

# Comprehensive Annual Financial Report

Rogue Community College

Grants Pass, Oregon

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For the Year Ended June 30, 2009

Report prepared by the Budget and Financial Services Department

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3345 Redwood Hwy  
Grants Pass, OR 97527-9298

December 15, 2009

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, 2009, 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, required supplementary information 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 function 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 2008/09 was 4,975 and the unduplicated headcount for the same period was 19,061.

### 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 2008 is estimated at 288,592, which is a 12.3% 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 six buildings totaling more than 140,406 square feet. The College now owns five of these buildings, including joint ownership in one.

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 Rogue Valley has seen year-over-year employment declines since late 2007 declining a total of 7.5%. In June 2009 Jackson County's seasonally adjusted unemployment rate was 13.7% and Josephine County's was 15.3%. The Rogue Valley was the first region of the state to see employment declines and in June it had the highest regional unemployment rate in the state. In the last year, job losses in the Rogue Valley have been widespread across many industry sectors including, manufacturing, construction, retail trade and leisure & hospitality. In addition, education and health services, a usual source of growth, have remained unchanged over the past year.

Oregon's recession, which started in 2008, has spread to all sectors of the economy. Three sectors that appear on the surface to weather this recession are food processors, education and health care. The seasonally-adjusted unemployment rate in June 2009 reached 12.2%, exceeding the highest seasonally-adjusted unemployment rate during the early 1980's recession. It is likely that more job losses will continue through the first quarter of 2010. Although job growth is estimated to start during the second quarter of 2010, Oregon's economy will not see more than a 2% job growth until the first quarter of 2011.

One of the College's largest revenue sources is funding from the State of Oregon. The State appropriated \$500 million for the Community College Support Fund for the 2007-09 Biennium. However in December 2008, the State reduced the fund by 1.1% due to state revenue shortfalls. Even before the cut, the State support received by the College was still below the 2001-02 level.

Another major source of income is property tax revenue. Property taxes are used for general operations and for debt service payments. Property tax revenue has been a stable factor in the College's revenue increasing on average 5%

a year for the past five years. The College received \$11.8 million in property taxes for 2009. Of the total amount received, \$1.66 million or 14.07% is restricted for debt service payment.

Tuition and Fee revenue accounts for approximately 24.4% of revenue. For 2009 the College collected \$11.8 million in tuition and fees. The College experienced a 16% growth for 2008-09 and expects to see an additional 5% growth in the following year.

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

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

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

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

### **Accreditation**

Rogue Community College is accredited by the Northwest Commission on Colleges and Universities, a regional accrediting agency within the scope of the authority approved by the United States Department of Education. Courses and programs are approved by the Oregon State Board of Education, Department of Community Colleges and Workforce Development. In addition, certain professional associations have also accredited those career and technical programs that require approval. The College is also approved as a veterans' training institution by the Veterans Administration.

The College's accreditation was reaffirmed in 2008 on the basis of a spring 2008 focused interim evaluation report and visit. The College anticipates continuing its accredited status by completing a self-study in 2011. Regional accreditation is intended to ease transfer of credits to other approved institutions, to provide students with eligibility for federal financial aid, and to qualify the institution for state and federal grants and funding. The process also fosters excellence in education and continuous self-study and evaluation.

### **Internal Controls**

The College's Budget and Financial Services Office is responsible for establishing and maintaining a system of internal controls designed to ensure that the assets of the College are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements that conform to generally accepted accounting principles. The College's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

### **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 Committees' 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, an emergency procedure manual for every building and materials safety training.

## Major Initiatives

The College's major initiatives for 2008-09 include developing targeted growth initiatives, increased district workforce development efforts and maximizing the College's ability to grow and maintain its student enrollment through additional recruitment and retention efforts. These efforts will continue in the following year and provide resources allowing the College to work towards its goal of improving access to students.

## 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, 2008. This was the sixth 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.

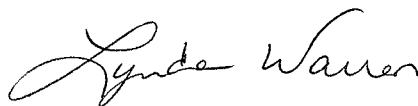
## Acknowledgments

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, 2009

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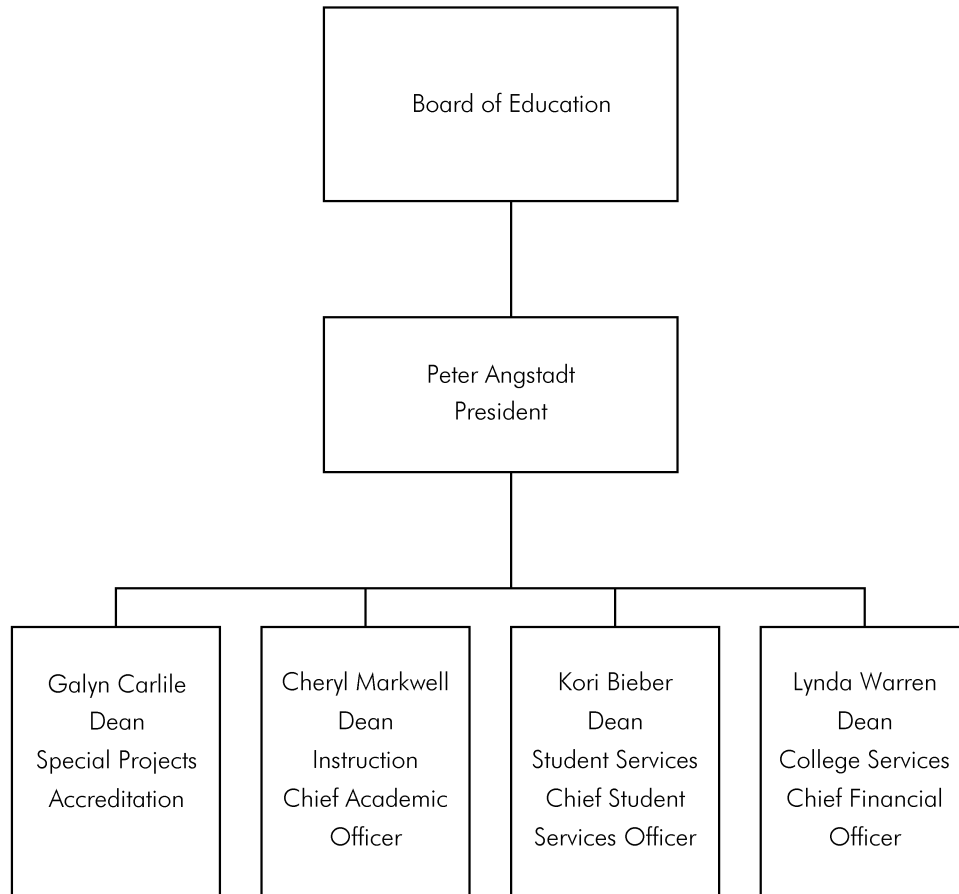
ELECTED/APPOINTED OFFICIALS

Dr. David Trump, M.D. 1277 Kubli Road Grants Pass, OR 97527	Chairperson
Mr. Joseph Zagorski, Ed.D. 521 Seclusion Loop Grants Pass, OR 97526	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. Dean Wendle P.O. Box 1988 Grants Pass, Oregon 97528	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, 2008

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.



President

Executive Director

KENNETH KUHNS & CO.  
CERTIFIED PUBLIC ACCOUNTANTS  
570 LIBERTY STREET S.E., SUITE 210  
SALEM OREGON 97301-3594  
TELEPHONE (503) 585-2550

INDEPENDENT AUDITOR'S REPORT

November 30, 2009

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, 2009, 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, 2009. 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, 2009, 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 19 and the schedule of funding progress for retiree health plan on page 43 are not a required part of the financial statements but are 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 30, 2009 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, 2009. This discussion has been prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with them. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. This discussion is designed to focus on current activities, resulting changes and currently known facts.

### *New Accounting Standards*

The College adopted GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions for the year ending June 30, 2009. This statement requires government employers to measure and report the liabilities associated with other postemployment benefits (OPEB). The College's OPEB includes medical, pharmacy, dental and vision. The standard requires the OPEB liability or asset to be determined by an actuarial evaluation. Bickmore Risk Services LLC performed the 2009 OPEB valuation for the College. More information regarding the College's OPEB valuation can be found in note 9.

### *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 required supplementary information and 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 as to when the cash is received or disbursed. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. The utilization of long-lived 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*

The College's overall financial position has improved for the fiscal year ended June 30, 2009 as evidenced by:

- Student tuition and fees revenue increased 18.35% or \$1.8 million from 2008. This increase is attributable to the 16% growth in student enrollment from the prior year. This increase in enrollment will have a positive impact on FTE reimbursement from the State in future years. More about enrollments is located in the Statistical Section.
- The College's Student Financial Aid Grants increased \$1.8 million from the prior year. This increase is also attributable to the 16% increase in students from the prior year. More information about student financial aid grants can be located in the revenue section of this analysis.
- FTE reimbursement from the State of Oregon decreased 41.79% or \$4.4 million. \$187,374 of this decrease is due to the 1.1% reduction in the Community College Support Fund. The remaining decrease was caused by the Oregon State Legislature deferring the eighth quarter payment in the biennium from April 2009 to July 2009. The deferral was approved in the 2003 legislature and will occur in the second year of each biennium. More information about FTE reimbursement is located in the revenue section of this analysis.
- State and Federal Local Government Grants and Contracts revenue decreased by 18.07% or \$1.2 million. The College received a \$4.1 million grant from the State of Oregon for the construction of the Higher Education Center. This was a one-time grant and the majority of the grant was spent in 2008. More information can be found in the capital assets section of this analysis.
- 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 \$16.6 million at the close of the fiscal year.

One of the College's largest net assets (\$13.2 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, 2009*

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, 2009

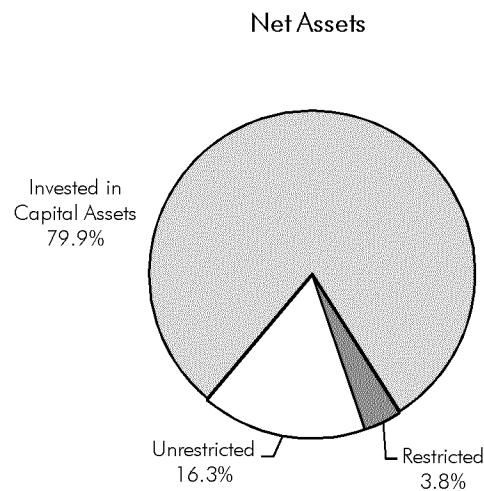
	2009	2008	% Change
<b>Assets</b>			
Current assets	\$ 15,123,153	\$ 18,505,810	-18.28%
Capital assets, net of depreciation	35,117,156	34,936,003	.52%
Other non-current assets	16,665,312	23,332,567	-28.57%
Total assets	<u>\$ 66,905,621</u>	<u>\$ 76,774,380</u>	<u>-12.85%</u>
<b>Liabilities</b>			
Current liabilities	\$ 6,233,247	\$ 8,640,388	-27.86%
Long-term debt, non-current portion	44,039,958	45,657,206	-3.54%
Total liabilities	<u>50,273,205</u>	<u>54,297,594</u>	<u>-7.41%</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	\$ 13,285,344	\$ 13,337,179	-0.39%
Restricted	628,693	2,563,399	-75.47%
Unrestricted	2,718,379	6,576,208	-58.66%
Total net assets	<u>16,632,416</u>	<u>22,476,786</u>	<u>-26.00%</u>
Total Liabilities and Net assets	<u>\$ 66,905,621</u>	<u>\$ 76,774,380</u>	<u>-12.85%</u>

On June 30, 2009, the College's assets were approximately \$66.9 million. The College's current assets of \$15.1 million were sufficient to cover current liabilities of \$6.2 million. This represents a current ratio of 2.44. Receivables consist of taxes, student accounts, interest and various operating receivables. The College's investment in capital assets is \$35.1 million, net of accumulated depreciation.

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 \$13.2 million. In future years, the College's capital assets will continue to grow in relation to our capital expansion plan. This plan includes purchase of F building 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, 2009*

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).

