* Residents of Washington, Idaho, California, and Nevada pay an in-state tuition rate of \$66.
International students tuition is \$220.

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.

Source: Rogue Community College Budget and Financial Services.

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

	2007-08	2006-07	2005-06	2004-05
Lower Division Transfer Courses	1,958.1	1,922.45	1,882.18	1,839.96
Professional Technical Preparatory	782.2	757.88	677.4	717.56
Professional Technical Supplemental	92.64	105.43	115.36	106.47
Professional Technical Apprentice	71.06	68.58	68.89	57.82
English as a Second Language	183.14	175.71	163.44	168.11
Adult Basic Education	246.53	210.83	177.36	162.48
General Equivalency Diploma	99.71	75.89	76.5	68.2
Post Secondary Remedial	585.78	563.2	657.36	632.67
Self Improvement	184.53	170.49	185.8	205.63
Total Reimbursable FTE *	4,203.69	4,050.46	4,004.29	3,958.9
Non-reimbursable	73.44	367.32	111.53	129.51
Total FTE	4,277.13	4,417.78	4,115.82	4,088.41
State Appropriation	\$ 9,227,167	\$ 7,393,684	\$ 9,513,750	\$ 8,847,878
State Appropriation per Reimbursable FTE	\$ 2,195.016	\$ 1,825.3937	\$ 2,375.8894	\$ 2,234.9334

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

Source: Rogue Community College Budget and Financial Services

2003-04	2002-03	2001-02	2000-01	1999-00	1998-99
1,861.89	1,872.87	1,994.61	1,847.41	1,802.61	1,776
734.98	778.61	894.34	828.39	819.31	740.08
93.71	85.37	84.26	104.17	83.28	94.41
53.31	54.64	65.37	69.28	61.09	57.78
157.63	149.81	201.8	199.77	164.94	169.01
174.8	201.69	241.4	202.45	178.06	176.38
85.09	85.75	129.45	175.73	199.62	218.61
710	936.98	1,008.13	925.05	937.13	796.97
240.24	277.26	340.05	361.28	293.61	246.61
4,111.65	4,442.98	4,959.41	4,713.53	4,539.65	4,275.85
100.09	70.26	67.85	75.93	70.34	68.43
4,211.74	4,513.24	5,027.26	4,789.46	4,609.99	4,344.28
\$ 9,537,052	\$ 9,065,029	\$ 10,680,700	\$ 9,367,297	\$ 9,234,704	\$ 9,189,300
\$ 2,264.3971	\$ 2,040.3038	\$ 2,153.6231	\$ 1,987.321	\$ 2,034.2326	\$ 2,149.1165

Capital Assets Activity
Last Ten Fiscal Years - (unaudited)

Fiscal Year	Beginning Balance	Additions	Deletions	Ending Balance
2007-08				
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>
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	<u>\$ 26,032,376</u>	<u>\$ 3,366,630</u>	<u>\$ 720,023</u>	<u>\$ 28,678,983</u>
2005-06				
Land	\$ 1,928,642	\$ 994,535	\$ 15,000	\$ 2,908,177
Buildings	15,550,054	11,339,762	0	26,889,816
Equipment	1,452,779	366,128	0	1,818,907
Construction in progress	5,162,799	1,627,232	6,319,711	470,320
Leasehold improvements	2,000,597	0	2,000,597	0
Infrastructure	1,336,918	201,273	0	1,538,191
Library collections	351,665	17,386	0	369,051
Software	833,355	0	0	833,355
Total capital and other assets	28,616,809	14,546,316	8,335,308	34,827,817
Less accumulated depreciation	9,615,964	833,359	1,653,882	8,795,441
Total	<u>\$ 19,000,845</u>	<u>\$ 13,712,957</u>	<u>\$ 6,681,426</u>	<u>\$ 26,032,376</u>

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

Fiscal Year	Beginning Balance	Additions	Deletions	Ending Balance
2004-05				
Land	\$ 1,928,642	\$ 0	\$ 0	\$ 1,928,642
Buildings	15,550,054	0	0	15,550,054
Equipment	942,037	521,942	11,200	1,452,779
Construction in progress	0	5,162,799	0	5,162,799
Leasehold improvements	2,000,597	0	0	2,000,597
Infrastructure	1,336,918	0	0	1,336,918
Library collections	334,232	17,433	0	351,665
Software	833,355	0	0	833,355
Total capital and other assets	22,925,835	5,702,174	11,200	28,616,809
Less accumulated depreciation	8,793,133	833,881	11,050	9,615,964
Total	<u>\$ 14,132,702</u>	<u>\$ 4,868,293</u>	<u>\$ 150</u>	<u>\$ 19,000,845</u>
2003-04				
Land	\$ 1,312,322	\$ 616,320	\$ 0	\$ 1,928,642
Buildings	12,569,706	2,980,348	0	15,550,054
Equipment	1,139,911	127,274	325,148	942,037
Construction in progress	967,363	0	967,363	0
Leasehold improvements	2,000,597	0	0	2,000,597
Infrastructure	518,674	818,244	0	1,336,918
Library collections	290,888	43,344	0	334,232
Software	833,355	0	0	833,355
Total capital and other assets	19,632,816	4,585,530	1,292,511	22,925,835
Less accumulated depreciation	8,283,898	786,340	277,105	8,793,133
Total	<u>\$ 11,348,918</u>	<u>\$ 3,799,190</u>	<u>\$ 1,015,406</u>	<u>\$ 14,132,702</u>
2002-03				
Land	\$ 1,312,322	\$ 0	\$ 0	\$ 1,312,322
Buildings	12,569,706	0	0	12,569,706
Equipment	1,388,768	52,563	301,420	1,139,911
Construction in progress	816,350	151,013	0	967,363
Leasehold improvements	2,000,597	0	0	2,000,597
Infrastructure	518,674	0	0	518,674
Library collections	244,715	46,173	0	290,888
Software	833,355	0	0	833,355
Total capital and other assets	19,684,487	249,749	301,420	19,632,816
Less accumulated depreciation	7,795,929	789,389	301,420	8,283,898
Total	<u>\$ 11,888,558</u>	<u>\$ (539,640)</u>	<u>\$ 0</u>	<u>\$ 11,348,918</u>

Capital Assets Activity

Last Ten Fiscal Years - (unaudited) (continued)

Fiscal Year	Beginning Balance	Additions	Deletions	Ending Balance
2001-02				
Land	\$ 1,312,322	\$ 0	\$ 0	\$ 1,312,322
Buildings	13,335,440	415,341	2,850	13,747,931
Equipment	4,886,471	108,942	3,634,389	1,361,024
Construction in progress	1,251,148	112,214	547,012	816,350
Leasehold improvements	1,868,926	131,671	0	2,000,597
Total	<u>\$ 22,654,307</u>	<u>\$ 768,168</u>	<u>\$ 4,184,251</u>	<u>\$ 19,238,224</u>
2000-01				
Land	\$ 1,176,802	\$ 135,520	\$ 0	\$ 1,312,322
Buildings	10,608,855	2,737,685	11,100	13,335,440
Equipment	4,594,019	543,280	250,828	4,886,471
Construction in progress	901,030	615,194	265,076	1,251,148
Leasehold improvements	1,799,718	131,391	62,183	1,868,926
Total	<u>\$ 19,080,424</u>	<u>\$ 4,163,070</u>	<u>\$ 589,187</u>	<u>\$ 22,654,307</u>
1999-00				
Land	\$ 1,055,528	\$ 121,274	\$ 0	\$ 1,176,802
Buildings	9,847,345	761,510	0	10,608,855
Equipment	4,175,726	653,379	235,086	4,594,019
Construction in progress	776,213	1,000,577	875,760	901,030
Leasehold improvements	1,609,238	190,480	0	1,799,718
Total	<u>\$ 17,464,050</u>	<u>\$ 2,727,220</u>	<u>\$ 1,110,846</u>	<u>\$ 19,080,424</u>
1998-99				
Land	\$ 1,055,528	\$ 0	\$ 0	\$ 1,055,528
Buildings	9,847,345	0	0	9,847,345
Equipment	4,612,798	842,331	1,279,403	4,175,726
Construction in progress	84,585	2,324,993	1,633,365	776,213
Leasehold improvements	0	1,609,238	0	1,609,238
Total	<u>\$ 15,600,256</u>	<u>\$ 4,776,562</u>	<u>\$ 2,912,768</u>	<u>\$ 17,464,050</u>

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

Note:

During the conversion in 2003 to GASB 34 the College restated its capital assets and established appropriate costs in accordance with generally accepted accounting principles.