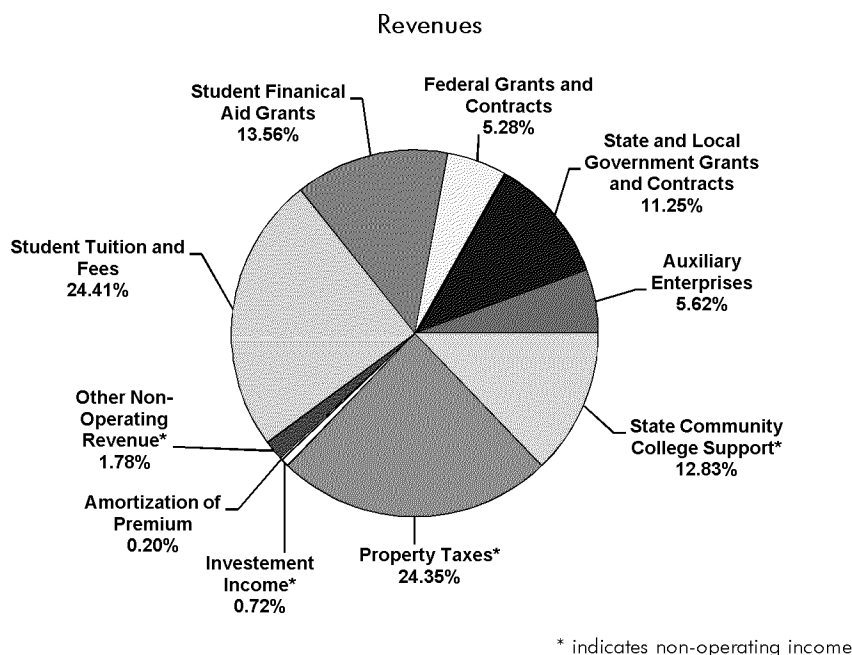
	2009	2008	% Change
Operating Revenues:			
Student tuition and fees	\$ 11,848,151	\$ 10,010,734	18.35%
Student financial aid grants	6,581,276	4,748,199	38.61%
Federal grants and contracts	2,560,624	2,197,465	16.53%
State and local government grants and contracts	5,461,820	6,666,795	-18.07%
Auxiliary enterprises	2,726,353	2,148,596	26.89%
Total operating revenues	29,178,224	25,771,789	13.22%
Non-Operating Revenues:			
State community college support	6,229,361	10,700,936	-41.79%
Property taxes	11,816,153	11,287,714	4.68%
Investment income	350,437	72,451	383.69%
Gain on disposal of capital assets	0	2,382	-100.00%
Amortization of premium on general obligation and refunding bonds	97,430	97,430	0.00%
Other non-operating revenues	864,232	589,430	46.62%
Total non-operating revenues	19,357,613	22,750,343	-14.91%
Operating and Non-Operating Expenses:			
Instruction	14,152,736	13,191,336	7.29%
Instructional support services	4,908,709	4,689,741	4.67%
Student services	7,292,340	4,191,697	73.97%
Community services	619,193	420,116	47.39%
College support services	5,648,526	7,453,270	-24.21%
Plant operations and maintenance	4,820,046	3,113,041	54.83%
Scholarships and grants	9,265,555	6,612,883	40.11%
Depreciation	1,087,950	883,083	23.20%
Loss on pension asset	5,003,419	0	100.00%
Interest expense	2,166,204	2,236,097	-3.13%
Amortization of deferred charges	47,293	47,293	0.00%
Total operating and non-operating expenses	55,011,971	42,838,557	-28.42%
Income (loss) before contributions	-6,476,134	5,683,575	-213.94%
Capital contribution – donated assets	0	10,000	-100.00%
Change in net assets	-6,476,134	5,693,575	-213.74%
Net assets, beginning of year	23,108,550	16,783,211	37.69%
Net assets, end of year	\$ 16,632,416	\$ 22,476,786	-26.00%

**Revenues:**

The most significant sources of operating revenue for the College are student tuition & fees, student financial aid, and state & local government grants and contracts. Tuition and fees include all amounts paid for educational purposes and totaled \$11.8 million. Tuition and fees increased 18.35% or \$1.8 million. One factor attributable to this growth is the \$798,072 grant from the Community College Strategic Fund. This funding facilitated the College providing learning opportunities for students that meet the workforce needs of the community and state. To meet these needs the College developed targeted growth initiatives, increased district workforce development efforts and maximized the College's ability to grow and maintain its student enrollment through additional recruitment and retention efforts.

Student financial grants include all grants and scholarships received by students. Student financial aid revenue increased \$1.8 million or 38.61%. These increases are due to the 16% increase in FTE during 2008. State & local government grants & contracts include all grants and contracts received by the College from state and local agencies. State and local grants and contracts decreased by 18% when compared to the prior year. The College received a \$4.1 million grant in 2008 from the State of Oregon for the construction of the Higher Education Center. This was a one-time grant and the majority of the grant was spent in 2008, creating a reduction in funding between the two years.

The largest non-operating revenue is from property taxes. The College received \$11.8 million from property taxes representing a 4.68% increase from the prior year. The second largest non-operating revenue is FTE Reimbursement from the State of Oregon. The State of Oregon appropriated \$500 million to the Community College Support Fund for the 2007-09 biennium. However in December 2008, the State reduced the Community College Support fund by 1.1%. This equated to \$187,374 for Rogue Community College. The remaining \$4.2 million decrease is due to the deferment of the eighth quarter payment from April 2009 to July 2009 and is not a reduction in funding.

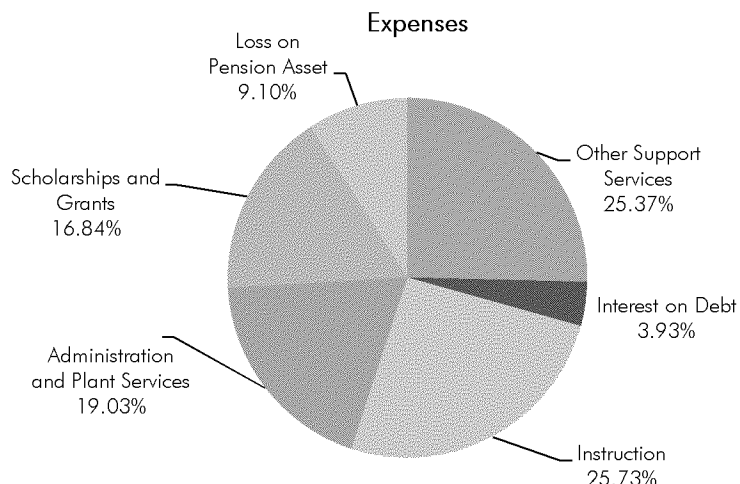


#### Expenses:

Operating expenses totaling \$47.79 million include salaries and benefits, materials and supplies, utilities, operating leases, scholarships and depreciation. Instruction expenses represent a large percentage of total expenses at \$14.1 million or 25.73% of total expenses. Support services, including auxiliary enterprises, contracted programs, and depreciation, represent \$13.9 million or 25.37% of total expenses. Administration expenses, including plant services, represent \$10.4 million or 19.03% of total expenses. Scholarship and grant expenses of \$9.2 million represent 16.8% of total expenses. Loss on pension asset of \$5 million represented 9.1% of expenses.

During 2008-09 the College re-categorized accounts between college support services and student services. The majority (59.57%) of the 73.97% increase in student services was due to the accounting change and not due to an increase in expense. In addition, the 54.83% increase in Plant operations and maintenance was due to the Deferred Maintenance Projects funded by Senate Bill 338. For more information on this bill please see the budgetary highlights section of this analysis.

The most significant non-operating expense was loss on pension asset of \$5 million or 9% of total expense. The 27% investment loss was due to the economic downturn experienced in 2008. The following graph shows the allocation of expenses for the College:



#### *Analysis of the Statement of Cash Flows For the Year Ended June 30, 2009*

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 fiscal 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.

	2009	2008	% Change
Cash Provided By (Used In):			
Operating activities	\$ (15,226,379)	\$ (12,583,431)	21.00%
Non-capital financing activities	16,416,098	20,567,466	-20.18%
Capital financing activities	(3,734,065)	(8,847,137)	-57.79%
Investing activities	350,437	752,355	-53.42%
Net increase (decrease) in cash	(2,193,909)	(110,747)	-1881.01%
Cash, beginning of year	13,313,613	13,424,360	-0.82%
Cash, end of year	\$ 11,119,704	\$ 13,313,613	-16.48%

The major sources of funds included in operating activities include student tuition and fees, student financial aid, grants and state & local grants and contracts. 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. 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.

The primary financing activities are the construction of the RCC/SOU Higher Education Center, Deferred Maintenance projects 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 address cost reductions and revenue enhancement. The development of the fiscal year 2008-09 budget adheres to the principles of maintaining access to educational programs and support for a diverse student population. On June 16, 2008, the college adopted a general fund budget of \$29.1 million. This budget is based upon the \$500 million Community College Support Fund adopted by the Legislature for the 2007-09 biennium.

The College received a \$798,072 grant for the Community College Strategic Fund for 2008. This funding facilitated the College in providing learning opportunities for the students that meet the workforce needs of the community and state. To meet these needs the College developed targeted growth initiatives, increased district workforce development efforts and maximized the College's ability to grow and maintain its student enrollment through additional recruitment and retention efforts. These efforts will continue in the following year and provide resources allowing the College to work towards its goal of improving access to students.

In December 2008, the College received notification that the 2007-09 Community College Support Fund had been reduced by 1.1% or \$187,374. The College responded to this reduction by reducing the general fund department budgets by 4% and by furloughing one day for all full-time positions.

In February 2009, Senate Bill 338 was passed establishing authority for construction projects with costs over \$500,000 (Construction Projects), and for capital improvement projects which cost less than \$500,000 (Deferred Maintenance Projects) to be funded by State bonds. The College was approved for \$4 million of deferred maintenance projects. The project approvals, appropriation, and expenditures limitations approved in this bill will expire on June 30, 2013, unless otherwise noted in the bill.

### *Capital Assets and Debt Administration*

#### *Capital Assets*

The College's investment in capital assets as of June 30, 2009, amounts to \$35.1 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 completed the Higher Education Center. The Center provides 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 cost an estimated \$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 is 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 has been 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 from the U.S. Green Building Council.

The college was awarded a \$4 million grant from the State of Oregon for 13 capital improvement and deferred maintenance projects. The College had all projects started by April of 2009 and is expected to have the projects completed by September 30, 2010. The projects include replacement of HVAC, concrete walks, flooring, windows, asphalt & lighting for parking lots, network infrastructure, roofing, replacements of decks and hand rails, electrical upgrades and upgrade of the interior of the Rogue Building.

### *Long-Term Obligations*

At the end of the current fiscal year, the College had total outstanding debt of \$45,203,954. Of this amount, \$22.4 million is General Obligation and Refunding Bonds, \$20.3 million is Limited Tax Pension Obligation Bonds, and \$620,000 is Certificates of Participation (COP), all of which are backed by the full faith and credit of the College. In addition, \$260,664 is a note with the US Department of Education backed by the property. The College's total debt decreased by \$1 million in 2008-09.

The College adopted GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB) for the year ending June 30, 2009. Due to the accounting change, the beginning balance of \$631,764 was restated to the actuarially determined value. More information regarding the College's OPEB valuation can be found in note 9.

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 \$621,368,903, which is significantly higher than the College's outstanding debt. The College's outstanding debt is about 3.61% of the legal debt limit. Additional information on the College's long-term debt can be found in Note 5.

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

The College adopted a balanced budget on June 16, 2009; however at the time, the Oregon Community College Support Fund, accounting for 22% of the general fund revenue was still unknown. Due to struggling economy, the State was focused on rebalancing the 2007-09 biennium and did not finalize its budget until late June. Therefore the College's budget was adopted for 2009-10 based upon an estimated \$440 million Oregon Community College Support Fund.

Although the College was faced with a potential reduction in State funding, the College continued to focus on its goal to provide additional access for students. A few objectives the College identified to help meet its goal included: identifying opportunities to partner with Southern Oregon University; developing nontraditional class delivery methods including team teaching, blended classes and cohort instruction; and, planning for maximum enrollment levels in the seven most commonly required courses.

With the expected decrease in State funding the College investigated ways to cover the deficit that included increasing revenue and decreasing expenses. On the revenue-generating side, the College increased tuition by \$5 per credit. On the expenditure side, faculty, staff and management all agreed to a furlough of six days during 2009-10. In addition, the mileage reimbursement rate was reduced from the federally approved rate to \$.40 per mile.

In late June, the State finally released its budget, appropriating \$450.5 million for the Community College Support Fund. Although this was \$10.5 million more than the College anticipated, the State based this appropriation on the passage of two tax initiatives that will be voted on in January 2010. If the measures don't pass, it is estimated the College's state funding will be cut 5-10% which equates to \$1.1 – \$1.9 million for the 2009-11 biennium. The College has a contingency plan in place to weather the potential cuts; however, it will have a significant impact on the service level provided to students.

To summarize, the next few budget years will be challenging for the College as the economy continues to decline and enrollment 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

Statement of Net Assets  
June 30, 2009

	College	Foundation (Component Unit)
ASSETS		
Current Assets:		
Cash	\$ 7,122,033	\$ 250,084
Investments	3,997,671	0
Receivables:		
Property taxes	852,001	0
Accounts, net	2,662,225	438,941
Inventory	484,321	0
Prepaid expenses	4,902	0
Total current assets	<u>15,123,153</u>	<u>689,025</u>
Non-current Assets:		
Endowment investments	0	4,965,113
Land investments	0	182,977
Post employment benefit	14,938	0
Pension asset	15,929,982	0
Deferred charges, net of amortization	720,392	0
Capital assets	46,580,024	4,804
Less: accumulated depreciation	<u>(11,462,868)</u>	<u>(4,176)</u>
Capital assets, net	<u>35,117,156</u>	<u>628</u>
Total non-current assets	<u>51,782,468</u>	<u>5,148,718</u>
TOTAL ASSETS	<u>66,905,621</u>	<u>5,837,743</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	864,306	28,273
Accrued interest payable	59,864	0
Payroll liabilities	1,193,303	4,171
Deferred revenue	565,501	0
Compensated absences	495,542	0
Tax and revenue anticipation note payable	1,890,735	0
Scholarships payable, net	0	718,610
Current portion of long-term obligations	<u>1,163,996</u>	<u>13,652</u>
Total current liabilities	<u>6,233,247</u>	<u>764,706</u>
Non-current liabilities - long-term obligations		
Pension bonds payable	20,385,000	0
General obligation and refunding bonds payable	22,420,000	0
Premium on general obligation and refunding bonds, net of amortization	1,518,290	0
Certificates of participation payable	620,000	0
Note payable	260,664	0
Obligation under Standard Unitrust	0	107,801
Less: Current portion of long-term obligations	<u>(1,163,996)</u>	<u>(13,652)</u>
Total non-current liabilities - long-term obligations	<u>44,039,958</u>	<u>94,149</u>
TOTAL LIABILITIES	<u>50,273,205</u>	<u>858,855</u>

See notes to basic financial statements.

Statement of Net Assets  
June 30, 2009 (continued)

	<u>College</u>	<u>Foundation (Component Unit)</u>
NET ASSETS		
Invested in capital assets	\$ 35,117,156	\$ 0
Less: related debt	<u>(21,831,812)</u>	<u>0</u>
Investment in capital assets, net	<u>13,285,344</u>	<u>0</u>
Restricted - non-expendable		
Restricted - permanent endowment	0	2,994,680
Restricted - expendable		
Restricted temporarily - endowment income and scholarships	0	1,047,284
Restricted - debt service	283,689	0
Restricted - contracts and grants	<u>345,004</u>	<u>0</u>
Total restricted net assets	<u>628,693</u>	<u>4,041,964</u>
Unrestricted	<u>2,718,379</u>	<u>936,924</u>
TOTAL NET ASSETS	<u>\$ 16,632,416</u>	<u>\$ 4,978,888</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, 2009

	College	Foundation (Component Unit)
OPERATING REVENUES		
Student tuition and fees	\$ 11,848,151	\$ 0
Federal student financial aid grants	6,581,276	0
Federal grants and contracts	2,560,624	0
State and local grants and contracts	5,461,820	0
Auxiliary enterprises	2,726,353	0
Other operating revenues	0	684,400
Total operating revenues	29,178,224	684,400
OPERATING EXPENSES		
Instruction	14,152,736	0
Instructional support services	4,908,709	0
Student services	7,292,340	0
Community services	619,193	0
College support services	5,648,526	0
Plant operations and maintenance	4,820,046	0
Scholarships and grants	9,265,555	0
Foundation programs	0	938,542
Depreciation	1,087,950	0
Total operating expenses	47,795,055	938,542
Operating income (loss)	(18,616,831)	(254,142)
NON-OPERATING REVENUES (EXPENSES)		
State community college support	6,229,361	0
Property taxes	11,816,153	0
Investment income (loss)	350,437	(1,250,153)
Loss on pension asset	(5,003,419)	0
Interest expense	(2,166,204)	0
Amortization of deferred charges	(47,293)	0
Amortization of premium on general obligation and refunding bonds	97,430	0
Other non-operating revenues	864,232	0
Total non-operating revenues (expenses)	12,140,697	(1,250,153)
Change in net assets	(6,476,134)	(1,504,295)
NET ASSETS		
Net assets, beginning of year, as restated	23,108,550	6,483,183
Net assets, end of year	\$ 16,632,416	\$ 4,978,888

See notes to basic financial statements.

Statement of Cash Flows  
For the year ended June 30, 2009

	<u>College</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Student tuition and fees	\$ 11,715,421
Student financial aid grants	6,626,929
Federal grants and contracts	2,678,491
State and local government grants and contracts	5,000,492
Payments to suppliers for goods and services	(5,937,527)
Payments to employees	(27,594,258)
Payments for student financial aid and other scholarships	(9,264,497)
Auxiliary enterprises:	
Cash received from customers	2,726,041
Paid to suppliers for resale materials	(2,041,703)
Cash from other sources	<u>864,232</u>
Net cash used in operating activities	<u>(15,226,379)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Cash received from property taxes	11,637,674
Cash received from State community college support	6,229,361
Proceeds from tax and revenue anticipation note	1,890,735
Payment of tax and revenue anticipation note	(2,100,000)
Interest paid on tax and revenue anticipation note	(55,825)
Principal paid on pension bonds	(205,000)
Interest paid on pension bonds	<u>(980,847)</u>
Net cash provided by non-capital financing activities	<u>16,416,098</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Purchase of capital assets	(1,877,039)
Principal paid on capital-related long-term debt	(725,955)
Interest paid on capital-related long-term debt	<u>(1,131,071)</u>
Net cash used in capital financing activities	<u>(3,734,065)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	<u>350,437</u>
NET DECREASE IN CASH	(2,193,909)
Cash and cash equivalents, beginning of year	<u>13,313,613</u>
Cash and cash equivalents, end of year	<u><u>\$ 11,119,704</u></u>

See notes to basic financial statements.

## Statement of Cash Flows

For the year ended June 30, 2009 (continued)

	<u>College</u>
RECONCILIATION TO AMOUNTS SHOWN ON STATEMENT OF NET ASSETS	
Cash	\$ 7,122,033
Investments	<u>3,997,671</u>
	<u>\$ 11,119,704</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	\$ (18,616,831)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	1,087,950
Amortization of pension asset	1,631,481
Other non-operating revenues	864,232
Changes in assets and liabilities:	
Decrease in accounts receivable	1,410,201
Increase in inventory	(55,862)
Decrease in prepaid expenses	12,888
Increase in accounts payable	363,380
Increase in payroll liabilities and compensated absences	117,004
Decrease in amounts due to others	(184,833)
Decrease in deferred revenue	(1,841,051)
Decrease in post-employment benefit	<u>(14,938)</u>
Net cash used in operating activities	<u>\$ (15,226,379)</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	(5,003,419)
Pension asset	<u>5,003,419</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.

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, 2009, the Foundation provided scholarships and awards of \$414,387 and project grants of \$92,493 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, include property taxes, federal, state, and local grants, State appropriations, and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants, State appropriations, and other contributions are recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, matching requirements, and 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, 2009 and for the year then ended, the College was in compliance with the aforementioned State of Oregon statutes. Investments are stated at fair value, which is based on the individual investments' quoted market prices at year-end.

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.

1. Summary of Significant Accounting Policies (continued)

Receivables (continued)

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.

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.

1. Summary of Significant Accounting Policies (continued)

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 \$2,718,379 at June 30, 2009.

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 by function. 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, 2009:

Cash on hand	\$	11,872
Cash with fiscal agent		106,089
Deposits with Financial Institutions		7,004,072
Investments		3,997,671
Total	\$	<u>11,119,704</u>

### Deposits with Financial Institutions

Deposits with financial institutions include bank demand deposits. The total bank balance, as shown on the banks' records, was \$7,613,591 at June 30, 2009. Of these deposits, the total covered by federal depository insurance was \$500,000 at June 30, 2009.

Effective July 1, 2008 the Oregon State Treasurer became responsible for monitoring public funds held by bank depositories in excess of FDIC insured amounts, and for assuring that public funds on deposit are collateralized to the extent required by Oregon Revised Statutes (ORS) Chapter 295. ORS Chapter 295 requires depository banks to place and maintain on deposit with a third-party custodian bank securities having a value of 10%, 25% or 110% of public funds on deposit depending primarily on the capitalization level of the depository bank.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the College's deposits may not be returned to it. The College does not have a policy for deposits custodial credit risk. Of the College's bank balance, \$7,113,591 was exposed to custodial credit risk as of June 30, 2009, because deposits in excess of FDIC insurance were uncollateralized and/or were collateralized but not held by the third-party custodian bank in the College's name.

### 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.

At June 30, 2009, the College's investments consisted of:

Investment in Oregon Local Government Investment Pool	\$	3,991,767
Other		<u>5,904</u>
Total Investments	\$	<u>3,997,671</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.

2. Cash and Investments (continued)

Investments (continued)

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, 2009 were: 75% mature within 93 days, 12% mature from 94 days to one year, and 13% mature from one to three years.

Foundation Cash and Investments

Rogue Community College Foundation's cash of \$250,084 at June 30, 2009 is on deposit at a single financial institution. The Foundation's investments totaling \$4,965,113 at June 30, 2009 are stated at fair value and consist of the following:

Equity Funds	\$	2,946,676
Fixed income funds		1,392,710
Mutual funds		338,417
Other assets		285,619
Interest in charitable gift annuity		<u>1,691</u>
Total Investments	\$	<u><u>4,965,113</u></u>

Rogue Community College Foundation frequently maintains cash balances greater than \$250,000 in a single financial institution. The Federal Deposit Insurance Corporation insures account balances at each institution for amounts up to \$250,000.

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, 2009

### 3. Capital Assets

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

	Balance July 1, 2008	Increases	Decreases	Balance June 30, 2009
Capital assets not being depreciated:				
Land	\$ 2,908,177	\$ 540,735	\$ 0	\$ 3,448,912
Construction in progress	9,135,091	850,467	9,985,558	0
Total capital assets not being depreciated	12,043,268	1,391,202	9,985,558	3,448,912
Capital assets being depreciated:				
Buildings	28,138,753	9,955,992	591,429	37,503,316
Infrastructure	1,797,825	0	0	1,797,825
Furniture and equipment	2,103,437	396,688	0	2,500,125
Library collections	444,977	51,514	0	496,491
Software RogueNet	833,355	0	0	833,355
Total capital assets being depreciated	33,318,347	10,404,194	591,429	43,131,112
Less accumulated depreciation for:				
Buildings	7,710,066	796,885	50,694	8,456,257
Infrastructure	222,411	37,932	0	260,343
Furniture and equipment	1,377,769	214,825	0	1,592,594
Library collections	282,011	38,308	0	320,319
Software RogueNet	833,355	0	0	833,355
Total Accumulated depreciation	10,425,612	1,087,950	50,694	11,462,868
Total capital assets being depreciated, net	22,892,735	9,316,244	540,735	31,668,244
Total capital assets, net	\$ 34,936,003	\$ 10,707,446	\$ 10,526,293	\$ 35,117,156

### 4. Short-Term Obligations

During the year ended June 30, 2009, the College obtained a tax and revenue anticipation note (TRAN) for \$1,890,735 through U.S. Bank. The TRAN provides funding for temporary cash flow deficits that are anticipated to arise during the fiscal year. The \$1,890,735 note plus interest of \$41,848 will be paid on the maturity date of May 3, 2010.