An adjustment was made to reflect the application of accounting principles related to the reporting of capital assets. The effect of the adjustment on capital assets is as follows:

	As Previously Reported <u>June 30, 2002</u>	Prior Period <u>Adjustment</u>	As Restated <u>July 1, 2002</u>
Land	\$ 1,312,322	\$ -	\$ 1,312,322
Buildings	13,747,931	(1,178,225)	12,569,706
Equipment	1,388,768	-	1,388,768
Construction in progress	816,350	-	816,350
Leasehold improvements	2,000,597	-	2,000,597
Infrastructure		518,674	518,674
Library collections		244,715	244,715
Software		833,355	833,355
Total capital assets	<u>19,265,968</u>	<u>418,519</u>	<u>19,684,487</u>
Less: accumulated depreciation	<u>-</u>	<u>7,795,929</u>	<u>7,795,929</u>
Total capital assets, net	<u>\$ 19,265,968</u>	<u>\$ (7,377,410)</u>	<u>\$ 11,888,558</u>

Source: Rogue Community College Budget and Financial Services

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Audit Comments - Disclosures and Comments Required by State Regulations

Oregon Administrative Rules 162-010-0050 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 COMMENTS

Internal Control

Our report on the College's internal control over financial reporting is presented elsewhere in this Comprehensive Annual Financial Report.

Other Comments and Disclosures

In connection with our audit, nothing came to our attention that caused us to believe the College was not substantially in compliance with:

- ORS Chapter 295 regarding collateral securing depository balances,
- ORS 294.035 regarding the investment of surplus public funds,
- the legal requirements relating to debt,
- ORS 294.305 to 294.565 in the preparation and adoption of its budget for the fiscal years ending June 30, 2008 and June 30, 2009, and the execution of its budget for the fiscal year ended June 30, 2008,
- ORS Chapter 279 in the awarding of public contracts and the construction of public improvements, and
- the appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies,

except as follows:

- As discussed in Note 11 to the basic financial statements, the College overexpended an appropriation in the Debt Service Fund by \$3,849 during the year. ORS 294.435(4) provides that no greater amount be expended than appropriated except as specifically provided by law.

However, it should be noted that our audit was not directed primarily toward obtaining knowledge of noncompliance with such requirements.

Additionally, we make the following comments:

- The accounting records are generally adequate for the needs of the College and are reasonably well maintained.
- We have reviewed the College's insurance and fidelity bond coverage for compliance with legal requirements. Since we are not experts in insurance matters, we make no representation as to the adequacy of such coverage.

COMMENDATION

The courteous assistance and cooperation extended to us by employees and officials of the College during the course of the audit are sincerely appreciated.

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Rogue Community College
Grants Pass, Oregon

Government Audit Standards and A-133 Reports

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Rogue Community College
Grants Pass, Oregon

Government Audit Standards Report

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

November 10, 2008

Board of Education
Rogue Community College
Grants Pass, Oregon

We have audited the financial statements of Rogue Community College as of and for the year ended June 30, 2008, and have issued our report thereon dated November 10, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Rogue Community 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 Rogue Community College's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

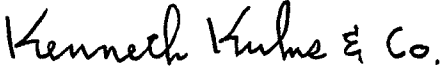
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rogue Community College's financial statements are free of 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*.

This report is intended solely for the information and use of the Board of Education, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


Kenneth Kuhns & Co.

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Rogue Community College
Grants Pass, Oregon

A-133 (Single Audit) Report

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON THE INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133

November 10, 2008

Board of Education
Rogue Community College
Grants Pass, Oregon

Compliance

We have audited the compliance of Rogue Community College with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. Rogue Community College's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Rogue Community College's management. Our responsibility is to express an opinion on Rogue Community College's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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. Our audit does not provide a legal determination of Rogue Community College's compliance with those requirements.