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

	Balance July 1, 2008	Increases	Decreases	Balance June 30, 2009
Short-Term Obligations				
TRAN 2008	\$ 2,100,000	\$ 0	\$ 2,100,000	\$ 0
TRAN 2009	0	1,890,735	0	1,890,735
Total Short-Term Obligations	\$ 2,100,000	\$ 1,890,735	\$ 2,100,000	\$ 1,890,735

# Notes to Basic Financial Statements

## Year Ended June 30, 2009

### 5. Long-Term Obligations

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

	July 1, 2008	Additions	Deletions	June 30, 2009	Due Within One Year	Interest Matured and Paid
Pension bonds payable	\$ 20,590,000	\$ 0	\$ 205,000	\$ 20,385,000	\$ 260,000	\$ 980,847
General obligation and Refunding bonds payable	23,025,000	0	605,000	22,420,000	685,000	1,086,362
Premium on general obligation and refunding bonds	1,615,720	0	97,430	1,518,290	97,430	0
Certificates of participation payable (COPs)	730,000	0	110,000	620,000	110,000	29,918
Note payable	271,619	0	10,955	260,664	11,566	14,791
Post-employment health care benefits	0	380,301	395,239	(14,938)	0	0
Total	\$ 46,232,339	\$ 380,301	\$ 1,423,624	\$ 45,189,016	\$ 1,163,996	\$ 2,111,918

### 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. \$ 20,385,000

US Bank, General Obligation and Refunding Bonds, Series 2005, original principal of \$24,000,000 is payable in semi-annual interest and annual principal payments, interest at 3.25% to 5.0%, due June 15, 2025. 22,420,000

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 4.35% to 4.5%, due September 1, 2013. 620,000

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. 260,664

Total Bonds, COPs & Notes Payable \$ 43,685,664

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
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
2013-14	540,000	904,702	960,000	953,725	135,000	3,038	14,369	11,376	1,649,369	1,872,841
2014-19	4,055,000	4,067,336	6,315,000	4,013,125	0	0	84,795	43,932	10,454,795	8,124,393
2019-24	7,030,000	2,854,195	9,650,000	2,121,250	0	0	111,221	17,506	16,791,221	4,992,951
2024-29	7,325,000	839,628	2,395,000	119,750	0	0	0	0	9,720,000	959,378
TOTAL:	20,385,000	12,466,675	22,420,000	11,330,025	620,000	72,031	260,664	125,518	43,685,664	23,994,249

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, 2009, \$6,515,000 of Series 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 \$332,392 in 2008-09. The current and future minimum lease payments are as follows:

Year Ending June 30,	Amount
2010	\$ 213,713
2011	190,214
2012	113,214
2013	95,665
2014	79,722
Total	<u>\$ 692,528</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 2008-09, 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 2008-09. 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 \$188,913 which represents the maximum ultimate premium exposure for the year ended June 30, 2009.

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, 2009 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 and 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 OPSRP 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, 2009 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, 2009, 2008 and 2007, totaled \$1,053,170, \$971,857, and \$1,120,542, 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 2008-09 fiscal year, changes in the pension asset were as follows:

Asset balance – July 1, 2008	\$ 22,564,882
Investment income (loss)	(5,003,419)
Contributions to cost sharing pool	(1,631,481)
Asset Balance – June 30, 2009	<u>\$ 15,929,982</u>

9. Post Employment Health Care Costs

Plan Description

The college administers a single-employer defined benefit health care plan. The plan provides post-employment health care benefits for eligible retirees (until age 65) and their spouses through the College's health care plan, which covers both active and retired participants. Benefit provisions are established through College policy. The criteria to determine eligibility include employee age and years of service. The College's post employment health care plan does not issue a publicly available financial report. The College implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* for the year ending June 30, 2009.

## 9. Post Employment Health Care Costs (continued)

### Funding Policy

Contribution requirements are established through College policy. In general, the College pays the premiums for eligible retirees and their eligible spouses up to the employer-paid maximum at the time of retirement with the retirees paying the balance of the premiums. Funding is on a pay-as-you-go basis. During 2008-09, the College contributed \$395,239 and participants receiving benefits contributed \$109,166 to the plan.

### Annual OPEB Cost and Net OPEB Obligation

The College's annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a 30 year period. The following table shows the components of the College's annual OPEB cost for the year, amounts actually contributed to the plan, and changes in the College's net OPEB obligation:

Annual Required Contribution	\$ 380,301
Interest on net OPEB obligation	0
Adjustment to annual required contribution	0
Annual OPEB cost	380,301
Contributions made	395,239
Increase (decrease) in net OPEB obligation	(14,938)
Net OPEB obligation – beginning of year	0
Net OPEB obligation – end of year	<u>\$ (14,938)</u>

The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligations for 2008-09 were as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
06/30/2009	\$ 380,301	103.9 %	\$ (14,938)

### Funded Status and Funding Progress

As of January 1, 2009, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$3,908,613 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,908,613. The anticipated covered payroll (annual payroll of active employees covered by the plan) was \$14,143,259, and the ratio of the UAAL to the anticipated covered payroll was 28%.

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

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

9. Post Employment Health Care Costs (continued)

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the actuarial valuation conducted as of January 1, 2009, the entry age normal cost method was used. The unfunded actuarial accrued liability is being amortized using the level percent of pay method over a 30-year period. Actuarial assumptions included a discount rate of 4% and an annual healthcare cost trend rate of 7% initially, reduced gradually to an ultimate rate of 5% in 2013 and thereafter.

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. Subsequent Events

Rogue Community College plans to purchase another building in downtown Medford, further expanding its footprint in the downtown core area. During a special meeting September 9<sup>th</sup>, the RCC Board of Education approved the purchase of a building at 130 E Eighth St., from Medford Properties, Inc. Half the 12,000-square-foot building currently houses RCC classrooms and offices while the other half previously housed Mattress Land.

The total purchase price is \$1.45 million. The College will use bond funds approved by Jackson County voters in 2004, which will decrease lease obligations for the half of the building currently used by the college and provide additional instructional space. Escrow is expected to close November 30, 2009.

12. Restatement

The July 1, 2008 net assets have been restated by \$631,764 as a result of the College's implementation of Governmental Accounting Standards Board Statement No 45.

Net assets July 1, 2008, as previously reported	\$ 22,476,786
Restatement of post-retirement health care benefits liability	631,764
Net assets July 1, 2008, as restated	<u>\$ 23,108,550</u>

Rogue Community College  
Grants Pass, Oregon

## Required Supplementary Information

(Funding Progress for Retiree Health Plan)

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Schedule of Funding Progress for Retiree Health Plan  
For the year ended June 30, 2009

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	Actuarial Valuation Date
	01/01/09
Actuarial value of assets (a)	\$ 0
Actuarial accrued liability (b)	<u>3,908,613</u>
Unfunded actuarial accrued liability (b-a)	<u>\$ 3,908,613</u>
Funded ratio (a/b)	0%
Covered payroll (c)	<u>\$ 14,143,259</u>
Unfunded actuarial accrued liability as a percentage of covered payroll ((b-a)/c)	<u>28%</u>

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Rogue Community College  
Grants Pass, Oregon

Other Supplementary Information

(Individual Fund Financial Schedules)

## Rogue Community College

### Other Supplementary Information Description of Budgeted College Funds

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Other supplementary information consists of schedules required by the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Oregon Secretary of State. Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual are presented on a Non GAAP budgetary basis for each College fund required to be budgeted in accordance with Oregon Local Budget Law.

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

Budgeted College funds are as follows:

General Fund - Accounts for 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.

Higher Education Center Fund – Accounts for the operations of the Higher Education Building performed jointly with Southern Oregon University (SOU). The principal revenue for this fund is transfers in from the General Fund and reimbursement of expenditures from SOU.

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)

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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, 2009

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
State sources	\$ 8,533,267	\$ 8,533,267	\$ 7,857,582	\$ (675,685)
Local sources	10,202,230	10,202,230	10,176,972	(25,258)
Tuition and fees	7,739,810	7,739,810	9,355,818	1,616,008
Other revenue sources	350,000	350,000	310,437	(39,563)
Total revenues	<u>26,825,307</u>	<u>26,825,307</u>	<u>27,700,809</u>	<u>875,502</u>
Expenditures:				
Instruction	11,862,416	11,861,524	11,800,209	61,315
Instructional support services	3,273,799	3,178,082	3,170,064	8,018
Student services	3,772,604	3,761,137	3,748,343	12,794
Community services	342,376	392,092	329,249	62,843
College support services	5,512,681	5,555,442	4,848,477	706,965
Plant operations and maintenance	2,659,772	2,662,499	2,385,276	277,223
Reserves	1,022,928	830,539	0	830,539
Total expenditures	<u>28,446,576</u>	<u>28,241,315</u>	<u>26,281,618</u>	<u>1,959,697</u>
Revenues over (under) expenditures	<u>(1,621,269)</u>	<u>(1,416,008)</u>	<u>1,419,191</u>	<u>2,835,199</u>
Other financing sources (uses):				
Transfers in	110,000	110,000	21,715	(88,285)
Transfers out	(664,724)	(869,985)	(869,985)	0
Total other financing sources (uses)	<u>(554,724)</u>	<u>(759,985)</u>	<u>(848,270)</u>	<u>(88,285)</u>
Revenues and other sources over (under) expenditures and other uses	<u>(2,175,993)</u>	<u>(2,175,993)</u>	<u>570,921</u>	<u>2,746,914</u>
Fund balance, beginning of year	<u>2,175,993</u>	<u>2,175,993</u>	<u>2,236,138</u>	<u>60,145</u>
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,807,059</u>	<u>\$ 2,807,059</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, 2009

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other revenue sources	\$ 391,503	\$ 377,430	\$ 11,244	\$ (366,186)
Expenditures:				
Plant operations and maintenance	56,000	371,085	128,924	242,161
Plant additions	700,756	402,174	151,098	251,076
Reserves	249,415	232,912	0	232,912
Total expenditures	1,006,171	1,006,171	280,022	726,149
Revenues over (under) expenditures	(614,668)	(628,741)	(268,778)	359,963
Other financing sources (uses):				
Transfers in	156,000	156,000	206,263	50,263
Revenues and other sources over (under) expenditures and other uses	(458,668)	(472,741)	(62,515)	410,226
Fund balance, beginning of year	458,668	472,741	637,613	164,872
Fund balance, end of year	\$ 0	\$ 0	\$ 575,098	\$ 575,098



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, 2009

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other revenue sources	\$ 0	\$ 0	\$ 73,060	\$ 73,060
Expenditures:				
Plant additions	4,953,750	4,953,750	1,129,433	3,824,317
Revenues over (under) expenditures	(4,953,750)	(4,953,750)	(1,056,373)	3,897,377
Fund balance, beginning of year	4,953,750	4,953,750	4,043,515	(910,235)
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,987,142</u>	<u>\$ 2,987,142</u>

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, 2009

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
State sources	\$ 300,000	\$ 4,300,000	\$ 988,199	\$ (3,311,801)
Expenditures:				
Plant operations and maintenance	0	4,000,000	783,199	3,216,801
Plant Additions	300,000	300,000	205,000	95,000
Total expenditures	300,000	4,300,000	988,199	3,311,801
Revenues over (under) expenditures	0	0	0	0
Fund balance, beginning of year	0	0	0	0
Fund balance, end of year	\$ 0	\$ 0	\$ 0	\$ 0

Rogue Community College

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, 2009

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Local sources	\$ 1,691,363	\$ 1,691,363	\$ 1,665,205	\$ (26,158)
Other revenue sources	454,196	454,196	20,865	(433,331)
Total revenues	<u>2,145,559</u>	<u>2,145,559</u>	<u>1,686,070</u>	<u>(459,489)</u>
Expenditures:				
Debt service	3,102,874	3,103,025	3,098,698	4,327
Reserves	704,719	704,568	0	704,568
Total expenditures	<u>3,807,593</u>	<u>3,807,593</u>	<u>3,098,698</u>	<u>708,895</u>
Revenues over (under) expenditures	(1,662,034)	(1,662,034)	(1,412,628)	249,406
Other financing sources (uses):				
Transfers in	<u>1,411,511</u>	<u>1,411,511</u>	<u>1,407,226</u>	<u>(4,285)</u>
Revenues and other sources over (under) expenditures and other uses	(250,523)	(250,523)	(5,402)	245,121
Fund balance, beginning of year	<u>250,523</u>	<u>250,523</u>	<u>238,202</u>	<u>(12,321)</u>
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 232,800</u>	<u>\$ 232,800</u>
Summary of expenditures by appropriation:				
College support services	\$ 1,411,511	\$ 1,411,662	\$ 1,407,335	\$ 4,327
Plant additions	1,691,363	1,691,363	1,691,363	0
Contingency	<u>704,719</u>	<u>704,568</u>	<u>0</u>	<u>704,568</u>
Total expenditures	<u>\$ 3,807,593</u>	<u>\$ 3,807,593</u>	<u>\$ 3,098,698</u>	<u>\$ 708,895</u>

Rogue Community College

College Services Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
(Non-GAAP Budgetary Basis) - Budget and Actual  
For the year ended June 30, 2009

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Tuition and fees	\$ 320,000	\$ 320,000	\$ 355,618	\$ 35,618
Other revenue sources	50,000	50,000	0	(50,000)
Total revenues	<u>370,000</u>	<u>370,000</u>	<u>355,618</u>	<u>(14,382)</u>
Expenditures:				
Plant operations and maintenance	176,933	176,933	136,598	40,335
Reserves	50,000	50,000	0	50,000
Total expenditures	<u>226,933</u>	<u>226,933</u>	<u>136,598</u>	<u>90,335</u>
Revenues over (under) expenditures	143,067	143,067	219,020	75,953
Other financing sources (uses):				
Transfers out	<u>(165,664)</u>	<u>(165,664)</u>	<u>(165,554)</u>	<u>110</u>
Revenues and other sources over (under) expenditures and other uses	(22,597)	(22,597)	53,466	76,063
Fund balance, beginning of year	<u>22,597</u>	<u>22,597</u>	<u>22,403</u>	<u>(194)</u>
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 75,869</u>	<u>\$ 75,869</u>

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, 2009

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Federal sources	\$ 2,836,349	\$ 3,198,863	\$ 2,560,624	\$ (638,239)
State sources	1,328,462	1,162,780	1,076,430	(86,350)
Local sources	467,153	423,127	393,616	(29,511)
Tuition and fees	115,000	139,000	114,595	(24,405)
Other revenue sources	1,388,540	1,071,207	278,353	(792,854)
Total revenues	<u>6,135,504</u>	<u>5,994,977</u>	<u>4,423,618</u>	<u>(1,571,359)</u>
Expenditures:				
Instruction	1,657,241	1,803,011	1,627,408	175,603
Instructional support services	1,735,820	1,657,511	958,104	699,407
Student services	1,680,855	1,573,772	966,678	607,094
Community services	55,012	55,012	24,541	30,471
College support services	315,953	315,953	266,083	49,870
Plant operations and maintenance	50,000	53,589	0	53,589
Plant additions	560,000	570,576	566,154	4,422
Reserves	270,451	295,908	0	295,908
Total expenditures	<u>6,325,332</u>	<u>6,325,332</u>	<u>4,408,968</u>	<u>1,916,364</u>
Revenues over (under) expenditures	<u>(189,828)</u>	<u>(330,355)</u>	<u>14,650</u>	<u>345,005</u>
Fund balance, beginning of year	<u>189,828</u>	<u>330,355</u>	<u>330,354</u>	<u>(1)</u>
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 345,004</u>	<u>\$ 345,004</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, 2009

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Federal sources	\$ 5,491,938	\$ 6,491,936	\$ 6,581,276	\$ 89,340
State sources	2,600,000	2,600,000	2,290,549	(309,451)
Local sources	400,000	400,000	414,387	14,387
Other revenue sources	1,000,000	2	0	(2)
Total revenues	<u>9,491,938</u>	<u>9,491,938</u>	<u>9,286,212</u>	<u>(205,726)</u>
Expenditures:				
Student financial aid	8,456,938	9,456,936	9,264,497	192,439
Reserves	1,000,000	2	0	2
Total expenditures	<u>9,456,938</u>	<u>9,456,938</u>	<u>9,264,497</u>	<u>192,441</u>
Revenues over (under) expenditures	35,000	35,000	21,715	(13,285)
Other financing sources (uses):				
Transfers out	<u>(35,000)</u>	<u>(35,000)</u>	<u>(21,715)</u>	<u>13,285</u>
Revenues and other sources over (under) expenditures and other uses	0	0	0	0
Fund balance, beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, end of year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
Summary of expenditures by appropriation:				
Financial Aid	\$ 8,456,938	\$ 9,456,936	\$ 9,264,497	\$ 192,439
Contingency	<u>1,000,000</u>	<u>2</u>	<u>0</u>	<u>2</u>
Total expenditures	9,456,938	9,456,938	9,264,497	192,441
Transfers out	<u>35,000</u>	<u>35,000</u>	<u>21,715</u>	<u>13,285</u>
	<u><u>\$ 9,491,938</u></u>	<u><u>\$ 9,491,938</u></u>	<u><u>\$ 9,286,212</u></u>	<u><u>\$ 205,726</u></u>

Rogue Community College

Higher Education Center Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
(Non-GAAP Budgetary Basis) - Budget and Actual  
For the year ended June 30, 2009

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other revenue sources	\$ 318,446	\$ 318,446	\$ 202,920	\$ (115,526)
Expenditures:				
Instructional support	21,430	28,978	16,882	12,096
College support services	139,332	147,627	86,068	61,559
Plant operations and maintenance	406,577	420,734	306,388	114,346
Reserves	47,331	17,331	0	17,331
Total expenditures	614,670	614,670	409,338	205,332
Revenues over (under) expenditures	(296,224)	(296,224)	(206,418)	89,806
Other financing sources (uses):				
Transfers in	296,224	296,224	206,418	(89,806)
Revenues and other sources over (under) expenditures and other uses	0	0	0	0
Fund balance, beginning of year	0	0	0	0
Fund balance, end of year	\$ 0	\$ 0	\$ 0	\$ 0

Rogue Community College

Intra-College Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

(Non-GAAP Budgetary Basis) - Budget and Actual

For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Tuition and fees	\$ 86,400	\$ 98,200	\$ 96,017	\$ (2,183)
Other revenue sources	442,510	373,262	30,649	(342,613)
Total revenues	528,910	471,462	126,666	(344,796)
Expenditures:				
Instructional support	88,655	99,489	58,346	41,143
Student services	84,975	134,050	80,158	53,892
College support services	137,553	143,735	56,795	86,940
Reserves	482,268	415,727	0	415,727
Total expenditures	793,451	793,001	195,299	597,702
Revenues over (under) expenditures	(264,541)	(321,539)	(68,633)	252,906
Other financing sources (uses):				
Transfers in	99,300	105,861	101,364	(4,497)
Transfers out	(1,800)	(2,250)	0	2,250
Total other financing sources (uses)	97,500	103,611	101,364	(2,247)
Revenues and other sources over (under) expenditures and other uses	(167,041)	(217,928)	32,731	250,659
Fund balance, beginning of year	167,041	217,928	242,758	24,830
Fund balance, end of year	\$ 0	\$ 0	\$ 275,489	\$ 275,489



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, 2009

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other revenue sources	\$ 1,415,477	\$ 1,215,477	\$ 1,473,129	\$ 257,652
Expenditures:				
College support services	5,000	85,000	63,414	21,586
Reserves	994,891	914,891	0	914,891
Total expenditures	999,891	999,891	63,414	936,477
Revenues over (under) expenditures	415,586	215,586	1,409,715	1,194,129
Other financing sources (uses):				
Transfers in	0	200,000	200,000	0
Transfers out	(1,185,847)	(1,185,847)	(1,185,847)	0
Total other financing sources (uses)	(1,185,847)	(985,847)	(985,847)	0
Revenues and other sources over (under) expenditures and other uses	(770,261)	(770,261)	423,868	1,194,129
Fund balance, beginning of year	770,261	770,261	832,880	62,619
Fund balance, end of year	\$ 0	\$ 0	\$ 1,256,748	\$ 1,256,748

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, 2009

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
State sources	\$ 107,669	\$ 107,669	\$ 87,570	\$ (20,099)
Local sources	0	0	5,000	5,000
Tuition and fees	2,160,761	2,155,296	1,183,360	(971,936)
Other revenue sources	531,570	537,035	26,595	(510,440)
Total revenues	<u>2,800,000</u>	<u>2,800,000</u>	<u>1,302,525</u>	<u>(1,497,475)</u>
Expenditures:				
Instruction	749,332	841,485	791,662	49,823
Instructional support services	521,045	521,312	502,354	18,958
Student services	10,000	22,803	15,400	7,403
Community service	5,079	15,277	5,198	10,079
Reserves	1,514,544	1,399,123	0	1,399,123
Total expenditures	<u>2,800,000</u>	<u>2,800,000</u>	<u>1,314,614</u>	<u>1,485,386</u>
Revenues over (under) expenditures	0	0	(12,089)	(12,089)
Other financing sources (uses):				
Transfers in	0	0	43,718	43,718
Revenues and other sources over (under) expenditures and other uses	0	0	31,629	31,629
Fund balance, beginning of year	0	0	129,053	129,053
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 160,682</u>	<u>\$ 160,682</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, 2009

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
State sources	\$ 3,000	\$ 3,000	\$ 1,567	\$ (1,433)
Tuition and fees	602,000	602,000	742,743	140,743
Other revenue sources	100,000	17,219	0	(17,219)
Total revenues	<u>705,000</u>	<u>622,219</u>	<u>744,310</u>	<u>122,091</u>
Expenditures:				
Instructional support services	268,350	326,584	321,237	5,347
College support services	342,500	400,037	350,310	49,727
Plant operations and maintenance	10,000	18,983	6,900	12,083
Reserves	284,150	159,396	0	159,396
Total expenditures	<u>905,000</u>	<u>905,000</u>	<u>678,447</u>	<u>226,553</u>
Revenues over (under) expenditures	(200,000)	(282,781)	65,863	348,644
Other financing sources (uses):				
Transfers in	15,000	15,000	15,000	0
Revenues and other sources over (under) expenditures and other uses	(185,000)	(267,781)	80,863	348,644
Fund balance, beginning of year	<u>185,000</u>	<u>267,781</u>	<u>368,193</u>	<u>100,412</u>
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 449,056</u>	<u>\$ 449,056</u>

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, 2009

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other revenue sources	\$ 100,000	\$ 103,864	\$ 15,177	\$ (88,687)
Expenditures:				
College support services	300,000	300,000	89,301	210,699
Reserves	350,000	350,000	0	350,000
Total expenditures	650,000	650,000	89,301	560,699
Revenues over (under) expenditures	(550,000)	(546,136)	(74,124)	472,012
Other financing sources (uses):				
Transfers in	50,000	46,136	46,136	0
Revenues and other sources over (under) expenditures and other uses	(500,000)	(500,000)	(27,988)	472,012
Fund balance, beginning of year	500,000	500,000	507,137	7,137
Fund balance, end of year	\$ 0	\$ 0	\$ 479,149	\$ 479,149

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, 2009

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Sales	\$ 2,767,635	\$ 2,767,635	\$ 2,774,391	\$ 6,756
Other income	5,600	5,600	(15,121)	(20,721)
Total revenues	<u>2,773,235</u>	<u>2,773,235</u>	<u>2,759,270</u>	<u>(13,965)</u>
Expenditures:				
Personnel services	327,080	327,080	252,544	74,536
Other payroll expense	148,382	148,382	109,702	38,680
Materials and services	98,750	99,295	74,980	24,315
Materials for resale	1,978,725	2,278,180	2,047,216	230,964
Capital equipment	75,000	75,000	0	75,000
Reserves	515,298	215,298	0	215,298
Total expenditures	<u>3,143,235</u>	<u>3,143,235</u>	<u>2,484,442</u>	<u>658,793</u>
Revenues over (under) expenditures	(370,000)	(370,000)	274,828	644,828
Other financing sources (uses):				
Transfers out	(85,000)	(85,000)	(10,000)	75,000
Revenues and other sources over (under) expenditures and other uses	(455,000)	(455,000)	264,828	719,828
Fund balance, beginning of year	455,000	455,000	575,777	120,777
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 840,605</u>	<u>\$ 840,605</u>
Summary of expenditures by appropriation:				
Student Services	\$ 2,627,937	\$ 2,927,937	\$ 2,484,442	\$ 443,495
Contingencies	515,298	215,298	0	215,298
Total Expenditures	3,143,235	3,143,235	2,484,442	658,793
Transfers out	85,000	85,000	10,000	75,000
	<u>\$ 3,228,235</u>	<u>\$ 3,228,235</u>	<u>\$ 2,494,442</u>	<u>\$ 733,793</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, 2009

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other income	\$ 785,886	\$ 779,266	\$ 438,923	\$ (340,343)
Expenditures:				
Personnel services	177,303	191,640	110,238	81,402
Other payroll expense	84,865	80,105	46,487	33,618
Materials and services	173,866	248,112	163,351	84,761
Materials for resale	2,500	5,123	4,894	229
Capital equipment	1,000	17,324	10,105	7,219
Reserves	587,885	485,115	0	485,115
Total expenditures	1,027,419	1,027,419	335,075	692,344
Revenues over (under) expenditures	(241,533)	(248,153)	103,848	352,001
Other financing sources (uses):				
Transfers in	0	5,261	5,261	0
Revenues and other sources over (under) expenditures and other uses	(241,533)	(242,892)	109,109	352,001
Fund balance, beginning of year	241,533	242,892	296,176	53,284
Fund balance, end of year	\$ 0	\$ 0	\$ 405,285	\$ 405,285
Summary of expenditures by appropriation:				
Student services	\$ 19,000	\$ 21,623	\$ 12,760	\$ 8,863
Community services	347,514	437,275	264,957	172,318
College support services	38,309	46,964	21,136	25,828
Plant operations and maintenance	34,711	36,442	36,222	220
Contingencies	587,885	485,115	0	485,115
Total expenditures	\$ 1,027,419	\$ 1,027,419	\$ 335,075	\$ 692,344