In our opinion, Rogue Community College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Rogue Community College is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Rogue Community College's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Rogue Community College's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of Rogue Community College as of and for the year ended June 30, 2008, and have issued our report thereon dated November 10, 2008. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Education, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


Kenneth Kuhns & Co.

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ROGUE COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2008

A - SUMMARY OF AUDIT RESULTS:

1. The independent auditor's report expresses an unqualified opinion on the financial statements of Rogue Community College.
2. There were no significant deficiencies in internal control over financial reporting reported during the audit of the financial statements of Rogue Community College.
3. No instances of noncompliance material to the financial statements of Rogue Community College were disclosed during the audit.
4. There were no significant deficiencies in internal control over compliance reported during the audit of the major federal award programs of Rogue Community College.
5. The independent auditor's report on compliance for the major federal award programs of Rogue Community College expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs of Rogue Community College are reported in this schedule.
7. The programs tested as major programs included the following programs:

<u>Program Name</u>	<u>CFDA Number</u>
Student Financial Aid Cluster:	
Supplemental Educational Opportunity Grants	84.007
Stafford Loan	84.032
Federal Work-Study	84.033
Pell Grant	84.063
Academic Competitiveness Grant	84.375

8. The threshold for distinguishing Type A programs from Type B programs was \$300,000.
9. Rogue Community College was determined to be a low-risk auditee.

B - FINDINGS, FINANCIAL STATEMENTS AUDIT:

None.

C - FINDINGS AND QUESTIONED COSTS, MAJOR FEDERAL AWARD PROGRAMS
AUDIT:

None.

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Education			
Direct Grants:			
Pell Grant Program	84.063 (1)(2)		\$ 4,390,567
Federal Work-Study Program	84.033 (1)(2)		163,217
Stafford Loan Program	84.032 (1)(2)		4,877,809 *
Supplemental Educational Opportunity Grants Program	84.007 (1)(2)		167,820
Academic Competitiveness Grants Program	84.375 (1)(2)		26,595
TRIO - Student Support Services	84.042A	P042A05072	276,086
TRIO - Educational Opportunity Center	84.066A	P066A02023	253,611
TRIO - Talent Search	84.044A	P044A06031	226,667
Title III	84.031A	P31A050061	397,861
Passed through Oregon Department of Education:			
Vocational Education:			
Perkins Vocational Education	84.048A	7023	459,902
Non Traditional Employment & Training	84.048A	6991	9,000
Passed through Oregon Department of Community Colleges and Workforce Development:			
Vocational Education:			
Adult Basic Education Program	84.002	6718	346,974
Passed through Oregon Department of Senior & Disabled Services:			
Student Employment Services	84.126A	113899	89,232
Passed through Oregon University System:			
GEAR UP	84.334S	SG-2006-007	6,364
Total U.S. Department of Education			\$ 11,691,705
U.S. Department of Agriculture			
Passed through U.S. Forest Service/Winema National Forest			
Natural Resource - Forest Water Survey	(3)	PA-11062000	\$ 15,794
U.S. Small Business Administration			
Passed through Oregon Small Business Development Center Network:			
Small Business Assistance	59.037	07-153	\$ 27,022
U.S. Department of Health and Human Services			
Passed through The Job Council:			

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2008

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
JOBS - TANF	93.558	TANF 01-03	\$ 58,762
U.S. Department of Labor			
Passed through Oregon Department of Community Colleges and Workforce Development:			
Career Pathways Grant	17.267	IGA0084	323
Incentive Grant	17.267	IGA06370	29,867
Total U.S. Department of Labor			\$ 30,190
			\$ 11,823,473
*Less Stafford Loans which are not expenditures of the College but are a federal loan guarantee program			4,877,809
			<u>\$ 6,945,664</u>

(1) Major Program as identified by OMB Circular A-133.

(2) Federal programs that share common compliance requirements are called a cluster. This cluster was tested as a major program as identified by OMB Circular A-133.

(3) This funding is from the Department's operating budget and, therefore, does not have a CFDA number.

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