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, 2009

Fiscal Year Ended	Uncollected Balances July 1, 2008	Current Year's Levy	Adjustments and Discounts	Collections	Uncollected Balances June 30, 2009
2009	\$	\$ 10,419,011	\$ (292,053)	\$ 9,675,014	\$ 451,944
2008	369,091		3,204	203,286	169,009
2007	118,101		(1,118)	49,528	67,455
2006	51,622		(309)	32,302	19,011
2005	14,566		(263)	9,321	4,982
2004	5,698		(270)	1,016	4,412
2003	4,507		(166)	1,074	3,267
2002	9,721		(463)	584	8,674
2001	186		(5)	0	181
2000	116		(9)	0	107
Prior Years	429		(14)	0	415
Total	<u>\$ 574,037</u>	<u>\$ 10,419,011</u>	<u>\$ (291,466)</u>	<u>\$ 9,972,125</u>	<u>\$ 729,457</u>



Schedule of Property Tax Transactions - Debt Service Fund  
For the year ended June 30, 2009

<u>Fiscal Year Ended</u>	<u>Uncollected Balances July 1, 2008</u>	<u>Current Year's Levy</u>	<u>Adjustments and Discounts</u>	<u>Collections</u>	<u>Uncollected Balances June 30, 2009</u>
2009	\$	\$ 1,742,972	\$ (53,153)	\$ 1,613,969	\$ 75,850
2008	67,574		(1,088)	35,835	30,651
2007	21,819		(258)	9,174	12,387
2006	10,092		(210)	6,226	3,656
Total	<u>\$ 99,485</u>	<u>\$ 1,742,972</u>	<u>\$ (54,709)</u>	<u>\$ 1,665,204</u>	<u>\$ 122,544</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 Seven Fiscal Years - (unaudited)

	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>
Invested in capital assets, net of related debt	\$ 13,285,344	\$ 13,337,179	\$ 9,269,103	\$ 8,246,031
Restricted - expendable	628,693	2,563,399	4,299,121	2,427,171
Unrestricted	<u>2,718,379</u>	<u>6,576,208</u>	<u>3,214,987</u>	<u>4,539,508</u>
Total net assets	<u>\$ 16,632,416</u>	<u>\$ 22,476,786</u>	<u>\$ 16,783,211</u>	<u>\$ 15,212,710</u>

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2003-2009 are presented.

Source: Rogue Community College Budget and Financial Services.

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<u>2004-05</u>	<u>2003-04</u>	<u>2002-03</u>
\$ 6,089,802	\$ 5,672,900	\$ 6,488,461
1,140,596	374,327	8,281
<u>2,463,479</u>	<u>4,008,081</u>	<u>480,900</u>
<u>\$ 9,693,877</u>	<u>\$ 10,055,308</u>	<u>\$ 6,977,642</u>

# Changes in Net Assets Last Seven Fiscal Years - (unaudited)

	2008-09	2007-08	2006-07	2005-06
Operating Revenues				
Student tuition and fees	\$ 11,848,151	\$ 10,010,734	\$ 9,810,790	\$ 9,783,177
Federal student financial aid grants	6,581,276	4,748,199	4,662,528	4,920,645
Federal grants and contracts	2,560,624	2,197,465	2,142,110	2,105,626
State and local grants and contracts	5,461,820	6,666,795	2,691,544	2,523,472
Auxiliary enterprises	2,726,353	2,148,596	2,142,221	2,275,656
Other operating revenues	0	0	58,296	83,745
Total operating revenues	\$ 29,178,224	\$ 25,771,789	\$ 21,507,489	\$ 21,692,321
Expenses:				
Instruction	\$ 14,152,736	\$ 13,191,336	\$ 12,204,951	\$ 12,633,646
Community services	619,193	420,116	409,272	445,083
Instructional support services	4,908,709	4,689,741	3,418,615	3,568,539
Student services	7,292,340	4,191,697	4,562,729	4,564,064
College support services	5,648,526	7,453,270	10,590,384	11,002,128
Plant operations and maintenance	4,820,046	3,113,041	1,868,474	2,620,063
Scholarships and grants	9,265,555	6,612,883	6,421,174	6,646,918
Depreciation	1,087,950	883,083	909,319	833,359
Total Expenses	\$ 47,795,055	\$ 40,555,167	\$ 40,384,918	\$ 42,313,800
Operating Income(loss)	\$ (18,616,831)	\$ (14,783,378)	\$ (18,877,429)	\$ (20,621,479)
Non-operating Revenues and Expenses:				
State community college support	\$ 6,229,361	\$ 10,700,936	\$ 5,919,914	\$ 11,282,157
Property taxes	11,816,153	11,287,714	10,689,177	10,093,371
Investment income	350,437	72,451	4,123,253	4,628,356
Other non-operating revenue	961,662	686,860	838,942	647,498
Gain (Loss) on disposal of capital assets	0	2,382	184,580	(340,649)
Gain (Loss) on pension asset	(5,003,419)	0	0	0
Interest expense	(2,166,204)	(2,236,097)	(2,280,643)	(2,273,793)
Amortization of deferred charges	(47,293)	(47,293)	(47,293)	(47,296)
Total non-operating revenue and expenses	\$ 12,140,697	\$ 20,466,953	\$ 19,427,930	\$ 23,989,644
Income (loss) before contributions	(6,476,134)	5,683,575	550,501	3,368,165
Capital contribution - donated assets	0	10,000	1,020,000	2,150,668
Change in net assets	\$ (6,476,134)	\$ 5,693,575	\$ 1,570,501	\$ 5,518,833

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2003-2009 are presented.

Source: Rogue Community College Budget and Financial Services

2004-05	2003-04	2002-03
\$ 9,846,121	\$ 9,898,750	\$ 8,393,173
5,638,000	6,137,770	6,045,880
2,635,301	1,957,758	1,793,059
2,720,192	1,725,630	1,075,370
2,302,389	2,292,442	2,346,452
55,825	69,107	106,038
\$ 23,197,828	\$ 22,081,457	\$ 19,759,972
\$ 11,300,840	\$ 11,168,605	\$ 9,818,628
435,517	490,353	490,899
3,126,831	4,558,976	5,253,235
4,178,159	4,622,926	3,798,292
10,630,067	7,390,772	8,870,484
1,673,169	1,438,608	1,285,587
6,830,239	7,278,436	6,553,282
833,881	786,340	795,128
\$ 39,008,703	\$ 37,735,016	\$ 36,865,535
\$ (15,810,875)	\$ (15,653,559)	\$ (17,105,563)
\$ 7,078,497	\$ 11,803,307	\$ 6,798,771
8,033,238	7,640,754	7,340,571
334,262	184,097	130,996
400,324	217,089	817,326
(150)	(48,043)	0
0	0	0
(702,002)	(503,926)	(344,841)
(23,725)	(11,097)	(8,004)
\$ 15,120,444	\$ 19,282,181	\$ 14,734,819
(690,431)	3,628,622	(2,370,744)
329,000	0	0
\$ (361,431)	\$ 3,628,622	\$ (2,370,744)

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:				
2008-09	\$ 15,406,295,412	\$ 31,152,790,422	49.5%	0.6256
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
Josephine County:				
2008-09	\$ 5,655,223,569	\$ 10,271,803,111	55.1%	0.5128
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

(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)

	2008-09	2007-08	2006-07	2005-06
Jackson County:				
Jackson County	2.3433	2.2534	2.2426	2.2692
Jackson ESD	0.3524	0.3524	0.3524	0.3524
Rogue Community College	0.6256	0.6323	0.6365	0.6378
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	0.4700
White City Soil and Water Conservation	0.0500	0.0500	0.0000	0.0000
Cities and Towns:				
Ashland	4.2886	4.1425	4.1826	3.8691
Butte Falls	7.2494	7.2494	7.2494	7.2494
Central Point	4.4700	4.4470	4.4699	4.4699
Eagle Point	2.7328	2.7509	2.7854	2.8283
Gold Hill	2.4637	2.4174	2.4745	2.4879
Jacksonville	2.5745	2.6478	2.6852	2.7591
Medford	5.3709	5.3751	5.3713	5.2953
Phoenix	3.6463	3.6463	3.6463	3.6463
Rogue River	3.6477	3.5900	3.6302	3.6658
Shady Cove	0.9283	0.9488	0.9493	0.9290
Talent	3.4185	3.4654	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	2.4938	2.4920	2.4680	2.4884
Prospect	0.9902	0.9902	0.9902	0.9902
Rogue River #1	2.2116	2.2018	2.2478	2.2509
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	4.2875	4.3035	4.3373	4.3634
Ashland #5	6.0470	5.9395	5.4059	5.3125
Butte Falls #91	4.5749	4.5749	4.5749	4.5749
Central Point #6	5.7278	5.7252	5.7592	5.7436
Eagle Point #9	6.5937	6.6287	6.5861	6.6800
Medford #549C	6.5550	6.2424	5.0551	5.0043
Phoenix #4	5.0918	5.0617	5.6875	5.9467
Pinehurst #94	4.8235	4.8235	4.8235	4.8235
Prospect #59	4.3628	4.3628	4.3628	4.3628
Rogue River #35	4.9901	5.0307	5.0383	5.0723
Special Levies:				
Jackson Cty Urban Renewal	0.0000	0.2726	0.2456	0.2469

2004-05	2003-04	2002-03	2001-02	2000-01	1999-00
2.4725	2.5049	2.3789	2.3930	2.2798	1.9996
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	0.0429	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
3.8768	3.9599	3.9799	3.9973	4.1031	3.8643
7.2494	7.2494	7.2494	7.2494	7.2494	7.2466
4.4699	4.4699	4.4699	4.4699	5.8328	5.8328
2.8949	3.1920	3.3187	3.4675	3.3011	3.7083
2.4983	2.5133	2.6270	2.6026	2.6754	2.6305
2.8297	2.9245	2.9804	3.0799	3.3953	3.5972
5.2953	5.3883	5.3927	5.3972	5.3990	5.4083
3.6463	3.6463	4.2275	4.2664	4.3118	4.3561
3.6906	3.7372	3.7588	3.7559	3.7923	3.8962
1.0558	1.0794	1.0847	1.1102	1.1371	1.1909
3.2316	3.2316	3.2316	3.2316	3.2316	3.2316
1.6787	1.6787	1.6787	1.6787	1.6787	1.6653
3.1194	3.1194	2.9900	2.6900	3.1194	3.1187
1.9455	1.9455	1.9455	1.9455	1.9455	1.9454
1.2905	1.2905	1.2905	1.2905	1.2905	1.2824
1.4740	1.4740	1.4740	1.4740	1.4740	1.4232
2.2967	2.1810	2.4630	2.4938	2.4938	2.4938
0.9902	0.9902	0.9902	0.9902	0.9902	0.9846
2.2609	2.2700	2.2747	2.2886	2.3115	2.3284
2.0181	2.0181	2.0181	2.0181	2.0181	2.0127
3.1976	3.1976	3.1976	3.1976	3.1976	3.1958
4.4285	4.4927	4.4584	4.4661	3.8994	4.1576
5.4425	5.4899	5.5266	5.8263	5.9977	6.1057
4.5749	4.5749	4.5749	4.5749	4.5749	4.5749
5.8144	6.0497	5.9145	6.1331	6.0806	4.4134
7.1679	7.1936	7.0862	7.3775	4.7170	4.7170
5.0060	4.9855	5.0784	5.1449	5.1769	5.2371
6.1590	6.2346	6.3245	6.3034	5.3764	5.4122
4.8235	4.8235	4.8235	4.8235	4.8235	4.8235
4.3628	4.3628	4.3628	4.3628	4.3628	6.7751
5.0926	5.1048	5.0549	5.0515	4.1386	4.1532
0.2509	0.2551	0.2880	0.2642	0.2752	0.2538

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

	2008-09	2007-08	2006-07	2005-06
Medford Urban Renewal	0.4131	0.3938	0.4129	0.4439
Talent Urban Renewal	1.2392	1.2556	1.1241	1.0770
Local Option Levies:				
Applegate Fire District #9	0.8500	0.8500	0.8500	0.8500
Ashland School Dist #5	1.2900	0.0000	0.0000	0.0000
City of Ashland	0.1300	1.5800	1.3800	1.3800
City of Gold Hill	0.0000	0.0000	0.9642	1.0156
City of Jacksonville	0.0000	0.0000	1.0600	1.0600
City of Phoenix	0.0000	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	0.3600
Rogue River Fire District #1	0.5000	0.5000	0.5000	0.5000
Josephine County:				
4-H Extension	0.0459	0.0459	0.0459	0.0459
Southern Oregon ESD	0.3524	0.3524	0.3524	0.3524
Josephine County	0.7873	0.8039	0.8104	0.8281
Rogue Community College	0.5128	0.5128	0.5128	0.5128
Cities:				
Grants Pass	4.6338	4.6432	4.1335	4.1335
Cave Junction	1.8959	1.8959	1.8959	1.8959
Fire Districts:				
Applegate RFPD #9	1.6787	1.6787	1.6787	1.6787
Illinois Valley RFPD #1	2.2615	2.3074	2.3462	2.3759
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	6.2061	6.4129	6.4794	6.6664
Three Rivers	4.2875	4.3035	4.3373	4.3634
Local Option Levy:				
Applegate RFPD #9	0.8500	0.8500	0.8500	0.8500
City of Grants Pass	1.4900	1.4900	1.4900	1.4900
Josephine County	0.0000	0.0000	0.0000	0.0000
Williams RFPD	0.5300	0.5300	0.0000	0.0000
Wolf Creek RFPD	0.7900	0.7900	0.7900	0.7900

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

2004-05	2003-04	2002-03	2001-02	2000-01	1999-00
0.4835	0.4575	0.4876	0.4726	0.4767	0.4211
0.8767	0.7164	0.6736	0.7218	0.8017	0.8119
0.8500	1.0000	1.0000	1.0000	1.0000	1.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
1.3800	1.3800	1.3800	1.3800	1.3800	0.9496
1.0414	1.0906	1.1127	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
2.8500	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
0.5000	0.5000	0.5000	0.5000	0.0000	0.0000
0.0459	0.0459	0.0459	0.0459	0.0459	0.0455
0.3524	0.3524	0.3524	0.3524	0.3524	0.3524
0.8478	0.8799	0.7954	0.8266	0.7345	1.0219
0.5128	0.5128	0.5128	0.5128	0.5128	0.5128
4.1335	4.1335	4.1335	4.1335	4.1335	4.4283
2.0374	2.0426	2.0487	2.0483	2.0354	2.0596
1.6787	1.6787	1.6787	1.6787	1.6787	1.6653
2.4093	2.4353	1.8701	1.8701	1.8701	1.8274
1.0552	1.0552	1.0552	1.0552	1.0552	1.0353
2.1865	2.1865	2.1865	2.1865	2.1865	1.9800
6.7555	6.4262	7.0575	7.1400	7.2314	7.4312
4.4285	4.4927	4.4584	4.4661	3.7262	3.7262
0.8500	0.0000	1.0000	1.0000	1.0000	1.0000
0.8900	0.8900	0.8500	0.8500	0.8500	0.8500
0.0000	0.0000	0.1300	0.1300	0.7867	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, 2009			June 30, 2000		
	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)	\$ 188,859,000	1	1.23%	\$ 195,098,000	1	2.18%
Carestream Health Inc.	114,918,490	2	0.75%			
Harry & David Operations Inc	76,798,479	3	0.5%			
Avista Corp. DBA Avista Utilities	67,978,200	4	0.44%	41,676,850	5	0.47%
Rogue Valley Manor	65,054,970	5	0.42%	44,674,140	4	0.5%
Qwest Corp	63,136,700	6	0.41%			
Boise Building Solutions	54,568,285	7	0.35%			
Rogue Valley Mall, LLC	49,834,890	8	0.32%			
Certainteed Corp	38,233,890	9	0.25%			
Lithia Real Estate Inc	35,798,910	10	0.23%			
Eastman Kodak Company				86,126,810	2	0.96%
US West Communications, Inc				69,180,470	3	0.77%
Boise Cascade Corp				39,481,790	6	0.44%
Bear Creek Operations				38,349,250	7	0.43%
Fund A Rogue Valley, Inc				37,923,090	8	0.42%
BOC Group, Inc				20,818,240	9	0.23%
Haagen Alexander Properties				20,752,510	10	0.23%
Total - principal tax payers	755,181,814		4.9%	594,081,150		6.63%
Other	14,651,113,598		95.1%	8,359,929,190		93.37%
Total - all taxpayers	<u>\$ 15,406,295,412</u>		<u>100%</u>	<u>\$ 8,954,010,340</u>		<u>100%</u>

Source: Jackson County Assessor's Office

Principal Taxpayers of Josephine County  
Current Year and Nine Years Ago

Taxpayer	June 30, 2009			June 30, 2000		
	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)	\$ 54,723,320	1	0.97%	\$ 69,926,200	1	2.01%
Qwest Corporation	23,601,790	2	0.42%			
Masterbrand Cabinets, Inc.	22,362,260	3	0.4%			
Nunn, Ronald C & Marcia K	18,916,020	4	0.33%	11,817,760	3	0.34%
Auerbach Grants Pass LLC & Freeman Grants Pass LLC	15,745,640	5	0.28%			
Wal-Mart Stores, Inc	15,248,163	6	0.27%			
Spring Village LLC & Spring Village Retirement LLC	14,800,521	7	0.26%			
Avista Corp	13,640,000	8	0.24%	7,946,961	7	0.23%
Lynn-Ann Development LLC	12,845,625	9	0.23%			
Grants Pass FMS LLC	12,579,470	10	0.22%			
U.S. West Comm.				29,491,719	2	0.85%
Grants Kent Partners LLP/Fred Meyer				10,361,510	4	0.3%
Grants Pass Associates - 1981				10,254,620	5	0.29%
Johnson, Carl				7,982,660	6	0.23%
Jensen, Robert A & Shirley Y				6,818,937	8	0.2%
Hillebrand Children Riverwood Apts.				6,116,096	9	0.18%
Marquis Suites				5,468,438	10	0.16%
Total - principal taxpayers	204,462,809		3.62%	166,184,901		4.79%
Other	5,453,842,300		96.38%	3,313,663,053		95.21%
Total - all taxpayers	\$ 5,658,305,109		100%	\$ 3,479,847,954		100%

Source: Josephine County Assessor's Office

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

	2008-09	2007-08	2006-07	2005-06
General Fund				
Levy extended by assessor	\$ 10,419,011	\$ 9,879,788	\$ 9,358,508	\$ 8,770,235
Reduction of taxes receivable:				
Current year	9,675,014	9,210,075	8,734,514	8,290,870
Percentage of levy	92.86%	93.22%	93.33%	94.53%
Tax roll adjustments and discounts	(292,053)	(300,622)	(306,867)	(243,579)
Beginning taxes receivable:				
Prior year	574,037	493,004	414,255	506,751
Reduction of taxes receivable:				
Prior year	297,111	285,952	212,408	301,404
Tax roll adjustments and discounts	587	(2,106)	(25,970)	(26,878)
Interest	52,366	54,088	55,264	69,497
Total taxes receivable end of year	729,457	574,037	493,004	414,255
Land sales severance tax and other revenues	345	2,706	5,222	3,486
Total received by College	\$ 10,024,836	\$ 9,552,821	\$ 9,007,408	\$ 8,665,257
Tax levy rate (per \$1,000 assessed value)	\$ 0.5128	\$ 0.5128	\$ 0.5128	0.5128
Total tax collections in subsequent years	\$ N/A	\$ 500,703	\$ 556,540	\$ 460,354
Total collections to date	\$ 9,967,067	\$ 9,710,778	\$ 9,291,054	\$ 8,751,224
Percentage of levy collected	95.66%	98.29%	99.28%	99.78%

Source: Rogue Community College Budget and Financial Services



<u>2004-05</u>	<u>2003-04</u>	<u>2002-03</u>	<u>2001-02</u>	<u>2000-01</u>	<u>1999-00</u>
\$ 8,277,703	\$ 7,850,939	\$ 7,473,551	\$ 7,055,316	\$ 6,661,566	\$ 6,291,469
7,727,728	7,362,446	6,955,038	6,563,476	6,169,246	5,839,380
93.36%	93.78%	93.06%	93.03%	92.61%	92.81%
(263,684)	(209,635)	(190,121)	(184,747)	(183,977)	(160,460)
502,616	565,308	535,039	541,545	509,332	485,231
288,375	333,915	323,472	331,125	288,010	278,526
6,219	(7,635)	25,349	17,526	11,880	10,998
17,923	20,018	20,935	21,788	31,774	32,144
506,751	502,616	565,308	535,039	541,545	509,332
13,000	7,086	31,792	57,611	69,225	86,549
<u>\$ 8,047,026</u>	<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>
\$ 0.5128	\$ 0.5128	\$ 0.5128	0.5128	\$ 0.5128	\$ 0.5128
\$ 544,993	\$ 484,082	\$ 515,247	\$ 483,167	\$ 492,139	\$ 451,983
\$ 8,272,721	\$ 7,846,528	\$ 7,470,285	\$ 7,046,643	\$ 6,661,385	\$ 6,291,363
99.94%	99.94%	99.96%	99.88%	99.99%	99.99%

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

	2008-09	2007-08	2006-07	2005-06
Debt Service Fund				
Levy extended by assessor	\$ 1,742,972	\$ 1,764,076	\$ 1,722,600	\$ 1,634,536
Reduction of taxes receivable:				
Current year	1,613,969	1,639,308	1,601,632	1,545,507
Percentage of levy	92.60%	92.93%	92.98%	94.55%
Tax roll adjustments and discounts	(53,153)	(57,194)	(61,885)	(44,428)
Beginning taxes receivable:				
Prior year	99,485	77,066	44,601	0
Reduction of taxes receivable:				
Prior year	51,235	46,221	25,374	0
Tax roll adjustments and discounts	(1,556)	1,066	(1,244)	0
Interest	8,073	7,006	5,880	2,698
Total taxes receivable end of year	122,544	99,485	77,066	44,601
Land sales severance tax and other revenues	0	0	0	0
Total received by College	<u>\$ 1,673,277</u>	<u>\$ 1,692,535</u>	<u>\$ 1,632,886</u>	<u>\$ 1,548,205</u>
Tax levy rate (per \$1,000 assessed value)	\$ 0.1128	\$ 0.1195	\$ 0.1237	\$ 0.1251
Total collections in subsequent years	\$ N/A	\$ 94,117	\$ 108,580	\$ 85,374
Total collections to date	\$ 1,667,122	\$ 1,733,425	\$ 1,710,212	\$ 1,630,881
Percentage of levy collected	95.65%	98.26%	99.28%	99.78%

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)

	2008-09	2007-08	2006-07	2005-06
General obligation and refunding bonds	\$ 22,420,000	\$ 23,025,000	\$ 23,540,000	\$ 24,000,000
General bonded debt	22,420,000	23,025,000	23,540,000	24,000,000
Limited tax pension obligation bonds	\$ 20,385,000	\$ 20,590,000	\$ 20,740,000	\$ 20,950,000
Certificates of participation	620,000	730,000	835,000	935,000
Note payable	260,664	271,619	281,996	291,824
Capital leases	0	0	0	0
Other debt to be repaid by general government resources	21,265,664	21,591,619	21,856,996	22,176,824
Total outstanding debt	\$ 43,685,664	\$ 44,616,619	\$ 45,396,996	\$ 46,176,824
General Bonded Debt Ratios				
Per capita	\$ 77.69	\$ 80.87	\$ 84.15	\$ 87.54
Per FTE	\$ 4,506	\$ 5,383	\$ 5,328	\$ 5,994
As a percentage of taxable assessed value	.11%	.11%	.12%	.13%
Total Outstanding Debt Ratios				
Per capita	\$ 151.38	\$ 156.71	\$ 162.28	\$ 168.43
Per FTE	\$ 8,781	\$ 10,431	\$ 10,276	\$ 11,532
As a percentage of taxable assessed value	.21%	.22%	.24%	.26%

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

2004-05	2003-04	2002-03	2001-02	2000-01	1999-00
\$ 24,000,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
\$ 21,035,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
1,030,000	10,040,000	10,570,000	5,480,000	5,875,000	3,780,000
301,133	309,951	318,303	326,215	335,564	368,584
0	1,100	5,110	6,379	43,128	5,216
22,366,133	10,351,051	10,893,413	5,812,594	6,253,692	4,153,800
\$ 46,366,133	\$ 10,351,051	\$ 10,893,413	\$ 5,812,594	\$ 6,253,692	\$ 4,153,800
\$ 88.95	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$ 6,062	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
.14%	0%	0%	0%	0%	0%
\$ 171.85	\$ 38.7	\$ 41.07	\$ 22.22	\$ 24.33	\$ 16.16
\$ 11,712	\$ 2,517	\$ 2,452	\$ 1,172	\$ 1,327	\$ 915
.28%	.07%	.07%	.04%	.05%	.03%

Direct and Overlapping Governmental Activities Debt  
As of June 30, 2009 - (unaudited)

	Gross Property-tax Backed Debt	Net Property-tax Backed Debt	Percent Overlap
Direct Debt			
Rogue Community College	\$ 42,805,000	\$ 22,420,000	
Total Direct Debt	\$ 42,805,000	\$ 22,420,000	
Overlapping Debt			
Jackson County	30,770,000	30,770,000	100.0%
Cities:			
Ashland	18,260,000	3,115,000	100.0%
Butte Falls	94,346	94,346	100.0%
Central Point	3,912,297	1,200,000	100.0%
Eagle Point	1,263,883	1,263,883	100.0%
Gold Hill	382,488	382,488	100.0%
Jacksonville	2,912,494	2,912,494	100.0%
Medford	55,730,000	4,465,000	100.0%
Rogue River	270,000	270,000	100.0%
Shady Cove	695,028	695,028	100.0%
Talent	945,000	945,000	100.0%
Fire Districts and other:			
Rogue River #1	780,000	780,000	100.0%
Jackson County Housing Authority	4,023,924	0	0.0%
School Districts:			
Ashland #5	42,420,000	42,420,000	100.0%
Central Point #6	23,965,000	23,965,000	100.0%
Eagle Point #9	27,435,000	27,435,000	100.0%
Medford #549C	234,865,000	234,865,000	100.0%
Phoenix #4	28,290,000	13,415,000	100.0%
Rogue River #35	3,805,000	3,805,000	100.0%

Direct and Overlapping Governmental Activities Debt  
As of June 30, 2009 - (unaudited)

	Gross Property-tax Backed Debt	Net Property-tax Backed Debt	Percent Overlap
Overlapping Debt (continued)			
Josephine County	27,019,036	16,085,000	100.0%
Cities:			
Grants Pass	8,490,000	8,490,000	100.0%
Fire Districts and other:			
Illinois Valley RFPD #1	1,955,000	1,955,000	100.0%
Williams RFPD	195,000	195,000	100.0%
School Districts:			
Grants Pass District #7	14,575,000	14,575,000	100.0%
Three Rivers School District	46,220,000	19,630,000	100.0%
Total Overlapping Debt	\$ 579,273,496	\$ 453,728,239	
Total Direct and Overlapping Debt	\$ 622,078,496	\$ 476,148,239	

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
2008-09					
Jackson County	\$ 31,152,790,422	\$ 467,291,856	\$ 22,420,000	\$ 444,871,856	4.80%
Josephine County	10,271,803,111	154,077,047	0	154,077,047	0
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

(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
2008-09						
Jackson	205,304	\$ N/A	\$ 24,001	40.7	24.5	7.7
Josephine	83,288	N/A	20,257	44.6	13.4	9.0
2007-08						
Jackson	202,310	6,669,870	23,460	40.6	22.8	5.7
Josephine	82,390	2,247,384	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

(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, 2009		June 30, 2000	
Company Name	Industry	Rank	Total Employees	Rank	Total Employees
Jackson County:					
Lithia Motors	Auto Dealership	1	3,500		
Asante Health Systems	Health Care	2	2,943	2	2,700
Harry & David Operations	Direct Mail Order	3	2,000		
Rogue Valley Medical Center	Health Care	4	1,638		
Providence Medical Center	Health Care	5	1,271	5	890
Medford School District #549C	Education	6	914	4	1,011
Boise Building Solutions	Lumber	7	875	6	650
Jackson County	Government	8	874	3	1,278
Southern Oregon University	Education	9	600		
Amy's Kitchen	Food Manufacturing	10	450		
Wal-Mart	Retail			10	500
Bear Creek Corp	Direct Mail Merchandisers			1	2,000-5,000
Timber Products	Lumber			7	620
Cascade Wood Products	Sawmill, Plywood			8	600
City of Medford	Government			9	547
Josephine County:					
Three Rivers Community Hospital	Health Care	1	900	3	747
Grants Pass School District	Education	2	670	1	750
Three Rivers School District	Education	3	645	2	750
Rogue Community College	Education	4	558	5	672
Wal-Mart	Retail	5	470	6	275
Fire Mountain Gems	Gems/Beads	6	450		
Josephine County	Government	7	450	4	675
Siskiyou Design	Precision Manufacturing	8	442		
Master Brand Cabinets	Kitchen Cabinet Distributor	9	335		
Barrett Business Services	Employment Contractor	10	260		
US Forest Industries	Plywood Mill			7	270
Schrock Cabiinet Company	Cabinets			8	240
Fred Meyer	Retail			9	236
Royale Gardens	Health Care			10	215

Source: Jackson and Josephine Counties Chamber of Commerce

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

Fiscal Year	Management	Classified	Part-Time Classified	Faculty	Part-Time Faculty	Students	Total
2008-09	43	148	12	91	141	123	558
2007-08	41	147	9	84	130	142	553
2006-07	44	151	12	88	130	141	566
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 2002-2009 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			
2008-09	\$ 68	\$ 83 *	4,975.21	5,012.23	19,061
2007-08	66	80	4,277.13	4,297.69	17,782
2006-07	64	77	4,417.78	4,144.85	19,737
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

\* Residents of Washington, Idaho, California, and Nevada pay an in-state tuition rate of \$68.  
International students tuition is \$227.

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)

	2008-09	2007-08	2006-07	2005-06
Lower Division Transfer Courses	2,301.77	1,958.1	1,922.45	1,882.18
Professional Technical Preparatory	919.29	782.2	757.88	677.4
Professional Technical Supplemental	122.74	92.64	105.43	115.36
Professional Technical Apprentice	59.51	71.06	68.58	68.89
English as a Second Language	169.88	183.14	175.71	163.44
Adult Basic Education	293.93	246.53	210.83	177.36
General Equivalency Diploma	85.47	99.71	75.89	76.5
Post Secondary Remedial	828.56	585.78	563.2	657.36
Self Improvement	118.5	184.53	170.49	185.8
Total Reimbursable FTE *	4,899.65	4,203.69	4,050.46	4,004.29
Non-reimbursable	75.56	73.44	367.32	111.53
Total FTE	4,975.21	4,277.13	4,417.78	4,115.82
State Appropriation	\$ 7,857,286	\$ 9,227,167	\$ 7,393,684	\$ 9,513,750
State Appropriation per Reimbursable FTE	\$ 1,603.6423	\$ 2,195.016	\$ 1,825.3937	\$ 2,375.8894

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

Source: Rogue Community College Budget and Financial Services

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2004-05	2003-04	2002-03	2001-02	2000-01	1999-00
1,839.96	1,861.89	1,872.87	1,994.61	1,847.41	1,802.61
717.56	734.98	778.61	894.34	828.39	819.31
106.47	93.71	85.37	84.26	104.17	83.28
57.82	53.31	54.64	65.37	69.28	61.09
168.11	157.63	149.81	201.8	199.77	164.94
162.48	174.8	201.69	241.4	202.45	178.06
68.2	85.09	85.75	129.45	175.73	199.62
632.67	710	936.98	1,008.13	925.05	937.13
205.63	240.24	277.26	340.05	361.28	293.61
3,958.9	4,111.65	4,442.98	4,959.41	4,713.53	4,539.65
129.51	100.09	70.26	67.85	75.93	70.34
4,088.41	4,211.74	4,513.24	5,027.26	4,789.46	4,609.99
\$ 8,847,878	\$ 9,537,052	\$ 9,065,029	\$ 10,680,700	\$ 9,367,297	\$ 9,234,704
\$ 2,234.9334	\$ 2,316.5194	\$ 2,040.3038	\$ 2,153.6231	\$ 1,987.321	\$ 2,034.2326

Capital Assets Activity  
Last Ten Fiscal Years - (unaudited)

Fiscal Year	Beginning Balance	Additions	Deletions	Ending Balance
2008-09				
Land	\$ 2,908,177	\$ 540,735	\$ 0	\$ 3,448,912
Buildings	28,138,753	9,955,992	591,429	37,503,316
Equipment	2,103,437	396,688	0	2,500,125
Construction in progress	9,135,091	850,467	9,985,558	0
Infrastructure	1,797,825	0	0	1,797,825
Library Collections	444,977	51,514	0	496,491
Software	833,355	0	0	833,355
Total capital and other assets	45,361,615	11,795,396	10,576,987	46,580,024
Less accumulated depreciation	10,425,612	1,087,950	50,694	11,462,868
Total	<u>\$ 34,936,003</u>	<u>\$ 10,707,446</u>	<u>\$ 10,526,293</u>	<u>\$ 35,117,156</u>
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>



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

Fiscal Year	Beginning Balance	Additions	Deletions	Ending Balance
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>
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>

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

Fiscal Year	Beginning Balance	Additions	Deletions	Ending Balance
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>
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>

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

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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, 2009 and June 30, 2010, and the execution of its budget for the fiscal year ended June 30, 2009,
- 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.

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 30, 2009

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, 2009, and have issued our report thereon dated November 30, 2009. 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.*

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 30, 2009

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, 2009. 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, 2009.



### 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, 2009, and have issued our report thereon dated November 30, 2009. 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.*

Kenneth Kuhns & Co.

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ROGUE COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2009

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
Vocational Education	84.048
Title III	84.031
Construction Technology – Community Based Job Training	17.269
Illinois Valley Business Entrepreneurial Center	10.769

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, 2009

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)		\$ 6,355,122
Federal Work-Study Program	84.033 (1)(2)		111,533
Stafford Loan Program	84.032 (1)(2)		7,008,200 *
Supplemental Educational Opportunity Grants Program	84.007 (1)(2)		94,969
Academic Competitiveness Grants Program	84.375 (1)(2)		19,652
TRIO - Student Support Services	84.042A	P42A050725	238,140
TRIO - Educational Opportunity Center	84.066A	P66A070065	211,694
TRIO - Talent Search	84.044A	P44A060310	201,151
Title III	84.031A (1)	P31A050061	353,816
Passed through Oregon Department of Education:			
Vocational Education:			
Perkins Vocational Education	84.048A (1)	12350	403,264
Perkins Vocational Education	84.243	12350	44,786
Passed through The Job Council:			
Employment & Training Services	17.258	PO 2892	53,981
Passed through Oregon Department of Community Colleges and Workforce Development:			
Vocational Education:			
Adult Basic Education Program	84.002	8918	343,842
Passed through Oregon Department of Senior & Disabled Services:			
Student Employment Services	84.126A	121643-1	104,467
Passed through Southern Oregon Education Service District:			
Perkins Vocational Education	84.048 (1)		28,283
Total U.S. Department of Education			\$ 15,572,900
U.S. Department of Agriculture			
Direct Grant:			
Illinois Valley Business Entrepreneurial Center	10.769 (1)	0348-0038	\$ 299,588
U.S. Small Business Administration			

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2009

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
Passed through Oregon Small Business Development Center Network:			
Small Business Assistance	59.037	08-153	\$ 26,497
U.S. Army Corps of Engineers			
Direct Grant:			
Natural Resource - Water Quality Monitoring	(3)	W9127N-09-	\$ 12,512
National Endowment for the Arts			
Passed through the Oregon Arts Commission			
Arts Build Communities	45.024	FY09-ABC-72	\$ 3,600
U.S. Department of Labor			
Direct Grant:			
Construction Technology - Community Based Job Training	17.269 (1)	CD-17296-0	137,942
Passed through The Job Council:			
Youthbuild Program	17.274		49,468
Passed through Oregon Department of Community Colleges and Workforce Development:			
Career Pathways Grant	17.267	IGA0084	45,556
EWTF RCC Sustainability HS Career Pathways Project	17.260	IGA0125	323
Total U.S. Department of Labor			\$ 233,289
			\$ 16,148,386
*Less Stafford Loans which are not expenditures of the College but are a federal loan guarantee program			<u>7,008,200</u>
			<u>\$ 9,140,186</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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